

## OFFER INFORMATION STATEMENT DATED 1 July 2020

(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 1 July 2020)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. BEFORE MAKING ANY INVESTMENT IN THE CONVERSION SHARES (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS OFFER INFORMATION STATEMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS OFFER INFORMATION STATEMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE CONVERSION SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

The Conversion Shares offered are issued by Kitchen Culture Holdings Ltd. (the "Company"), an entity whose shares are listed for quotation on the Catalist (as defined herein).

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This offer is made in or accompanied by an offer information statement ("Offer Information Statement") which has been lodged with the SGX-ST acting as agent on behalf of the Authority.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has in any way considered the merits of the Company and its subsidiaries, the Conversion Shares being offered for investment. Lodgement of this Offer Information Statement with the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore ("SFA"), or any other legal or regulatory requirements, or requirements in the Catalist Rules (as defined herein), have been complied with.

An application has been made to the SGX-ST for permission for the Conversion Shares to be listed for quotation on Catalist. The listing and quotation notice has been obtained from the SGX-ST on 19 June 2020 for the dealing in, listing of and quotation for the Conversion Shares on the Catalist subject to certain conditions which include, *inter alia*, compliance with the SGX-ST's listing requirements. The listing and quotation notice granted by the SGX-ST is in no way reflective of and is not an indication of the merits of the Conversion Shares, the Company, its subsidiaries and their securities.

The Conversion Shares will be admitted to the Catalist after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

This Offer Information Statement has been prepared solely in relation to the issue of the Conversion Shares and shall not be relied upon by any other person or for any other purpose. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer for the Conversion Shares, and does not constitute an offer, invitation or solicitation to anyone in such jurisdiction.

**After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of Conversion Shares, or allot, issue or sell any Conversion Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any Conversion Shares or the allotment, issuance or sale of any Conversion Shares on the basis of this Offer Information Statement. Your attention is drawn to the section entitled "Risk Factors" of this Offer Information Statement which you should read carefully. For the avoidance of doubt, notwithstanding the expiration of six (6) months from the date of lodgement of this Offer Information Statement, the Investors (as defined herein) are entitled to exercise their Conversion Right (as defined herein) on or before the Maturity Date (as defined herein) in accordance to the terms and conditions of the Convertible Loan Agreement (as defined herein).**

*This Offer Information Statement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This Offer Information Statement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Offer Information Statement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. The contact person for the Sponsor is Ms Lee Khai Yinn at Tel. (65) 6232 3210 at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*



**KITCHEN CULTURE HOLDINGS LTD.**

(Company Registration No.: 201107179D)

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

**THE ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 46,694,626 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "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**

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## IMPORTANT NOTES

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Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “**Definitions**” of this Offer Information Statement.

The existing Shares are listed and quoted on the Catalist.

Investors in the Company by way of an unsecured convertible loan pursuant to the terms and conditions of the Convertible Loan Agreement or subscribers of the Conversion Shares issued by the Company upon conversion of the full sum of the Convertible Amount (including Interest) that was disbursed by the Investors (or any part thereof) should, before deciding whether to subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position, performance and prospects of the Company, the Group and the rights and liabilities attaching to the Conversion Shares. They should also make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). No information in this Offer Information Statement should be considered to be business, financial, legal, investment or tax advice. It is recommended that such persons seek professional advice from their business, legal, financial, investment, tax or other professional adviser(s) before deciding whether to subscribe for the Conversion Shares (upon conversion of the full sum of the Convertible Amount).

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Conversion Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Sponsor. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group.

Neither the delivery of this Offer Information Statement nor the issue and allotment of the Conversion Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority. All persons intending to subscribe to the Conversion Shares (upon conversion of the full sum of the Convertible Amount) should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement Offer Information Statement, as the case may be, shall be deemed to have notice of such changes.

The Company, the Sponsor and/or their respective officers are not making any representation or warranty to any person regarding the legality of the subscription of the Conversion Shares by the Investors under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal, investment or tax advice. Each prospective subscriber to the Conversion Shares should consult his own professional or other adviser for business, financial, legal, investment or tax advice regarding the conversion of the full sum of the Convertible Amount into Conversion Shares.

The Company, the Sponsor and/or their respective officers make no representation, warranty or recommendation whatsoever as to the merits of the Conversion Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement shall be construed as a recommendation to subscribe for Conversion Shares. Prospective subscribers of the Conversion Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company

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## IMPORTANT NOTES

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and the Group and shall be deemed to have done so.

This Offer Information Statement has been prepared solely in relation to the issue of the Conversion Shares and shall not be relied upon by any other persons (other than persons to whom this Offer Information Statement has been despatched by the Company in accordance with the terms and conditions of the Convertible Loan Agreement), or for any other purposes.

**This Offer Information Statement may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation by or on behalf of anyone in any jurisdictions or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.**

**The distribution of this Offer Information Statement, and the subscription for the Conversion Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of such jurisdictions. Persons having possession of this Offer Information Statement are advised by the Company to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company and/or the Sponsor.**

SAC Capital Private Limited, as the Sponsor, has given and has not withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name in the form and context which it appears in this Offer Information Statement.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, future plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

In light of the ongoing uncertainties in the global financial markets and its contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the SGX-ST, acting as agent on behalf of the Authority. The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

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## CORPORATE INFORMATION

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- Directors of the Company** : Lim Wee Li (Executive Chairman and Chief Executive Officer)  
Loy Soo Toon (Executive Director, Business Development)  
Teo Choon Kow @ William Teo (Lead Independent Director)  
Kesavan Nair (Independent Director)  
Chua Siong Kiat (Independent Director)  
Lau Kay Heng (Independent Director)
- Registered Office of the Company** : 2 Leng Kee Road  
#01-08 Thye Hong Centre  
Singapore 159086
- Company Secretary** : Wee Woon Hong
- Sponsor** : SAC Capital Private Limited  
1 Robinson Road  
#21-00 AIA Tower  
Singapore 048542
- Legal Adviser to the Company** : Dentons Rodyk & Davidson LLP  
80 Raffles Place  
#33-00 UOB Plaza 1  
Singapore 048624
- Share Registrar** : RHT Corporate Advisory Pte. Ltd.  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

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## DEFINITIONS

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For the purposes of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

<b>“Authority”</b>	:	Monetary Authority of Singapore
<b>“Board” or “Directors”</b>	:	The board of directors of the Company as at the date of this Offer Information Statement
<b>“Business Day”</b>	:	A day on which banks are open for business in Singapore but excluding Saturdays, Sundays and public holidays
<b>“Catalist”</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Kitchen Culture Holdings Ltd.
<b>“Conditions Precedent”</b>	:	The conditions precedent as further detailed under the section entitled “Summary of the Terms of the Convertible Loan Agreement” of this Offer Information Statement
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“Conversion”</b>	:	The exercise by the Investors of their Conversion Rights to convert the Convertible Amount into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement
<b>“Conversion Notice”</b>	:	The notice of conversion in the form as set out in Schedule 2 to the Convertible Loan Agreement
<b>“Conversion Notice Date”</b>	:	The date on which a Conversion Notice is received by the Company (as evidenced by the transmission report of the Investor’s facsimile machine or an e-mail transmission) or the next Business Day if the Conversion Notice is received by the Company after 5.00 p.m. (Singapore time), such date not being later than the Maturity Date and not falling within the Company’s blackout period applicable under the Catalist Rules and if any Conversion Notice is given during a blackout period, such Conversion Notice shall be deemed to be void
<b>“Conversion Price”</b>	:	S\$0.149 per Conversion Share
<b>“Conversion Right”</b>	:	Each Investor’s right to convert all or any part of the respective outstanding Convertible Loan Amount and

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## DEFINITIONS

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	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
<b>“Conversion Shares”</b>	: Up to 46,694,626 new Shares to be allotted and issued by the Company and to be subscribed for by the respective Investors at the Conversion Price, credited as fully paid, pursuant to the conversion of the Convertible Amount, in accordance with the terms and conditions of the Convertible Loan Agreement
<b>“Convertible Amount”</b>	: Upon the exercise by any Investor of the Conversion Right, the aggregate amount of the Convertible Loan Amount and Interest to be converted into Conversion Shares in relation to that Investor as indicated in the Conversion Notice
<b>“Convertible Loan”</b>	: The interest-bearing convertible loan of an aggregate amount of S\$6,050,000 granted by the Investors to the Company, pursuant to the terms and conditions of the Convertible Loan Agreement
<b>“Convertible Loan Agreement”</b>	: The convertible loan agreement dated 3 May 2020 entered into between the Company and the Investors
<b>“Convertible Loan Amount”</b>	: 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 the name of each Investor in Schedule 1 of the Convertible Loan Agreement
<b>“Drawdown Date”</b>	: 4 May 2020
<b>“Event of Default”</b>	: The events of default as further detailed under the section entitled “Summary of the Terms of the Convertible Loan Agreement” of this Offer Information Statement
<b>“EGM”</b>	: Extraordinary general meeting
<b>“FP2017”</b>	: 18-month financial period of the Company from 1 January 2016 to 30 June 2017
<b>“FY”</b>	: Financial year of the Company ended or ending 30 June (as the case may be)
<b>“Group”</b>	: The Company and its subsidiaries, collectively
<b>“Hong Kong”</b>	: Hong Kong, Special Administrative Region of the PRC
<b>“HY”</b>	: 6-month financial period of the Company ended or ending 31 December (as the case may be)
<b>“Interest”</b>	: The interest accrued on the Convertible Loan at a rate of 15% of the Convertible Loan Amount



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## DEFINITIONS

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<b>“Investors”</b>	:	Chan Hiang Ngee, Wong Hong Eng, Dennis Lee Tuck Wing, Qiu Mian, Tan Kee Tuan, Chee Tuck Hong, Yang Xianzheng, Pamela Rachel Kwan Ka Foong Ken Tan Khim Sing, Tan Koon, Fang Pengchong
<b>“Latest Practicable Date”</b>	:	18 June 2020, being the latest practicable date prior to the printing of this Offer Information Statement
<b>“market day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maturity Date”</b>	:	The date falling eighteen (18) months from the Drawdown Date
<b>“Offer Information Statement”</b>	:	This document including, where the context so admits, any supplementary or replacement documents, to be issued by the Company in connection with the Conversion Shares
<b>“Potential Event of Default”</b>	:	The potential events of default as further detailed under the section entitled “Summary of the Terms of the Convertible Loan Agreement” of this Offer Information Statement
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	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
<b>“Share(s)”</b>	:	Ordinary share(s) in the capital of the Company
<b>“Sponsor”</b>	:	SAC Capital Private Limited
<b>“Substantial Shareholder”</b>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued voting Shares of the Company

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## DEFINITIONS

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<b>“Takeover Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified, or supplemented from time to time
<b>“Term Sheet”</b>	:	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
<b>“%” or “per cent.”</b>	:	Percentage or per centum
<b>“S\$” and “cents”</b>	:	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 meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

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 gender and *vice versa*. References to persons shall, where applicable, include corporations.

The words **“written”** and **“in writing”** include any means of visible reproduction.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Offer Information Statement shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

References in this Offer Information Statement to “we”, “our” and “us” refer to the Group or any member of the Group as the context requires.

**Any reference to announcements of or by the Company in this Offer Information Statement includes announcements by the Company posted on the website of the SGX-ST at <http://www.sgx.com>.**

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## INTRODUCTION

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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 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 eighteen (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.

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 Offer Information Statement.

### SUMMARY OF THE TERMS OF THE CONVERTIBLE LOAN AGREEMENT

The terms and conditions of the Convertible Loan Agreement were negotiated and agreed upon by the Company and the Investors on an arm's length basis and are summarised as follows:

<b>Convertible Loan Amount</b>	The aggregate amount of S\$6,050,000, in the respective proportions as set out against each Investor's name in paragraph 3.1 of the circular dated 13 June 2020
<b>Drawdown Date</b>	4 May 2020 (or such other date as parties may agree in writing)
<b>Maturity Date</b>	Eighteen (18) months from Drawdown Date
<b>Interest</b>	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.
<b>Conversion Price</b>	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, <i>inter alia</i> , 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

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## INTRODUCTION

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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 12% of the weighted average price of S\$0.1694 per Share for trades done on the SGX-ST on the Latest Practicable Date.

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 has sought the approval of the Shareholders for the Conversion under Rule 811(3) of the Catalist Rules. The resolutions in relation to the Conversion were duly passed by Shareholders at the EGM held on 29 June 2020.

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.

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## INTRODUCTION

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	<p>For avoidance of doubt, any adjustments to the Conversion Price, pursuant to the Convertible Loan Agreement, which are to the advantage of the Investors or are prejudicial to the interests of the Shareholders shall be subject to the prior approval of the Shareholders in a general meeting.</p>
<b>Conversion Right</b>	<ol style="list-style-type: none"><li data-bbox="628 394 1401 696">(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, fractional entitlements to be disregarded.</li><li data-bbox="628 730 1401 898">(2) Unless otherwise agreed in writing by the Company, each Investor may effect one Conversion at any time after the Conditions Precedent under the Convertible Loan Agreement have been fulfilled or so waived by the Company.</li><li data-bbox="628 931 1401 1099">(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.</li><li data-bbox="628 1133 1401 2047">(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 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:<ol style="list-style-type: none"><li data-bbox="703 1570 1401 1704">(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</li><li data-bbox="703 1738 1401 2047">(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.</li></ol></li></ol>

## INTRODUCTION

	<p>(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.</p>
<p><b>Conditions Precedent</b></p>	<p>The Conversion Right shall be subject to the following conditions precedent being fulfilled or waived by the Company:</p> <p>(1) approval from Shareholders at an EGM to be convened in respect of the issuance and allotment of the Conversion Shares being obtained;</p> <p>(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;</p> <p>(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</p> <p>(4) written declaration from each of the Investors in such form and substance acceptable to the Company that:</p> <p>(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;</p> <p>(b) none of the Investors is acting in concert with one another or with any Shareholder or Director or officer of the Company within the meaning of that expression provided in the Takeover Code; and</p> <p>(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 or Director or officer of the Company, to obtain or consolidate control of the Company or the voting rights in the Company.</p>

## INTRODUCTION

	As of the date of this Offer Information Statement, all the Conditions Precedent have been fulfilled.
<b>Long-Stop Date</b>	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.
<b>Repayment of Convertible Loan and Payment of Interest</b>	<p>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.</p> <p>If any part of the Convertible Loan has been converted, the outstanding principal amount of the Convertible Loan shall be reduced by the converted amount.</p> <p>If any part of the Interest has been converted, the outstanding amount of the Interest shall be reduced by the converted amount.</p>
<b>Prepayment and Cancellation</b>	No prepayment or cancellation of the Convertible Loan, or any part thereof, is allowed.
<b>Event of Default</b>	<p>Any one of the following events and occurrences shall constitute an Event of Default under the Convertible Loan Agreement:-</p> <p>(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;</p> <p>(b) failure by the Company to perform or comply with any of the terms and conditions of the Convertible Loan Agreement;</p> <p>(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;</p> <p>(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</p>

## INTRODUCTION

	<p>financial condition of the Company or the ability of the Company to fulfil its obligations under the Convertible Loan Agreement; or</p> <p>(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.</p> <p>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 fulfilment 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.</p>
<p><b>Investors' Representations and Warranties</b></p>	<p>Each of the Investors has represented and warranted that, <i>inter alia</i>:</p> <ol style="list-style-type: none"> <li>(1) It is an accredited investor (as defined in Section 4A(1)(a) of the SFA).</li> <li>(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.</li> <li>(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.</li> </ol> <p>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 Notice Date. Each warranty shall survive and continue to have full force and effect after the execution of the</p>



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## INTRODUCTION

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	<p>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.</p>
<b>No Amendment or Variation</b>	<p>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 by the Catalyst Rules.</p>
<b>Transferability, Assignment and Rights upon Liquidation</b>	<p>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.</p> <p>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.</p>

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)  
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PART 2 (IDENTITY OF DIRECTORS, ADVISERS AND AGENTS)

**1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

<b>Name</b>	<b>Designation</b>	<b>Address</b>
Lim Wee Li	Executive Chairman and Chief Executive Officer	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
Loy Soo Toon	Executive Director, Business Development	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
Teo Choon Kow @ William Teo	Lead Independent Director	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
Kesavan Nair	Independent Director	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
Lau Kay Heng	Independent Director	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
Chua Siong Kiat	Independent Director	c/o 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086

**2. Provide the names and addresses of –**

- (a) the issue manager to the offer, if any;**
- (b) the underwriter to the offer, if any; and**
- (c) the legal adviser for or in relation to the offer, if any.**

<b>Issue Manager</b>	: Not applicable
<b>Underwriter</b>	: Not applicable
<b>Legal Adviser</b>	: Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

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- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**
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**Share Registrar** : RHT Corporate Advisory Pte. Ltd.  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

**Transfer Agent** : Not applicable

**Receiving Banker** : Not applicable

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)  
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PART 3 (OFFER STATISTICS AND TIMETABLE)

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**1. For each method of offer, state the number of securities or securities-based derivatives contracts being offered.**

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**Method of Offer** : 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 Amount to the Company.

**Basis of Allotment** : Under the terms of the Convertible Loan Agreement, the Investors have been granted the right to convert, at the Conversion Price of S\$0.149 per Conversion Share, the Convertible Amount into a maximum of 46,694,626 Conversion Shares in the issued and paid-up capital of the Company, fractional entitlements to be disregarded.

Upon the Conditions Precedent having been fulfilled or otherwise waived by the Company, each Investor shall have the right to exercise its Conversion Right at a minimum conversion of 500,000 Conversion Shares per Conversion.

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**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:**

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

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Please refer to paragraphs 3 to 7 of this Part 3 below.

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**3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

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Upon the Conditions Precedent having been fulfilled or otherwise waived by the Company, each Investor shall exercise its Conversion Rights by sending, via facsimile or e-mail attaching a scan of the signed Conversion Notice (or such other means as agreed between the Company and the Investors) on the Conversion Notice Date at the Investor's own expense, and then deliver or mail to the Company the original of the Conversion Notice by 11.30 a.m. (Singapore time) on the Business Day following the Conversion Notice Date. The Company shall acknowledge receipt by facsimile or e-mail to the Investor at the e-mail addresses provided in the Conversion Notice by 5.30 p.m. (Singapore time) on the Conversion Notice Date. Failure of the Company to deliver such an acknowledgement shall not affect the validity of the Conversion Notice provided that the Investors shall retain a mechanical or electronically generated confirmation of the successful transmission of such facsimile or evidence of e-mail transmission.

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Such Conversion Notice Date (as evidenced by the transmission report of the Investor's facsimile machine or an e-mail transmission) must not be later than the Maturity Date and not falling within the Company's blackout period applicable under the Catalist Rules, and if any Conversion Notice is given during a blackout period, such Conversion Notice shall be deemed to be void.

Where required by the Company, each Investor will pay the expenses for the issue and allotment of the Conversion Shares upon conversion of the Convertible Amount.

Immediately after each Conversion Notice Date, the Company shall ensure that all the necessary steps are taken for the issue and allotment of the Conversion Shares in respect of the Convertible Amount converted on such Conversion Notice Date. The Company shall deliver an allotment advice for shares in respect of the Conversion Shares to its share registrar in Singapore by 5.30 p.m. (Singapore time) on the Conversion Notice Date. The Conversion Notice once deposited shall not be withdrawn without the consent in writing of the Company.

The Company shall, as soon as practicable, and in any event within two (2) Business Days after the Conversion Notice Date, deliver or cause to be delivered to the Investors, such delivery to be in accordance with normal practice for settlement of transactions on the SGX-ST, clearance system account credit instructions, together with any such other securities, property or cash required to be delivered on conversion, and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

Further:

- (i) Upon receipt of the Conversion Notice, the Company shall forthwith take all steps necessary to ensure the allotment and issue of the Conversion Shares to the Investors.
- (ii) Fractions of a Share will not be issued on Conversion and no adjustment or cash payment will be made in respect thereof.
- (iii) All Conversion Shares issued and allotted from time to time to the Investors shall rank *pari passu* in all respects with the then existing Shares in the capital of the Company.
- (iv) If the Conversion Notice Date falls on or before the record date for determining entitlement of Shareholders to any dividend or other distribution or of participation in any rights issue in respect of the Shares, the Investors (and the Conversion Shares) shall not be entitled to any such dividend or other distribution in any rights issue, and the Company shall not be required to make payment of the dividend or other distribution to any such Investor that has issued the Conversion Notice.

The Investors have the right (but not the obligation) to, during the term of the Convertible Loan, exercise their Conversion Rights. It is not anticipated that the period for which the conversion period will be kept open will be extended or shortened. An announcement will be made via SGXNET if there are any such changes.

For the avoidance of doubt, notwithstanding the expiration of six (6) months from the date of lodgement of this Offer Information Statement, the Investors are entitled to exercise their Conversion Right on or before the Maturity Date in accordance to the terms and conditions of the Convertible Loan Agreement.

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- 4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
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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 Offer Information Statement. Where required by the Company, each Investor will pay the expenses for the issue and allotment of Conversion Shares upon conversion of the Convertible Amount.

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- 5. State where applicable, the methods of and time limits for:**
- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
- 

The Company shall, as soon as practicable, and in any event within two (2) Business Days after the Conversion Notice Date, deliver or cause to be delivered to the Investors, such delivery to be in accordance with normal practice for settlement of transactions on the SGX-ST, clearance system account credit instructions, together with any such other securities, property or cash required to be delivered on conversion, and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as no pre-emptive rights to subscribe for or purchase of securities or securities-based derivatives are being offered.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding the excess amounts paid by applicants (including whether interest will be paid).**
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Not applicable. The list of Investors, along with their respective Convertible Loan Amounts and the maximum number of Conversion Shares to be issued to each Investor has been set out in paragraph 3.1 of the circular dated 13 June 2020 issued to Shareholders of the Company in respect of the Convertible Loan Agreement.

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PART 4 (KEY INFORMATION)

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**1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

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Please refer to paragraphs 2 to 7 of this Part 4 below.

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**2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

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The aggregate sum of the Convertible Loan Amount being invested by all Investors pursuant to the Convertible Loan Agreement is 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 Conversion have not been taken into account as these costs are deemed immaterial and will be paid out as part of the Group’s general working capital.

All proceeds from the Convertible Loan will be received by the Company for allocation to the principal intended use as set out in paragraph 3 of this Part 4 below.

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**3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**

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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 of KC Medical Supplies Pte. Ltd. (“**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 Conversion are beneficial for the Group as it will allow the Group to strengthen its financial position (assuming the completion of the 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

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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 PRC, 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 announcements dated 20 May 2020 and 21 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.

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 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 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.

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**4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

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Approximately 0.5% of the gross proceeds or S\$0.005 for each dollar of the gross proceeds raised from the Convertible Loan Amount will be paid for expenses incurred in connection with the Convertible Loan and 99.5% of the gross proceeds or S\$0.995 for each dollar of the gross proceeds raised from the Convertible Loan Amount will be used for the working capital requirements for KC Medical.

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**5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm’s length basis.**

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As set out in paragraph 3 of this Part 4 above, the Company intends to use the Net Proceeds for the working capital requirements for KC Medical. The Net Proceeds may be used in future directly or indirectly to acquire or refinance the acquisition of an asset, business or entity,



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although there are no firm plans for this and no definitive agreements have been entered into as at the date of this Offer Information Statement.

Please refer to paragraphs 3 and 4 of this Part 4 above for more details of the use of the Net Proceeds.

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- 6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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As at the Latest Practicable Date, the Company has no intention to use any material part of the Net Proceeds to discharge, reduce, or retire any indebtedness of the Group.

- 
- 7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
- 

No underwriter, placement agent or selling agent in relation to the Convertible Loan Agreement was appointed.

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- 8. Provide the following information:**
- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**
- 

<b>Registered office address</b>	: 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
<b>Principal place of business</b>	: 2 Leng Kee Road #01-08 Thye Hong Centre Singapore 159086
<b>Telephone number</b>	: +65 6471 6776
<b>Facsimile number</b>	: +65 6475 6776
<b>Email address</b>	: EGM@kitchenculture.com

- 
- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**
- 

The Company was incorporated under the laws of Singapore on 25 March 2011. On 22 July 2011, the Company was listed on the Catalist.

The principal activity of the Company is that of investment holding. The Group is primarily involved in the selling and distribution of imported high-end kitchen systems and appliances, wardrobe systems and household furniture and accessories.

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As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interests held by the Company (%)</b>
<b>Held by the Company</b>			
KHL Marketing Asia-Pacific Pte. Ltd. ("KHLM")	Singapore	Sales and distribution of kitchen system and appliances, wardrobe system, household furniture and appliances	100
Kitchen Culture (China) Limited	Hong Kong	Dormant	100
KHL (Hong Kong) Limited	Hong Kong	Investment holding	100
Beef Up Global Pte. Ltd.	Singapore	Dormant	100
KC Medical Supplies Pte. Ltd.	Singapore	Trading of medical and related supplies	100
<b>Held by KHLM</b>			
Kitchen Culture Sdn. Bhd.	Malaysia	Trading in furniture and fittings, kitchen equipment and related products	100
Kitchen Culture Pte. Ltd.	Singapore	Dormant	100
Haus Furnishings and Interiors Pte. Ltd.	Singapore	Provision of labour services	100
KCube Pte. Ltd.	Singapore	Trading in mid-range kitchen equipment and related products	100
Kitchen Culture (Sichuan) Co., Ltd.	PRC	Sales and distribution of kitchen systems and appliances, wardrobe system, household furniture and appliances	40
KCROOM Pte. Ltd.	Singapore	Dormant	100
<b>Held by KHL (Hong Kong) Limited</b>			
Kitchen Culture (Macau) Limited	Macau	Dormant	70
Kitchen Culture (Hong Kong) Limited	Hong Kong	Sales and distribution of kitchen system, kitchen appliances, wardrobe system, household furniture and appliances	70

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- (c) the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
- 

The general development of the business of the Group in the three (3) most recent completed financial period/years since 1 January 2016 up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the related announcements released by the Company on SGXNET from time to time for further details.

**Key Developments in FP2017**

On 15 January 2016, the Company announced the resignation of its chief financial officer and company secretary, Mr Lim Yii Fan, to pursue other career opportunities with effect from 16 January 2016. The Company had, also on 15 January 2016, announced the appointment of (a) Mr Lim Thiam Guan as its finance manager and company secretary and (b) Mr Tye Seng Kuen Alan as its chief operating officer.

On 17 February 2016, the Company announced a profit warning for FY2015 as following a preliminary review of the unaudited financial results of the Group for FY2015, the Group was expected to record a net loss for that financial year, which was mainly attributable to (i) losses arising from its wholly-owned subsidiary in Singapore, KHLM, due to lower revenue recognised from projects and higher operating costs; and (ii) losses arising from its wholly-owned subsidiaries: (a) in Malaysia, Kitchen Culture Sdn. Bhd., in respect of exchange losses which was mainly due to weaker currency exchange rates; and (b) in China, Kitchen Culture (Sichuan) Co. Ltd, due to relatively weak retail sales and higher operating costs.

On 5 April 2016, the Company announced that the SGX-ST had no objection to the Company's application for an extension of time to convene its annual general meeting from the deadline of 30 April 2016 to 31 July 2016, subject to the conditions in that announcement being fulfilled, including but not limited to the approval from the Accounting and Corporate Regulatory Authority ("**ACRA**") for the same extension of time under Section 201(1) of the Companies Act.

On 5 April 2016, the Company also announced the resignation of Mr Lim Thiam Guan as its finance manager and company secretary to pursue other career opportunities with effect from 26 April 2016.

On 28 April 2016, the Company announced the resignation of Mr Mahmud Bin Abdul Karim, its general manager (project and retail, design development division) to pursue personal interests with effect from 29 April 2016.

On 12 May 2016, the Company announced that Kitchen Culture (Sichuan) Co. Ltd ("**KCSC**"), a wholly-owned indirect subsidiary of the Company, secured a contract amounting to approximately S\$1.16 million for the supply, delivery and installation of Liebherr wine refrigerators for Chengdu Courtesy Hotel Management Co. Ltd's M5 Member Apartment project in #300, 3-12, Jiaozi Road, Chengdu Sichuan, PRC (the "**Contract**"). The Contract was expected to be fulfilled by the Group by mid-2017.

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On 14 June 2016, the Company announced the appointment of Mr Lim Swee Hua as its chief financial officer and company secretary with effect from 16 June 2016.

On 4 July 2016, the Company announced that ACRA rejected the Company's application for an extension of time under Section 201(4) of the Companies Act and had requested the Company to hold the AGM by 31 July 2016 to lay the financial statements made up to 31 December 2015. The Company in that same announcement announced that the Company will be holding its AGM to lay the financial statements made up to 31 December 2015 on 28 July 2016.

On 6 September 2016, the Company announced that it changed its financial year end from 31 December to 30 June to enable the Company to avoid competing for audit and other professional services during peak periods relating to December year-end reporting, and hence allow for savings in costs and greater administrative efficiency in coordinating its financial reporting requirements with its external professional advisers.

On 14 September 2016, the Company announced that it was in the midst of considering a potential transaction which involves the issuance of convertible notes to a potential investor to raise funds for up to an aggregate sum of US\$20 million. On 3 January 2017, the Company announced that it had entered into a subscription agreement with Crede CG III Ltd., pursuant to which the Company proposed to issue, and Crede CG III Ltd. had agreed to subscribe for up to US\$20 million in principal amount of convertible senior notes, in up to four (4) tranches each of a principal amount equal to the applicable notes issue price. The Company subsequently announced the amendment of this agreement, by way of supplemental agreements, on 24 February 2017 and 28 March 2017. The amendment announced on 24 February 2017 was in relation to an insert of a new defined term in the subscription agreement on the volume-weighted average price. The amendment announced on 28 March 2017 was in relation to a revised cut-off date for the subscription agreement. On 6 June 2017, the Company announced that the cut-off date for the subscription agreement had expired.

On 21 September 2016, the Company announced the resignation of its chief operating officer, Mr Tye Seng Kuen Alan, to pursue other career opportunities.

On 26 October 2016, the Company announced the subscription by KHLM of another 9,999 new ordinary shares in the share capital of its wholly-owned subsidiary, Haus Furnishings and Interiors Pte. Ltd. ("Haus") for S\$9,999. On 21 November 2016, the Company announced the subscription by KHLM of another 90,000 new ordinary shares in the share capital of Haus for S\$90,000.

On 27 October 2016, the Company announced that it had entered into a legally-binding term sheet with a crowdfunding platform, to issue non-convertible bonds for a sum of S\$2.0 million. The tenure for the loan was twenty-four (24) months where 50% of the principal would be due for repayment in twelve (12) months and the remaining 50% at the end of the next twelve (12) months. The coupon rate was 9.0% per annum which would be paid out quarterly on the last day of the month. On 17 February 2017, the Company updated that non-convertible notes, instead of bonds, would be issued, while keeping all the terms of the term sheet dated 27 October 2016. The Company had also executed an entrepreneur agreement and a fee letter with Funded Here Pte Ltd in respect of the provision of the crowdfunding platform services to the Company in respect of the notes issue. On 18 May 2017, the Company further announced changes to this notes issue, including the aggregate sum raised of S\$750,000, as well as the entry into the subscription agreements thereto.

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On 20 January 2017, the Company announced the proposed change of auditors and the resignation of its auditors, KPMG LLP, after the review of audit fees. On 7 February 2017, the Company proposed a change of its auditors to Nexia TS Public Accounting Corporation. The resolution for the proposed change of auditors was duly passed by Shareholders at the EGM held on 9 March 2017.

On 31 March 2017, the Company announced the resignation of its chief financial officer and company secretary, Mr Lim Swee Hua, to pursue other career opportunities. On the same day, the Company announced the appointment of Mr Tan Cheong Hwai as its financial controller and company secretary.

**Key Developments in FY2018**

On 20 July 2017, the Company announced that it had decided not to proceed with the notes issue previously announced on 3 January 2017, 24 February 2017, 28 March 2017 and 6 June 2017, and the subscription agreement thereto had expired on 3 June 2017.

On 1 August 2017, the Company announced the resignation of its general manager (appliances division), Mr Terrence Liew Fook Siong, to pursue other personal interests.

On 4 September 2017, the Company announced the resignation of its financial controller and company secretary, Mr Tan Cheong Hwai, to pursue other personal interests. On 19 September 2017, the Company announced the appointment of Mr Lee Foo Tuck as its financial controller.

On 9 February 2018, the Company announced that KHLM was awarded (i) a contract worth S\$5.3 million, for the design, supply and installation of kitchen cabinets, wardrobes and bathroom cabinets for a residential development in Singapore and (ii) a contract worth S\$0.8 million, for the design, supply and delivery of kitchen appliances, and the supply and installation of kitchen cabinets and bedroom wardrobes for a residential development in Singapore.

On 14 February 2018, the Company announced that it had entered into a conditional debt conversion deed with Mr Lim Wee Li. Pursuant to the conditional debt conversion deed, Mr Lim had agreed to convert S\$2.5 million into 18,477,000 new ordinary shares in the capital of the Company at the issue price of S\$0.1353 per debt conversion share, fractional entitlements to be disregarded. The debt conversion shares are issued in repayment of a portion of the loans which have been extended by Mr Lim to the Company. The resolution for the same was duly passed by Shareholders at the EGM held on 26 June 2018. Upon the issue of 18,477,000 ordinary shares to Mr Lim, the transaction was subsequently completed on 28 June 2018.

On 28 May 2018, the Company announced that it had, on 25 May 2018, redeemed 50% of its note issue, amounting to S\$375,000, previously issued on the crowdfunding platform, pursuant to the terms and conditions of the notes as set out in the trust deed.

On 7 June 2018, the Company incorporated a new wholly-owned subsidiary (being Beef Up Global Pte. Ltd.) to operate a chain of food kiosks specialising in Australian beef steaks with "live" teppanyaki cooking. As at the date of this Offer Information Statement, Beef Up Global Pte. Ltd. remains dormant.

**Key Developments in FY2019**

On 2 October 2018, the Company announced a change in its registered office address.

On 1 November 2018 the Company announced the resignation of its general manager (appliances division), Mr Matthew Sim Siang Ping, to pursue other career opportunities.

On 1 February 2019, the Company announced the resignations of two (2) of its independent directors, Ms Joanne Khoo Su Nee and Mr Ong Beng Chye due to unpaid independent directors' fees to both resigning directors. On the same day, the Company announced the appointment of two (2) independent directors, Mr Tan Han Beng and Mr William Teo Choon Kow. In connection therewith, the Company announced, on 7 February 2019, that it reconstituted its board committees. On 28 February 2019, the Company announced the response to SGX-ST's queries in relation to the resignation of the two (2) independent directors.

On 21 May 2019, the Company announced that it had, on 18 May 2019, redeemed the remaining 50% of its note issue previously issued on the crowdfunding platform amounting to S\$375,000, and on 10 June 2019, the relevant share charge over the shares held by Mr Lim Wee Li in the favour of the trustee, which held the benefit of the share charge on behalf of the noteholders, was accordingly released and discharged.

**Key Developments from 1 July 2019 to the Latest Practicable Date**

On 23 July 2019, the Company announced the resignation of its independent director, Mr Tan Han Beng, to focus on his new work commitments.

On 9 September 2019, the Company announced that KHLM had, on 5 September 2019, secured contracts for two (2) projects in Singapore worth a total of S\$3.7 million. The contracts worth S\$2.7 million and S\$1.0 million each are for the supply, fabrication, delivery and installation of kitchen cabinets and wardrobes for two (2) separate residential developments in Singapore.

On 13 December 2019, the Company announced the appointment of its Independent Director, Mr Chua Siong Kiat, and a resultant reconstitution of its Board committees.

On 23 December 2019, the Company announced that the Company had on 23 December 2019 entered into (i) a deed of novation ("**Novation Deed**") with KHLM and Toh Siew Cheng Gracy (the "**Lender**") and (ii) a conditional debt conversion deed with the Lender. As at the date of the announcement, the total outstanding loans extended by the Lender to KHLM amounted to S\$250,000 and was due on 31 December 2019 ("**Loan**"). The Loan had an interest rate of 10% per annum and is secured by a corporate guarantee provided by the Company. Pursuant to the Novation Deed, the Lender had agreed to novate a portion of the Loan amounting to S\$150,000 to the Company. As at the date of the Novation Deed, the Company was substituted in the place of KHLM as the debtor in respect of S\$150,000 of the Loan. Pursuant to the aforementioned debt conversion deed, the amount of S\$150,000 would then be repaid via the issuance and allotment of 2,000,000 new Shares of the Company at the issue price of S\$0.075 per new Share, fractional entitlements to be disregarded. On 22 January 2020, the Company announced that completion had taken place in accordance with the terms and conditions set out in the aforementioned deed conversion deed, and an aggregate of 2,000,000 new Shares had been allotted and issued to the Lender.

On 9 January 2020, the Company announced the appointment of its chief operating officer, Mr Quek Wey Lon.

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On 30 January 2020, the Company announced that it had been informed by Mr Lim Wee Li and Mr Lim Han Li, Substantial Shareholders of the Company, that each of Mr Lim Wee Li and Mr Lim Han Li had on 30 January 2020 respectively sold 67,000,000 and 4,125,000 ordinary shares in the issued and paid-up share capital of the Company, representing approximately 55.61% and 3.42% of the entire issued share capital of the Company respectively, based on the total number of 120,477,000 issued shares of the Company. On 31 January 2020, the Company announced the response to SGX-ST's queries in relation to the sale of Shares by Mr Lim Wee Li and Mr Lim Han Li.

On 10 February 2020, the Company announced the appointment of Mr Loy Soo Toon as its executive director, business development.

On 21 February 2020, the Company announced the appointment of Mr Lau Kay Heng as its independent director.

On 6 March 2020, the Company announced that it had on 6 March 2020 entered into a placement agreement (the "**Placement Agreement**") with UOB Kay Hian Private Limited as placement agent (the "**Placement Agent**"). Pursuant to the Placement Agreement, the Company had agreed to allot and issue up to 57,000,000 new Shares (the "**Placement Shares**") at a placement price of S\$0.068 (the "**Placement Price**") for each Placement Share, and the Placement Agent had agreed to procure the subscription and payment for the Placement Shares at the Placement Price for each Placement Share on a best endeavours basis (the "**Proposed Placement**"). On 19 March 2020, the Company announced that the completion of the Proposed Placement had taken place on the same date in accordance with the terms and conditions set out in the Placement Agreement, and an aggregate of 56,273,000 Placement Shares have been allotted and issued to the subscribers procured by the Placement Agent. On 22 April 2020, the Company announced the use of net proceeds from the Proposed Placement for repayment of amounts owing to external parties and for general working capital which are in line with the intended use and allocation set out in the previous announcements pertaining to the Proposed Placement.

On 31 March 2020, the Company announced that following the completion of the Proposed Placement, the Company intended to conduct a strategic review of its business segments, to evaluate opportunities and positioning, with a view to strengthening the core business of the Group whilst maximising potential value for all stakeholders. While the Group continued to secure new projects to bolster its order book and implement a slew of measures to manage its costs and strengthen its balance sheet, the Group will be conducting a strategic review to explore new areas of opportunities and alternate businesses, not ruling out the areas of healthcare and medical supplies solutions, artificial intelligence, machine learning and data science, to increase the revenue stream of the Group.

On 2 April 2020, the Company announced that the Company had on 2 April 2020 entered into a conditional debt conversion deed with Mr Lim Wee Li. Mr Lim is the Executive Chairman, Chief Executive Officer and a Substantial Shareholder of the Company. Pursuant to the debt conversion deed, Mr Lim has agreed to the repayment of the total outstanding loans extended by him to the Company which are interest-free, unsecured and repayable on demand, amounting to S\$4,630,406.33 ("**Outstanding Amount**"), in whole or in part, by way of conversion into new Shares of the Company ("**Debt Conversion Shares**") (the "**Proposed Debt Conversion**"), as follows:

- (i) the conversion of the entire Outstanding Amount into 66,148,657 Debt Conversion Shares to be issued to Mr Lim, at an issue price of S\$0.070 per Debt Conversion Share, fractional entitlements to be disregarded, subject to, *inter alia*, a whitewash waiver being granted by the SIC to Mr Lim and his concert parties from the

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requirement to make a mandatory offer for the Shares under Rule 14 of the Takeover Code if Mr Lim's and his concert parties' voting rights in the Company will increase to 30% or more based on the enlarged share capital of the Company due to the Proposed Debt Conversion (the "**Whitewash Waiver**"), and subject to any conditions that the SIC may impose which are reasonably acceptable to Mr Lim; or

- (ii) In the event that the Whitewash Waiver is not granted by the SIC and/or the non-fulfilment of any condition as may be imposed by the SIC thereon, the conversion of the partial amount of S\$2,660,000 of the Outstanding Amount into 38,000,000 Debt Conversion Shares at the issue price of S\$0.070 per Debt Conversion Share, fractional entitlements to be disregarded.

On 13 May 2020, the Company received the Whitewash Waiver, subject to certain conditions as set out by the SIC. Such conditions include but are not limited to a majority of holders of voting rights of the Company approving at a general meeting, before the issue of the Debt Conversion Shares, a resolution ("**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from Mr Lim, the Whitewash Resolution being separate from other resolutions and the Company appointing an independent financial adviser ("**IFA**") to advise its independent Shareholders on the Whitewash Resolution. The circular containing further information on *inter alia* the Proposed Debt Conversion and the advice of the IFA, together with the notice of EGM will be dispatched to Shareholders in due course.

On 7 April 2020, the Company announced the closure of their business operations in Singapore from 7 April 2020 to 4 May 2020, in compliance with the additional safe distancing measures "COVID-19 Circuit Breaker: Closure of Workplace Premises" implemented by the Singapore Government. The residential projects segment of the Group also ceased operations during the same period as many of the projects' developers and main contractors will have to temporarily suspend its operations. The Group's principal subsidiaries in Hong Kong and in Chengdu, PRC continued their operations.

On 17 April 2020, the Company announced that it had entered into a non-binding memorandum of understanding with Ooway Technology Pte. Ltd. in relation to the proposed acquisition of the latter's wholly-owned subsidiary, Ooway Technology Co., Ltd. which is principally engaged in the provision of credit rating services for importers and exporters in PRC by utilising machine learning and artificial intelligence to quantify corporate behaviour into credit value ("**AI Business**"). On 23 June 2020, the Company, *inter alia*, announced that it had entered into negotiations relating to the terms and conditions of this proposed acquisition, which will involve the Company acquiring a 30% stake in the target group with the acquisition consideration to be satisfied through the issue of new Shares by the Company.

On 23 April 2020, the Company incorporated a new wholly-owned subsidiary (being KC Medical) as part of the strategic business review conducted by the Group (announced on 31 March 2020). The Company incorporated KC Medical to undertake the trading of medical and related supplies ("**Medical Supplies Trading Business**") and represented a step towards exploring new areas of business opportunities. The Company had also clarified, in an announcement on 4 May 2020 on the response to SGX-ST's queries, that it will be seeking Shareholders' approval for the diversification into the AI Business and the Medical Supplies Trading Business at an appropriate time.

On 29 April 2020, the Company announced that the Company had on 27 April 2020 entered into the Term Sheet with the Investors, pursuant to which, the Investors have agreed to grant the Convertible Loan of S\$6,050,000 to the Company. The Convertible Amount is convertible into a maximum of 46,694,626 Conversion Shares, fractional entitlements to be disregarded, in accordance of the terms of the Term Sheet. On 4 May 2020, the Company announced that



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the Company had on 3 May 2020 entered into the Convertible Loan Agreement. The circular to Shareholders in respect of the Convertible Loan had been released on 12 June 2020.

On 20 May 2020, the Company announced that it had entered into a non-binding term sheet dated 20 May 2020 with Guangdong Fon-neus Environment Protection Technology Inc. in relation to the proposed acquisition by the Company of 40% of the equity interest in Beijing Anxin Health Products Co., Ltd. On 21 May 2020, the Company announced the response to SGX-ST's queries in relation to the announcement of this non-binding term sheet.

On 21 May 2020, the Company announced that KHLM, had on 21 May 2020 entered into an agreement with Zhejiang Wanhao Investment Co., Ltd. ("**Zhejiang Wanhao**") to dispose of 60% of the registered capital of KCSC, KHLM's wholly-owned subsidiary, to Zhejiang Wanhao for a nominal consideration of RMB1. Subsequent to the completion of the disposal, Zhejiang Wanhao will make further capital injection of RMB6.0 million into KCSC. On 10 June 2020, the Company announced that the capital injection of RMB6.0 million had been completed, and it had handed over the financial records, company seal, financial seal and bank tokens of KCSC to Zhejiang Wanhao. On 25 June 2020, the Company announced that the transfer of 60% of legal ownership of KCSC had been officially reflected in the business registry with effect from 18 June 2020 and the disposal had thus been completed.

On 22 June 2020, the Company announced that the SGX-ST had on 19 June 2020 issued a listing and quotation notice in respect of the listing and quotation for an aggregate of up to 46,694,626 Conversion Shares on the Catalist subject to the Company obtaining specific approval from the Shareholders for the allotment and issue of the Conversion Shares and the Company's compliance of the SGX-ST's listing requirements.

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- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) in the case of the equity capital, the issued capital; or**
  - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
- 

As at the Latest Practicable Date, the share capital and loan capital of the Company is as follows:

<b>Issued and paid-up share capital</b>	: S\$13,076,577
<b>Number of ordinary shares in issue (excluding treasury shares)</b>	: 176,750,000 Shares
<b>Number of treasury shares</b>	: Nil
<b>Loan capital</b>	: S\$6,050,000
<b>Rate of interest payable on the loan capital</b>	: 15% of the loan capital, payable on the Maturity Date. Interest is payable on the Maturity Date unless already converted into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

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**(e) where –**

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
  - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**
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As at the Latest Practicable Date, based on the information in the register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, the Substantial Shareholders and the number of Shares in which they have an interest are as follows:

<b>Substantial Shareholders</b>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>
Mr Lim Wee Li	26,177,000	14.81	-	-
Mr Chee Tuck Hong	20,000,000	11.32	-	-
Mr Fang Pengchong	8,308,000	4.70	2,668,300 <sup>(2)</sup>	1.51

**Notes:**

- (1) Based on the total number of existing Shares of 176,750,000 as at the Latest Practicable Date.
  - (2) Mr Fang Pengchong is deemed interested in the Shares held by Skyatt Investment Private Limited as he is the beneficiary owner of the company.
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**(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

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As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company and/or any of its subsidiaries is a party and which is pending or known to be contemplated, which, in the opinion of the Directors, may have or have had in the twelve (12) months immediately preceding the date of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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**(g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date:**

- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
  - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;**
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On 22 January 2020, pursuant to the Debt Conversion Deed, the Company issued 2,000,000 new Shares at S\$0.075 per new Share to the Lender in relation to the conversion of the loans amounting to S\$150,000 extended by the Lender to the Company.

On 19 March 2020, the Company issued an aggregate of 56,273,000 new Shares at S\$0.068 per new Share to the subscribers procured by the Placement Agent pursuant to the Proposed Placement.

Save as disclosed above, no securities, securities-based derivatives contracts or equity interests of the Company have been issued within the twelve (12) months immediately preceding the Latest Practicable Date.

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- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save as disclosed in paragraph 8(c) of this Part 4 above, neither the Company nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Offer Information Statement.

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**PART 5 (OPERATING AND FINANCIAL REVIEW AND PROSPECTS)**

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**1. Provide selected data from –**

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and**
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**

**2. The data mentioned in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and in addition include the following items:**

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
- (b) earnings or loss per share;**
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

**3. Despite paragraph 1 of this Part, where –**

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and**
- (b) the audited financial statements for that year are unavailable,**

**the date mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.**

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The audited consolidated income statements of the Group for FP2017, FY2018 and FY2019 and the unaudited consolidated income statements of the Group for HY2019 and HY2020 are set out below:

	<b>Audited FP2017 S\$'000</b>	<b>Audited FY2018 S\$'000</b>	<b>Audited FY2019 S\$'000</b>	<b>Unaudited HY2019 S\$'000</b>	<b>Unaudited HY2020 S\$'000</b>
Revenue	49,552	14,388	11,051	4,698	7,180
Cost of sales	(34,895)	(8,111)	(6,280)	(2,511)	(5,122)
<b>Gross profit</b>	<b>14,657</b>	<b>6,277</b>	<b>4,771</b>	<b>2,187</b>	<b>2,058</b>
Other income	247	485	279	12	123
Selling and distribution expenses	(10,028)	(4,510)	(2,856)	(1,945)	(1,333)
Other operating expenses	(561)	(780)	(825)	(13)	(19)
General and administrative expenses	(9,901)	(4,785)	(4,723)	(1,875)	(2,056)
<b>Loss from operations</b>	<b>(5,586)</b>	<b>(3,313)</b>	<b>(3,354)</b>	<b>(1,634)</b>	<b>(1,227)</b>
Finance cost	(1,332)	(702)	(432)	(249)	(377)
<b>Loss before income tax</b>	<b>(6,918)</b>	<b>(4,015)</b>	<b>(3,786)</b>	<b>(1,883)</b>	<b>(1,604)</b>
Income tax expense	-	-	(337)	-	-
<b>Net loss</b>	<b>(6,918)</b>	<b>(4,015)</b>	<b>(4,123)</b>	<b>(1,883)</b>	<b>(1,604)</b>
<b>Other comprehensive income/(loss):</b> <i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	40	(207)	247	178	96
<b>Other comprehensive income/(loss), net of tax</b>	<b>40</b>	<b>(207)</b>	<b>247</b>	<b>178</b>	<b>96</b>
<b>Total comprehensive loss</b>	<b>(6,878)</b>	<b>(4,222)</b>	<b>(3,876)</b>	<b>(1,705)</b>	<b>(1,508)</b>
<b>Net (loss)/income attributable to:</b>					
Equity holders of the Company	(6,930)	(4,026)	(3,874)	(1,878)	(1,630)
Non-controlling interests	12	11	(249)	(5)	26
<b>Total comprehensive (loss)/income attributable to:</b>					
Equity holders of the Company	(6,901)	(4,241)	(3,626)	(1,702)	(1,557)
Non-controlling interests	23	19	(250)	(3)	49
<b>Loss per Share attributable to equity holders of the Company before the Conversion (cents per share)</b>					
Basic and diluted	(6.9)	(4.0)	(3.3)	(1.6)	(1.4)
<b>Loss per Share attributable to equity holders of the Company after the Conversion (cents per share)</b>					
Basic and diluted	(4.7)	(2.7)	(2.4)	(1.1)	(1.0)
<b>Dividend per Share (cents)</b>	-	-	-	-	-

**4. In respect of:**

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

**provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.**

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FP2017, FY2018, FY2019, HY2019 and HY2020 is set out below:

**HY2020 vs HY2019**

Revenue

In HY2020, the Group recorded revenue of S\$7.2 million, an increase of 52.8% or S\$2.5 million as compared to S\$4.7 million in HY2019. The increase was mainly attributable to higher revenue contribution from the residential projects segment by 102.9% or S\$1.9 million and the distribution and retail segment by 21.2% or S\$0.6 million.

Residential Projects

The residential projects segment accounted for 51.4% or S\$3.7 million of the Group's revenue in HY2020, attributable to revenue derived from two (2) ongoing projects (one in Singapore and one in Hong Kong) which commenced in calendar year 2019. Comparatively, revenue for residential projects in HY2019 amounted to S\$1.8 million from eight (8) ongoing projects carried forward from calendar year 2016.

Distribution and Retail

The distribution and retail segment accounted for 48.6% or S\$3.5 million of the Group's revenue in HY2020. The increase in distribution and retail revenue of 21.2% or S\$0.6 million, from S\$2.9 million in HY2019 was mainly attributable to an increase in sales of S\$1.4 million in Singapore, partially offset by decreases of S\$0.4 million in Hong Kong and S\$0.4 million in PRC.

Gross Profit

Gross profit decreased by 5.9% or S\$0.1 million, from S\$2.2 million in HY2019 to S\$2.1 million in HY2020. The decrease in gross profit was mainly due to a decrease in gross profit from the residential projects segment of S\$439,000 as a result of reduced gross profit margin, partially offset by an increase in gross profit from the distribution and retail segment of

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S\$310,000 as a result of an increase in revenue from Singapore and improved gross profit margin.

Overall gross profit margin decreased by 17.9 percentage points from 46.6% in HY2019 to 28.7% in HY2020. The residential projects segment recorded a decrease in gross profit margin of 40.8 percentage points. This arose from massive reduced profit margins on the two (2) ongoing projects (one in Singapore and one in Hong Kong) due to a highly competitive business environment. However, the distribution and retail segment experienced a slight increase in gross profit margin of 3.8 percentage points.

#### Other Income

Other income increased by S\$0.1 million from S\$12,000 in HY2019 to S\$123,000 in HY2020. This was mainly due to an increase of S\$81,000 in administration fee charged to customers in Hong Kong for handling and transportation, an increase of S\$18,000 in government grants received in Singapore and discounts of S\$13,000 received from suppliers in PRC.

#### Selling and Distribution Expenses

Selling and distribution expenses decreased by 31.5% or S\$0.6 million from S\$1.9 million in HY2019 to S\$1.3 million in HY2020. This was mainly attributable to cost cutting measures implemented in Singapore leading to a decrease in staff costs of S\$0.3 million and reclassification of rental expenses of S\$0.3 million to general and administrative expenses.

#### General and Administrative Expenses

General and administrative expenses increased by 9.7% or S\$0.2 million, from S\$1.9 million in HY2019 to S\$2.1 million in HY2020. This was mainly attributable to:

- (a) an increase in rental expenses of S\$0.3 million reclassified from selling and distribution expenses;
- (b) an increase in repairs and maintenance of office/showroom premises in Hong Kong of S\$0.1 million; and
- (c) partially offset by decreases in (i) depreciation of S\$70,000 due to certain property, plant and equipment being fully depreciated in prior periods; (ii) travelling and transport/freight and handling charges of S\$60,000; and (iii) electricity, entertainment and telephone expenses totalling S\$70,000.

#### Finance Cost

Finance cost increased by 51.6% from S\$249,000 in HY2019 to S\$377,000 in HY2020, mainly due to an increase in interest paid as a result of an increase in borrowings in HY2020.

### **FY2019 vs FY2018**

#### Revenue

Group revenue in FY2019 amounted to S\$11.1 million, a decrease of 23.2% or S\$3.3 million from S\$14.4 million in FY2018. The decrease was attributable to lower revenue contribution from the residential projects segment by 38.1% or S\$1.9 million and the distribution and retail segment by 15.1% or S\$1.4 million.

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### Residential Projects

The residential projects segment accounted for 28.3% or S\$3.1 million of the Group's revenue in FY2019, derived from seven (7) ongoing projects carried over from FY2018. Residential projects revenue declined 38.1% or S\$1.9 million due to fewer projects on hand. Comparatively, revenue for residential projects in FY2018 was from ten (10) ongoing projects carried forward from FY2017 and accounted for 35.2% or S\$5.1 million of the Group's revenue. The decrease in revenue for this segment occurred in Singapore (S\$0.6 million) and Hong Kong (S\$1.4 million), partially offset by an increase in Malaysia (S\$0.1 million).

### Distribution and Retail

The distribution and retail segment accounted for 71.7% or S\$7.9 million of the Group's revenue in FY2019. This is a decrease of 15.1% or S\$1.4 million compared with FY2018 wherein the distribution and retail segment accounted for 64.8% or S\$9.3 million of the Group's revenue. The decrease in revenue for this segment was in the Group's largest market Singapore (S\$2.3 million), followed by Malaysia (S\$0.4 million), partially offset by increases in Hong Kong (S\$0.9 million) and PRC (S\$0.3 million).

### Gross Profit

Gross profit in FY2019 was S\$4.8 million. This is a decrease of 24.0% or S\$1.5 million from S\$6.3 million in FY2018, in line with lower revenue. Overall gross profit margin was maintained at 43.2%, a marginal decrease from 43.6% in FY2018.

The residential projects segment recorded a decrease in gross profit margin of 14 percentage points as a result of increased costs incurred on projects in Hong Kong, while the distribution and retail segment recorded an increase in gross profit margin of 5 percentage points as a result of a curb on sales discounts given in Singapore.

### Other Income

Other income decreased by 42.4% or S\$0.2 million from S\$0.5 million in FY2018 to S\$0.3 million in FY2019, largely due to decreases in government grants and non-recurrence of one-time receipts in FY2018, mainly, proceeds from an insurance claim of S\$0.2 million and reimbursement from supplier of S\$0.1 million, partially off-set by an increase in service income.

### Selling and Distribution Expenses

Selling and distribution expenses decreased by 36.7% or S\$1.6 million, from S\$4.5 million in FY2018 to S\$2.9 million in FY2019. The decrease was due largely to cost cutting measures adopted during FY2019 resulting in decreases in staff costs of S\$1.1 million and showroom and warehouse rental expenses of S\$0.5 million.

### Finance Cost

Finance cost decreased by 38.4% or S\$0.3 million, from S\$0.7 million in FY2018 to S\$0.4 million in FY2019, mainly due to a decrease in borrowings.



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**FY2018 vs FP2017**

Revenue

Group revenue in FY2018 amounted to S\$14.4 million, a decrease of 71.0% or S\$35.2 million from S\$49.6 million in FP2017. The decrease was attributable to lower revenue contribution from the residential projects segment by 84.5% or S\$27.5 million and the distribution and retail segment by 45.0% or S\$7.6 million.

Residential Projects

The residential projects segment accounted for 35.2% or S\$5.1 million of the Group's revenue in FY2018, derived from ten (10) ongoing projects carried over from FP2017. Residential projects revenue declined 84.5% due to fewer projects on hand. Comparatively, revenue for residential projects in FP2017 was from commencement of fourteen (14) projects during the calendar year 2016 and eleven (11) ongoing projects carried forward from the financial year ended 31 December 2015 and accounted for 65.7% or S\$32.6 million of the Group's revenue. The decrease in revenue for this segment occurred in Singapore (S\$18.5 million), Malaysia (S\$5.0 million), and Hong Kong (S\$4.0 million).

Distribution and Retail

The distribution and retail segment accounted for 64.8% or S\$9.3 million of the Group's revenue in FY2018 compared with FP2017 wherein the distribution and retail segment accounted for 34.3% or S\$17.0 million of the Group's revenue. The decrease in revenue for this segment was in the Group's largest market Singapore (S\$7.0 million), followed by Malaysia (S\$0.3 million) and Hong Kong (S\$0.5 million), partially offset by a gain in PRC (S\$0.2 million), due mainly to slowdown in retail sales and the shorter 12-month period for FY2018 compared to 18-month period for FP2017.

Gross Profit

Gross profit in FY2018 was S\$6.3 million. This is a decrease of 57.2% or S\$8.4 million from S\$14.7 million in FP2017, in line with lower revenue and a shorter 12-month period for FY2018. Overall gross profit margin increased by 14.0 percentage points from 29.6% in FP2017 to 43.6% in FY2018 as a result of decreased costs incurred from the completion of residential projects.

Other Income

Other income increased by S\$0.3 million from S\$0.2 million in FP2017 to S\$0.5 million in FY2018, due mainly to reimbursement from a supplier of S\$0.1 million and proceeds from an insurance claim of S\$0.2 million, by the Company's subsidiary, Kitchen Culture Sdn. Bhd.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 55.0% or S\$5.5 million, from S\$10.0 million in FP2017 to S\$4.5 million in FY2018. The decrease was due largely to cost cutting measures adopted during FY2018 resulting in decreases in staff costs (S\$1.8 million), rental expenses (S\$3.1 million), advertisement (S\$0.3 million) and sales commission (S\$0.3 million).

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Other Operating Expenses

Other operating expenses increased by S\$0.2 million to S\$0.8 million in FY2018, compared with S\$0.6 million in FP2017.

The increase was mainly attributable to:

- (a) increase in bad debts written off by S\$0.5 million in FY2018;
- (b) increase in allowance for doubtful receivables of S\$0.1 million in FY2018;
- (c) increase in write off/write down of inventories by S\$0.3 million due mainly to damages; and
- (d) partially offset by a net gain in foreign exchange amounting to S\$0.5 million in FY2018 compared with a net loss of S\$0.2 million in FP2017.

General and Administrative Expenses

General and administrative expenses decreased by 51.7% or S\$5.1 million, from S\$9.9 million in FP2017 to S\$4.8 million in FY2018, mainly due to cost cutting measures adopted during FY2018 resulting in decreases in staff costs (S\$1.7 million), rental expenses (S\$0.8 million) and depreciation (S\$0.5 million). The decrease in depreciation charge was due to lower carrying values of property, plant and equipment resulting from asset disposals.

Finance Cost

Finance cost decreased by 47.3% or S\$0.6 million, from S\$1.3 million in FP2017 to S\$0.7 million in FY2018, mainly due to a decrease in borrowings.

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- 5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:**
- (a) the most recent completed financial year for which audited financial statements have been published; or**
  - (b) if interim financial statements have been published for any subsequent period, that period.**
- 6. The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:**
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
  - (b) net assets or liabilities per share;**
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**
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The audited consolidated statement of financial position of the Group as at 30 June 2019 as well as the unaudited consolidated statement of financial position of the Group as at 31 December 2019 are set out below:

	<b>Audited As at 30 June 2019 S\$'000</b>	<b>Unaudited As at 31 December 2019 S\$'000</b>
<b>ASSETS</b>		
Cash and bank equivalents	334	862
Trade receivables	3,682	5,484
Other receivables	1,309	1,419
Inventories	6,898	7,233
Contract assets	790	222
Tax recoverable	4	6
<b>Current assets</b>	<b>13,017</b>	<b>15,226</b>
Property, plant and equipment	405	330
Investment property	233	227
Trade receivables	131	676
Deferred tax assets	-	79
<b>Non-current assets</b>	<b>769</b>	<b>1,312</b>
<b>Total assets</b>	<b>13,786</b>	<b>16,538</b>
<b>LIABILITIES</b>		
Trade payables	2,166	2,007
Other payables	8,717	10,827
Contract liabilities	4,213	4,847
Finance lease liabilities	54	43
Borrowings	1,208	3,114
Income tax payable	20	16
<b>Current liabilities</b>	<b>16,378</b>	<b>20,854</b>
Finance leases liabilities	135	119
Borrowings	2,600	2,400
<b>Non-current liabilities</b>	<b>2,735</b>	<b>2,519</b>
<b>Total liabilities</b>	<b>19,113</b>	<b>23,373</b>
<b>NET LIABILITIES</b>	<b>(5,327)</b>	<b>(6,835)</b>
<b>EQUITY</b>		
Share capital	8,731	8,731
Translation reserve	289	362
Accumulated losses	(13,946)	(15,577)
<b>Capital and reserves attributable to equity holders of the Company</b>	<b>(4,926)</b>	<b>(6,484)</b>
Non-controlling interests	(401)	(351)
<b>Total capital deficit</b>	<b>(5,327)</b>	<b>(6,835)</b>
<b>Total liabilities and equity</b>	<b>13,786</b>	<b>16,538</b>

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As an illustration only and assuming that the Convertible Amount had been fully converted on 30 June 2019 and 31 December 2019 respectively, the financial effects of the Conversion on the net assets value (“NAV”) or net liabilities value (“NLV”) based on the audited consolidated statement of financial position of the Group as at 30 June 2019 and the unaudited consolidated statement of financial position of the Group as at 31 December 2019, respectively, are as follows:

	<b>As at 30 June 2019 S\$'000</b>	<b>As at 31 December 2019 S\$'000</b>
<b>Before the Conversion</b>		
NLV attributable to equity holders of the Company	(4,926)	(6,484)
Number of Shares (excluding treasury shares)	118,477,000	118,477,000
NLV per Share (cents)	(4.16)	(5.47)
<b>After the Conversion</b>		
NAV/(NLV) attributable to equity holders of the Company <sup>(1)</sup>	1,124	(434)
Number of Shares (excluding treasury shares)	165,171,626	165,171,626
NAV/(NLV) per Share (cents)	0.68	(0.26)

**Note:**

(1) Assuming that the Convertible Loan was drawn down and gross proceeds remained unutilised during FY2019 and HY2020 respectively.

- 7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:**
- (a) the most recent completed financial year for which financial statements have been published; and**
  - (b) if interim financial statements have been published for any subsequent period, that period.**

The audited consolidated statement of cash flows of the Group for FY2019 and the unaudited consolidated statement of cash flows of the Group for HY2020 are set out below:

	<b>Audited FY2019 S\$'000</b>	<b>Unaudited HY2020 S\$'000</b>
<b>Net cash provided by / (used in) operating activities</b>	915	(3,572)
<b>Net cash used in investing activities</b>	(10)	(26)
<b>Net cash (used in) / provided by financing activities</b>	(650)	4,182
<b>Net increase in cash and cash equivalents</b>	255	584
Beginning of financial year	(69)	184
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(2)	(4)
<b>End of financial year</b>	184	764

**HY2020**

In HY2020, the Group’s operating cash flows before movements in working capital was cash outflow of S\$1.1 million. The net cash outflow from working capital amounting to S\$2.5 million

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was due mainly to an increase in trade receivables, contract assets and other receivables of S\$1.9 million, an increase in inventories of S\$0.3 million and a decrease in trade payables, contract liabilities and other payables of S\$0.3 million. The net cash used in operating activities amounted to \$3.6 million.

Net cash used in investing activities of S\$26,000 in HY2020 was mainly attributable to acquisition of property, plant and equipment of S\$27,000.

Net cash generated from financing activities of S\$4.2 million in HY2020 was due mainly to an increase in amount due to a director of S\$2.7 million, increase in borrowings of S\$1.7 million, partially offset by repayment of a term loan from external third parties of S\$0.2 million.

As a result of the above, cash and cash equivalents stood at S\$0.8 million as at 31 December 2019.

**FY2019**

In FY2019, the Group's operating cash flows before movements in working capital was cash outflow of S\$2.8 million. The net cash generated from working capital amounting to S\$3.7 million was due mainly to a decrease in inventories of S\$0.4 million, a decrease in trade and other receivables (including contract assets) of S\$2.3 million, and an increase in trade and other payables (including contract liabilities) of S\$1.0 million. The net cash generated from operating activities in FY2019 amounted to S\$0.9 million.

In FY2019, the net cash used in investing activities of S\$10,000 was mainly due to net cash outflow on purchase of property, plant and equipment of S\$66,000, partially offset by the proceeds from disposal of property, plant and equipment of S\$56,000.

The net cash used in financing activities of S\$0.6 million in FY2019 was due mainly to repayment of bank borrowings of S\$0.3 million, repayment of non-convertible loan of S\$0.4 million, repayment of term loans from external third parties of S\$0.1 million, repayment of loan from directors of S\$0.1 million, payment of finance leases and interest expenses of S\$0.1 million, partially offset by proceeds from loans from an external third party of S\$0.2 million and withdrawal of fixed deposit pledged to a bank S\$0.2 million.

As a result of the above, cash and cash equivalents improved to S\$184,000 as at 30 June 2019, from a deficit of S\$70,000 as at 30 June 2018.

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- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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As at the date of this Offer Information Statement, the Directors are of the reasonable opinion that, barring unforeseen circumstances, after taking into consideration the financial support

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from one of the Substantial Shareholders, the written commitments from certain lenders not to demand payment for the next twelve (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 for at least the next twelve (12) months.

The Net Proceeds from the Convertible Loan will be utilised in accordance with paragraph 3 of the sub-section entitled “**Part 4 (Key Information)**” under the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

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 Offer Information Statement.

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- 9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity’s financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide:**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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As at the Latest Practicable Date, to the best of the Directors’ knowledge after having made careful and due enquiries, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group’s financial position and results or business operations, or the investments by holders of securities in the Company.

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- 10. Discuss:**
- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
  - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled “**Cautionary Note on Forward-Looking Statements**” of this Offer Information Statement for further details.

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Save as disclosed below, in this Offer Information Statement, the Company's annual reports, circulars and public announcements, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

The Company further refers to its announcement dated 17 April 2020 relating to the Company's entry into a non-binding memorandum of understanding ("**MOU**") in relation to the Company's proposed acquisition of Ooway Technology Co., Ltd. ("**Ooway Acquisition**"). The Company had on 23 June 2020 announced that subsequent to the MOU, the Company has appointed a professional firm to conduct a valuation on Ooway Technology Co., Ltd. It has also appointed legal and financial professionals to conduct legal and financial due diligence investigations on the target group respectively. The Company is expecting receipt of the draft reports from the respective professionals within the next few weeks.

Meanwhile, the parties have entered into negotiations relating to the terms of the Ooway Acquisition. Based on current negotiations, the Ooway Acquisition will involve the Company acquiring a 30% stake in the target group with the acquisition consideration to be satisfied through the issue of new Shares by the Company. The Company is working towards finalising the definitive documentation, including but not limited to the definitive sale and purchase agreement in relation to the Ooway Acquisition. As at the Latest Practicable Date, no definitive terms or formal legal documentation have been agreed on and no binding agreement in relation to the Ooway Acquisition have been entered into between the parties.

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Convertible Loan, and any conversion of the Convertible Amount to Conversion Shares (save for those which have already been disclosed to the general public) are set out below.

Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding to invest in the Conversion Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected. In such event, the trading price of the Conversion Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the securities of the Company.

## **RISK FACTORS**

### **Risks relating to the Group's Business and Industry**

#### **(a) *The Group's performance will be affected by the COVID-19 pandemic***

The outbreak of a novel strain of coronavirus (i.e. COVID-19) has spread globally and triggered a global economic downturn and global economic contraction, causing

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disruptions in demand and supply chains. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain.

Governments around the world have introduced measures designed to slow the spread of the virus, including strict border controls and travel restrictions and ordering residents to stay at home with a limited range of exceptions. In Singapore, “circuit-breaker” measures were implemented by the Singapore government on 7 April 2020, pursuant to which all non-essential businesses were ordered to close. As at the Latest Practicable Date, such “circuit-breaker” measures were lifted, and the country entered Phase 2 of “post circuit-breaker” on 19 June 2020, when retail outlets could open. The COVID-19 outbreak has resulted in, and may further prolong volatility in international markets and/or result in a global recession as a consequence of widespread disruptions to manufacturing supply chains, logistics, operations, and imposition of quarantines and prolonged closures of workplaces.

The COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. Uncertainty about the effects of COVID-19 has resulted in significant disruption to capital and securities markets, which, if it continues, may affect the Group’s ability to raise new capital and refinance its existing debt. A number of governments (including the Singapore government) revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession, which may have a material adverse effect on the Group’s financial condition and results of operations. While governments (including the Singapore government) have introduced and may introduce further support and relief measures in response to the COVID-19 pandemic, there is no assurance that such support packages will be effective in improving the state of the local and global economy.

There is no assurance that the Group’s supply chains for products, raw materials, goods and other commodities, including without limitation, kitchen equipment and spares will not be affected as a result of any restriction of movement of people and goods imposed by any government, and any such restriction may affect the Group’s operations. On 2 April 2020, the Company announced the closure of business operations in Singapore from 7 April 2020 to 4 May 2020, in compliance with the “circuit breaker” measures implemented by the Singapore government. The residential projects segment of the Group had also ceased operations during the same period as many of the projects’ developers and main contractors had to temporarily suspend its operations. The Group’s principal subsidiaries in Hong Kong and in Chengdu, PRC had continued with their operations. It is unclear when the Group can begin to resume normal services, given the uncertainty as to when the stringent measures imposed by governments to slow the spread of the virus will be lifted. The duration of the restrictions and the longer-term effects of the COVID-19 pandemic on the Group’s business are uncertain. Even when restrictions are lifted, there might be a period of significantly reduced economic activity, potential increased unemployment and reduced consumer spending. There is also no assurance that the business of the Group will rebound to pre-outbreak levels. This is expected to have a material adverse impact on the Group’s financial results for FY2020. Accordingly, the short-to-medium future performance of the Group (including the Group’s financial results for FY2020) is expected to be materially and adversely different from the past performance of the Group.



**(b) *The Group faces keen competition in its business***

The Group faces keen competition in its kitchen solutions provider business from new and existing competitors based in Singapore and elsewhere, while pitching for a limited number of large and small-scale projects. Some of these competitors are established global players in the kitchen solutions provider industry. In order to secure tenders, the Group may have to compete aggressively in its bid price. If the Group needs to lower its bid prices, its profit margins may be adversely affected.

Domestic companies may have extensive knowledge of the local kitchen solutions provider industry and longer operational track records than the Group. International companies are able to capitalise on their overseas experience and greater financial resources to compete in the kitchen solutions provider business in Singapore. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition may not have a material and adverse effect on the Group's business.

In the event that the Group's competitors are able to provide comparable services at lower prices or respond to changes in market conditions more swiftly or effectively than the Group, the Group's business may be materially and adversely affected.

**(c) *The Group may be adversely affected by any cost overruns and/or increases in costs***

The contract value quoted in the tenders submitted by the Group is determined based on internal costing and budgetary evaluations on costs such as material costs, including the indicative pricing for various suppliers and sub-contractors. However, the time taken and the costs involved in completing the Group's projects may be adversely affected by several factors, including fluctuations in costs of high-end kitchen systems, kitchen appliances, wardrobe systems, bathroom furniture, household furniture and kitchen accessories from Europe and other unforeseen circumstances. Any of these factors could delay the completion of the Group's projects and could result in cost overruns. It is also possible that incorrect and/or inaccurate estimations of costs may be made during the tender submission or for delays to arise during the execution of projects. These circumstances may erode the Group's profit margin for the project and may result in losses for the Group.

Further, for delays in projects mainly due to factors attributable to the Group, the Group may be liable for liquidated damages, which are pre-determined sums payable in the event of, for example, non-completion of a project within a stipulated period of time and delays in meeting specified milestones. Such events may have a material and adverse impact on the Group's business.

**(d) *The Group's financial performance is dependent on the Group's successful bidding for new projects and the non-cancellation of secured projects***

As most of the Group's projects are undertaken on a non-recurring basis, it is critical that the Group is able to regularly and consistently secure new projects of similar value and volume. There is no assurance that the Group will be able to do so. In the event that the Group is not able to regularly and consistently secure new projects of similar or higher value and on terms and conditions that are favourable to the Group, the Group's business may be materially and adversely affected. In addition, the scope of work in a project, which is dependent on its scale and complexity, will affect the profit margin of the project and the Group's financial performance.

Cancellation or delays in the commencement of secured projects due to factors such as changes in the Group's business, poor market conditions and/or lack of funds on the part of the project owners may materially and adversely affect the Group's business. In addition, there may be a lapse of time between the completion of the Group's projects and the commencement of its subsequent projects. Any cancellation of or delay in projects could lead to idle or excess capacity, and in the event that the Group is unable to secure replacement projects on a timely basis, this may materially and adversely affect the Group's business.

**(e) *The Group's performance will be subject to exposure to macro-economic risks***

Over the past few years, the Group has established its presence in Hong Kong and also entered the China market by opening showrooms in Chengdu, PRC. The Company now has showroom locations in Singapore, Chengdu, PRC, Hong Kong and Malaysia. The markets in which the Group operates in could be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Groups operates or invests:

- (i) legal and regulatory changes;
- (ii) government policies;
- (iii) economic and political conditions;
- (iv) concerns about natural disasters, terrorism and war;
- (v) difficulties in managing supply chain channels;
- (vi) the level and volatility of liquidity and risk aversion;
- (vii) the level and volatility of equity, debt, property, commodity and other financial markets;
- (viii) the level and volatility of interest rates and foreign currency exchange rates;
- (ix) concerns over inflation; and
- (x) changes in investor confidence levels.

Any of the abovementioned factors could adversely affect the Group's business, operations, financial performance and/or financial position.

**(f) *The Group may not be able to obtain financing required for its future activities***

The Group may require additional financing to fund future working capital requirements, support the future growth of its business through the procurement of high-end kitchen systems, kitchen appliances, wardrobe systems, bathroom furniture, household furniture and kitchen accessories from Europe and/or to refinance existing debt obligations.

There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available and such financing even if available may not be on favourable terms to the Group. It is possible that the Group's ability to access the capital and credit markets may be limited by these or other factors at a time when the Group would like, or need, to do so, which could have an impact on the

Group's ability to grow its business and/or react to changing economic and business conditions.

**(g) *The Group may not be able to successfully implement its future plans***

The Group's future plans involve numerous risks, including but not limited to, the incurrence of working capital requirements. Further, these plans may also require substantial capital expenditure and financial resources. There is no assurance that these plans will achieve revenue that will be commensurate with the Group's investment costs, or that it will be successful in securing more projects. If the Group fails to achieve a sufficient level of revenue or manage its costs efficiently, it will not be able to recover its investment. If such events occur, the Group's business may be materially and adversely affected.

In addition, the Group may not have the relevant experience and expertise in the new businesses that the Group ventures into. The Group may face risks and difficulties associated with entry into any new business segments in which the Group has no prior track record. Such risks include failure to manage the operations and cost structure effectively, failure to establish networks of customers and suppliers, failure to identify, attract and retain qualified personnel, and failure to achieve the expected results, level of revenue and margins.

**(h) *There is no assurance on the sustainability of the growth of the Group***

There are numerous factors such as intense market competition and general economic conditions, which are beyond the Group's control, which may affect the growth of the Group. There is no assurance that the Group will continue to be able to achieve or maintain similar levels of growth in its revenue and profits in the future.

**(i) *The Group may be involved in legal and other proceedings arising from its operations from time to time***

The Group may be involved from time to time in disputes with various parties involved in the projects that it undertakes. These parties include developers, sub-contractors and suppliers. These disputes may lead to legal and other proceedings.

**(j) *The Group is dependent on key management personnel and other skilled personnel***

The Group is dependent on the continued services of its management team, as well as other skilled personnel such as its general managers. Having a team of experienced management staff and skilled personnel is critical in fulfilling the Group's contractual obligations and maintaining its relationships with its customers. The Group's continued success depends to a significant extent on its strong management team and skilled personnel. The loss of any of these personnel without timely and suitable replacement, and the inability to attract and retain qualified and experienced personnel may have a material and adverse impact on the Group's business.

**(k) *The Group is exposed to the credit risks of its customers***

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers. If there are any unforeseen circumstances affecting the ability or willingness of the Group's customers to pay the Group, the Group may experience payment delays or non-payment. In any of such events, the Group's business may be materially and adversely affected.

**(l) *The Group's insurance coverage may not be adequate***

The Group maintains insurance policies covering both its assets and employees. Risks insured include fire and public liability. There are, however, certain types of losses such as from wars, acts of terrorism or acts of God that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur or insurers fail to fulfil their obligation for the sum insured, the Group may be required to pay compensation, cover the shortfall for such amounts claimed and/or may lose capital invested in the affected property or equipment, as well as anticipated future returns from such property or equipment. Any such loss could materially and adversely affect the Group's business.

**(m) *The Group is subject to risks associated with acquisitions, joint ventures, investments and partnerships***

The Group has sought to expand its presence in the region in recent years and may seek opportunities for growth through strategic alliances, joint ventures, investments and partnerships. There is no assurance that the Group can successfully expand its presence in the region, otherwise maintain the financial performance of the Group, meet anticipated financial performance expectations of the Group or that such transactions and initiatives or any of these efforts will be successful. The acquisitions and investments that the Group may make, or joint ventures and partnerships that the Group may enter into, may expose the Group to additional business or operating risks or uncertainties, including but not limited to the following:

- (i) inability to effectively integrate and manage the acquired businesses;
- (ii) inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- (iii) time and resources expended to coordinate internal systems, controls, procedures and policies;
- (iv) disruption to ongoing business and diversion of management's time and attention from the day-to-day operations and other business concerns;
- (v) risk of entering markets that the Group may have no or limited prior experience or dealing with new counterparties;
- (vi) potential loss of key employees and customers of the existing business and acquired businesses;
- (vii) risk that an investment or acquisition may reduce the Group's future earnings; and
- (viii) exposure to unknown liabilities.

The expansion of the business may expose the Group to risks related to the new business ventures as well as to the economic, legal and regulatory conditions that are different from the business ventures which the Group currently operates in. Accordingly, there is no assurance of success or the sustainability of the Group's business in these new business ventures. If the Group is unable to adapt or assimilate its operations to the new business ventures, this could have a material

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adverse effect on the business, financial condition, results of operations and prospects of the Group.

**(n) *The Group may face risks arising from its indebtedness***

The Group may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways, including by limiting its ability to pay dividends or requiring it to procure consents before it can pay dividends to holders of shares. Additionally, the Group's level of indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

**(o) *The Group may be subject to foreign exchange risks***

The Group may be subject to foreign exchange risks as a result of transactions denominated in currencies other than its functional currency in S\$. The Group may also hold assets and liabilities denominated in foreign currencies. Our exposure to foreign exchange risks may also increase in the event that the Group undertakes offshore projects in the future.

To the extent that the Group's revenue or receipts and costs or payments are not perfectly matched in the same currency and that there are time gaps between revenue recognition and actual receipts and between cost recognition and actual payments, the Group will be exposed to foreign exchange fluctuations.

As the Group's financial statements are recorded in the functional and reporting currency in S\$, any foreign exchange fluctuations against the S\$ arising from transactions carried out in foreign currencies as well as translations of foreign currency assets and liabilities as at the end of the reporting period will result in exchange gains or losses in the Group's statements of comprehensive income and statements of financial position.

**(p) *The Group may be affected by outbreaks of severe communicable diseases, epidemics, acts of God, war and terrorist attacks***

The outbreak of communicable diseases in Singapore, Malaysia, Hong Kong and in Chengdu, PRC, if uncontrolled, could have an adverse effect on the overall business sentiment and environment, which may materially and adversely affect the Group's business. In addition, in the event of an outbreak of epidemic, if any of the Group's employees are infected with such diseases, the Group's business may be materially and adversely affected.

Natural disasters and other acts of God which are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in the various geographical locations in which the Group operates. The Group's business may be materially and adversely affected if such natural disasters occur. War and terrorist attacks may cause damage or disruption to the Group and its employees, facilities and customers, any of which may materially and adversely affect the Group's business. Furthermore, war or hostility between countries may result in a drop in the value of global stock markets and have a negative impact on the global economy. The above may have a material and adverse impact on the Group's business.

**(q) *The Group faces risks from changes to its accounting policies***

From time to time, the Group may be required to make changes to its accounting policies due to, amongst others, changes in applicable financial reporting standards. There can be no assurance that the adoption of the new accounting policies will not have a significant impact on the Group's financial condition and results of operations.

**(r) *Tax positions which the Group has taken may be challenged and the Group is subject to the risk of changing income tax rates and laws***

From time to time, the Group may be subject to various types of tax audits (including routine and special audits) in connection with which tax positions that have been taken may be challenged and overturned. If this were to occur, the Group's tax rates could significantly increase and the Group may be required to pay significant back taxes, interests and/or penalties. The outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Group's tax audits are resolved in a manner not consistent with the Group's expectations, the Group could be required to adjust its provision for income tax in the period such resolution occurs. Any significant proposed adjustments could have a material and adverse effect on the business.

In addition, a change in tax laws, treaties or regulations, or their interpretation, of any country in which the Group operates could result (including with retrospective effect) in a higher tax rate or have a material impact on the Group's tax exposure. While the Group may seek tax advice or opinions from external advisers from time to time in relation to its operations, there is no assurance that a tax position adopted by the Group (with or without such tax advice or opinion) will not be successfully challenged by the tax authorities in the countries that the Group operates in.

Also, a number of countries in which the Group is located allow for tax holidays or provide other tax incentives to attract and retain business. However, any tax holiday or incentive the Group has could be challenged, modified or even eliminated by taxing authorities or changes in law. In addition, the tax laws and rates in certain jurisdictions in which the Group operates can change with little or no notice and any such change may even apply retroactively. Any of such changes could adversely affect the Group's effective tax rate and therefore materially and adversely affect the business.

**Risks relating to ownership of the Shares**

**(a) *Investments in securities quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST***

The Company is listed on the Catalist, a listing platform primarily designed for fast-growing and emerging or smaller companies which generally involve higher investment risks compared to larger or more established companies on the Mainboard of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on the Catalist.

**(b) *The trading price of the Shares may fluctuate***

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*:

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- (i) variation(s) in the Group's operating results;
- (ii) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance;
- (iii) success or failure of the Company's management team in implementing business and growth strategies;
- (iv) gain or loss of an important business relationship;
- (v) additions or departures of key personnel;
- (vi) fluctuations in stock market prices and volume;
- (vii) changes in government regulations and other rules/regulations with regard to the industries that the Group operates in;
- (viii) involvement in litigation;
- (ix) general economic, stock and credit market conditions; and
- (x) other events or factors described in this Offer Information Statement.

**(c) *There is no assurance that the Shares will remain listed on the Catalist or that there will be a liquid market for the Shares***

Although it is currently intended that the Shares will remain listed on the Catalist, there is no guarantee of the continued listing of the Shares. As a result, there may not be a liquid market for the Shares. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the Catalist may change or improve after the Convertible Loan has been fully disbursed by the Investors, and any conversion of the Convertible Amount to Conversion Shares.

**(d) *Investors may experience future dilution in the value of their Shares***

The Group may need to raise additional funds in the future to finance the repayment of borrowings, expansion of new developments relating to the Group's existing operations and/or to finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a pro-rata basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

**(e) *Any future sales of the Shares by the Substantial Shareholders and/or Directors could adversely affect its Share price***

Any future sale of Shares by the Substantial Shareholders and/or Directors in the public market can have a downward pressure on the price of the Shares. The sale of a significant amount of such Shares in the public market, or the perception that such sales may occur could materially and adversely affect the market price of the Shares. These factors could also affect the Group's ability to issue additional equity securities in the future.

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- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast has been disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable. No profit forecast has been disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part:**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable. No profit forecast has been disclosed in this Offer Information Statement.

- 15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part:**

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**



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- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
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Not applicable. No profit forecast has been disclosed in this Offer Information Statement.

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**16. Disclose any event that has occurred from the end of:**

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant party or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

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Save as disclosed in this Offer Information Statement, the Company's annual reports, circulars and public announcements, the Directors are not aware of any event which has occurred since 31 December 2019 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

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**17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**

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Noted.

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PART 6 (THE OFFER AND LISTING)

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- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**
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The Conversion Price for each Conversion Share is S\$0.149 and where required by the Company, each Investor will pay the expenses for the issue of Conversion Shares on conversion of the Convertible Amount.

Save as set out above, the other expenses incurred by the Company in respect of the Convertible Loan and the Conversion will not be specifically charged to the Investors.

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- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable. The Shares and the Conversion Shares shall be traded on the Catalist.

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- 3. If:**
- (a) any of the relevant entity's shareholders or equity interest-holders have preemptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
  - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

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Not applicable as no relevant entity's shareholders or equity interest-holders have preemptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered.

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- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange:**
- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts:**
    - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**

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- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts:
  - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
  - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

- (a) The Conversion Shares to be issued upon Conversion are of the same class as the Shares which are listed for quotation on the Catalist.

The highest and lowest traded prices and volume of the Shares traded on the SGX-ST over the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 June 2020 to the Latest Practicable Date are as follows:

Month/Year	Share Price (S\$)		Volume ('000)
	High	Low	
June 2019	-	-	-
July 2019	0.110	0.072	325,200
August 2019	0.083	0.083	300
September 2019	0.081	0.081	2,700
October 2019	-	-	-
November 2019	-	-	-
December 2019	-	-	-
January 2020	0.074	0.065	82,221,300
February 2020	0.082	0.070	56,076,500
March 2020	0.077	0.068	16,660,000
April 2020	0.225	0.068	116,981,000
May 2020	0.240	0.138	83,881,000
1 June 2020 to Latest Practicable Date	0.177	0.138	40,461,000

Source: Bloomberg L.P.

*Bloomberg L.P. has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the price range and volume of Shares quoted under this section and is therefore not liable for this information under Sections 253 and 254 of the SFA. The Company has*

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*included the above price range and volume of Shares in their proper form and context in this Offer Information Statement and has not verified the accuracy of the above information. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to these quotes.*

- (b) Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.
- (c) Save for the temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com>, there has not been any trading suspension for the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table set out in paragraph 4(a) of this Part 6 above for the volume of Shares traded during each of the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 June 2020 to the Latest Practicable Date.

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**5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide:**

- (a) **a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
  - (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**
- 

Not applicable. The Conversion Shares will, when allotted and issued, be credited as fully-paid Shares free from any and all encumbrances and rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of the Conversion Shares.

The Conversion Shares are to be issued and allotted pursuant to the specific approval granted by Shareholders at an EGM convened by the Company on 29 June 2020 at 2.00 p.m.

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**6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

---

No underwriter, broker or dealer has been appointed.

Pursuant to the Convertible Loan Agreement, the Investors have been granted the right to convert at the Conversion Price the Convertible Amount into a maximum of 46,694,626 Conversion Shares in the issued and paid-up capital of the Company, fractional entitlements to be disregarded, in accordance of the terms of the Convertible Loan Agreement. The list of Investors, along with their respective Convertible Loan Amounts and the maximum number of Conversion Shares to be issued to each Investor has been set out in paragraph 3.1 of the

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circular dated 13 June 2020 issued to Shareholders of the Company in respect of the Convertible Loan Agreement.

Please refer to the sub-section entitled “**Conversion Right**” under the section entitled “**Summary of the Terms of the Convertible Loan Agreement**” of this Offer Information statement for further details on certain restrictions to the Conversion Right.

- 
- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**
- 

Not applicable. No underwriter has been appointed.

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PART 7 (ADDITIONAL INFORMATION)

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- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report was made by an expert in this Offer Information Statement.

- 
- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert:**

- (a) state the date on which the statement was made;**
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
  - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
- 

Not applicable. No statement was made by an expert in this Offer Information Statement.

- 
- 3. The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
- 

Not applicable. No statement was made by an expert in this Offer Information Statement.

- 
- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
- 

Not applicable. No issue manager or underwriter has been appointed.

- 
- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly:**

- (a) the relevant entity's business operations or financial position or results; or**
  - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.**
- 

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company on SGXNET and to the best of their knowledge, the Directors are not aware of any other matters not disclosed under any other paragraph of this Offer Information Statement which could materially affect, directly or indirectly, the Company's business operations, financial position or results, or investments by the holders of securities in the Company.

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**PART 8 (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES)**

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**1. Provide the names and addresses of each paying agent of the relevant entity.**

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Not applicable as there is no arranger or paying agent.

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**2. In the case of a guaranteed debenture issue, provide:**

- (a) the name and address of the guarantor entity; and**
  - (b) the names and addresses of each of the directors or equivalent persons of the guarantor entity.**
- 

Not applicable as there is no guarantor entity.

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**3. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will:**

- (a) enforce a lien against the property of the relevant entity;**
  - (b) act on behalf of the debenture holders; or**
  - (c) take any action at the request of the debenture holders.**
- 

Not applicable as there is no trustee, fiscal agent or any other representative.

---

**4. If, in the reasonable opinion of the directors or equivalent persons, the trustee or representative for the debenture holders has a material relationship with the relevant entity which could cause a conflict to arise between the trustee's or representative's interest as a trustee or representative for the debenture holders and the trustee's or representative's other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider the appointment to be appropriate.**

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Not applicable as there is no such material relationship which could cause a conflict to arise.

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**5. State:**

- (a) where the amount of subscriptions that are being sought is fixed at the date of lodgment of the offer information statement:
  - (i) that amount; and**
  - (ii) where applicable, that that amount may be reduced and how and when the relevant entity will inform investors of the final amount of subscriptions sought;****

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Not applicable as the conversion of the Convertible Loan to Conversion Shares is not an obligation of the Investors.

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**(b) where the amount of subscriptions that are being sought is not fixed at the date of lodgment of the offer information statement:**

**(i) the range of that amount; and**

**(ii) how and when the relevant entity will inform investors of the final amount of subscriptions sought;**

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Please refer to paragraph 1 of the subsection entitled “**Part 3 (Offer Statistics and Timetable)**” under the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

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**(c) the nature and denomination of the debentures or units of debentures, as the case may be, being offered;**

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Please refer to paragraph 1 of the subsection entitled “**Part 3 (Offer Statistics and Timetable)**” under the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

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**(d) where the number of debentures or units of debentures being offered is fixed at the date of lodgment of the offer information statement:**

**(i) that number; and**

**(ii) where applicable, that that number may be reduced, and how and when the relevant entity will inform investors of the final number of debentures or units of the debentures, as the case may be, offered;**

---

Please refer to paragraph 1 of the subsection entitled “**Part 3 (Offer Statistics and Timetable)**” under the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

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**(e) where the number of debentures or units of debentures being offered is not fixed at the date of lodgment of the offer information statement:**

**(i) the range of that number; and**

**(ii) how and when the relevant entity will inform investors of the final number of debentures or units of debentures, as the case may be, offered;**

---

Not applicable as the maximum number of Conversion Shares to be issued and allotted pursuant to the conversion of the Convertible Loan (including Interest) is fixed.



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- (f) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and**
- 

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 12% of the weighted average price of S\$0.1694 per Share for trades done on the SGX-ST on the Latest Practicable Date.

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 has sought the approval of its Shareholders under Rule 811(3) of the Catalist Rules at the EGM convened by the Company on 29 June 2020 at 2.00 p.m.

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- (g) the currency of the issue and, if the issue is payable in any currency, this fact.**
- 

The Convertible Loan and payments under the Convertible Loan are in Singapore dollars (S\$).

- 
- 6. If the amount of the debentures or units of debentures, as the case may be, being offered can be increased, such as by the exercise of an underwriter's over-allotment option or "greenshoe option", state the exercise period of and amount under that option. To avoid doubt, the amount of subscriptions to be stated under paragraph 5(a) or (b) of this Part and the number of debentures or units of debentures being offered to be stated under paragraph 5(d) or (e) of this Part must not include any amount of debentures or units of debentures being offered that can be increased under such an option.**
- 

Not applicable as the Convertible Loan cannot be increased.

- 
- 7. Provide the following information on the debentures or units of debentures, as the case may be, being offered:**
- (a) where the yield is fixed at the date of lodgment of the offer information statement, that yield and a summary of the method by which that yield is calculated;**
- 

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 already converted into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

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- (b) where the yield is not fixed at the date of lodgment of the offer information statement:
- (i) how and when the relevant entity will inform investors of the final yield; and
  - (ii) a statement that subscriptions from investors (other than any institutional investor, relevant person as defined in section 275(2) of the Act, or person who intends to subscribe for the debentures or units of debentures, as the case may be, at a consideration of at least \$200,000) will be accepted only after the final yield is made known to the investors;
- 

Not applicable.

- (c) where the nominal interest rate is set at the date of lodgment of the offer information statement, the nominal interest rate and:
- (i) if the nominal interest rate is a floating rate, how the rate is calculated; and
  - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;
- 

Not applicable as the nominal rate is fixed. 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 already converted into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

- (d) where the nominal interest rate is not set at the date of lodgment of the offer information statement:
- (i) how and when the relevant entity will inform investors of the final nominal interest rate; and
  - (ii) a statement that subscriptions from investors (other than any institutional investor, relevant person as defined in section 275(2) of the Act, or person who intends to subscribe for the debentures or units of debentures, as the case may be, at a consideration of at least \$200,000) will be accepted only after the nominal interest rate is made known to the investors;
- 

Not applicable.

- (e) the issue and redemption prices;
- 

Please refer to the section entitled “**Summary of the Terms of the Convertible Loan Agreement**” of this Offer Information Statement.

- (f) the date from which interest accrues, and the interest payment dates;
- 

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 already converted into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

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- (g) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;**
- 

Please refer to the section entitled “**Summary of the Terms of the Convertible Loan Agreement**” of this Offer Information Statement.

- 
- (h) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the currency of the issue, that fact;**
- 

The Convertible Loan Amount and Interest thereon are payable in Singapore dollars (S\$).

- 
- (i) where the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, may be paid in more than one currency:**

- (i) the persons who have the power to determine:**

- (A) the currency or currencies in which payment is to be made; and  
(B) the applicable currency exchange rates; and**

- (ii) the basis on which each determination in sub-paragraph (i) will be made;**
- 

Not applicable as the Convertible Loan Amount and Interest thereon are payable in Singapore dollars (S\$).

- 
- (j) the final repayment date and, where there is any option for early repayment:**

- (i) that fact;**

- (ii) whether the option is exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures; and**

- (iii) the early repayment date;**
- 

The outstanding Convertible Loan Amount is to 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.

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

- 
- (k) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;**
- 

Not applicable as no prepayment or cancellation of the Convertible Loan, or any part thereof, is allowed.

- 
- (l) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;**
-

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The Convertible Loan constitutes direct, unsubordinated and unsecured obligations of the Company.

- 
- (m) where the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors —**
- (i) the aggregate amount of outstanding indebtedness that ranks in priority to the debentures or units of debentures being offered, as of the latest practicable date; or**
  - (ii) where there is no limit on the creation of additional indebtedness that ranks in priority to the debentures or units of debentures being offered, that fact;**
- 

Not applicable as the Convertible Loan constitutes direct, unsubordinated and unsecured obligations of the Company.

- 
- (n) the rights conferred upon the holders of the debentures or units of debentures as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of security holders or creditors;**
- 

Please refer to paragraphs (a) to (m) of this Part 8 above.

- 
- (o) the particulars of any security, including provisions relating to the release or substitution of the security, if applicable, and where the security is in the form of a fixed asset, any requirement for the maintenance of that asset;**
- 

Not applicable as the Convertible Loan is unsecured.

- 
- (p) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;**
- 

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 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.

For avoidance of doubt, any adjustments to the Conversion Price, pursuant to the Convertible Loan Agreement, which are to the advantage of the Investors or are prejudicial to the

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interests of the Shareholders shall be subject to the prior approval of the Shareholders in a general meeting.

- 
- (q) a statement as to whether or not the relevant entity has any right to create any additional charge over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, being an additional charge that will rank in priority to or equally with the charge to secure the repayment of the debentures or units of debentures, as the case may be, and, if there is any such right, particulars of its nature and extent;**
- 

Not applicable as the Convertible Loan is unsecured.

- 
- (r) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on and the interest on the debentures or units of debentures, as the case may be; and the material terms and conditions of any such guarantee, surety or commitment (including all conditions for the application of that guarantee, surety or commitment);**
- 

Not applicable as the Convertible Loan is not guaranteed.

- 
- (s) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;**
- 

The Convertible Loan Agreement shall be governed by, and construed in accordance with, the laws of Singapore. Each party to the Convertible Loan Agreement hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Singapore for all purposes in relation to the Convertible Loan Agreement and waives any objection on the ground of venue or forum non conveniens or on similar grounds.

- 
- (t) definition of events constituting defaults, the remedies available in the event of default, and the effect (if any) of a default on the acceleration of the maturity of debentures or units of debentures, as the case may be;**
- 

Any one of the following events and occurrences shall constitute an Event of Default under the Convertible Loan Agreement:-

- (i) 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;
- (ii) failure by the Company to perform or comply with any of the terms and conditions of the Convertible Loan Agreement;
- (iii) 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;

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- (iv) 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
- (v) 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.

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**(u) information on when holders of the debentures or units of debentures are able to take action to enforce their claims;**

---

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 fulfilment 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.

- 
- (v) the procedures and actions to be taken by the relevant entity, guarantor entity, trustee, fiscal agent or any other representative for the debenture holders (as the case may be) in the event of a default or potential event of default, including:**
- (i) the communication plans with debenture holders;**
  - (ii) whether any meeting of debenture holders will be convened by the relevant entity, guarantor entity, trustee, fiscal agent or other representative for the debenture holders;**
  - (iii) whether the trustee, fiscal agent or any other representative for the debenture holders is bound to take steps to ascertain whether there is an event of default or a potential event of default; and**
  - (iv) the conditions to be fulfilled in order for the trustee or other representative for the debenture holders to take action on behalf of those debenture holders or at the request of those debenture holders, including any threshold of approval or instruction and any pre-funding or indemnification requirement;**
- 

The Company will take the appropriate procedures and actions in the Event of Default or Potential Event of Default.

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

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the giving of notice, lapse of time, determination of materiality and/or the fulfilment 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.

- 
- (w) provisions setting out how the terms and conditions of the debentures or units of debentures, as the case may be, or the rights of the holders of the debentures or units of debentures, may be modified;**
- 

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 Company and the Investors, 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 the Shareholders in general meeting where required by law or by the Catalyst Rules.

For avoidance of doubt, any adjustments to the Conversion Price, pursuant to the Convertible Loan Agreement, which are to the advantage of the Investors or are prejudicial to the interests of the Shareholders shall be subject to the prior approval of the Shareholders in a general meeting.

- 
- (x) the consequences of any failure to make payments that does not constitute an event of default, and the remedies available (under the terms of the debentures or units of debentures, as the case may be, or the applicable law) for any such failure.**
- 

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 constitutes an Event of Default under the Convertible Loan Agreement.

- 
- 8. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose:**
- (a) the name of the credit rating agency;**
  - (b) the credit rating (including whether it is a short-term or long-term credit rating);**
  - (c) whether any fee or benefit of any kind has been paid by the relevant entity, its guarantor entity or any of their related parties to the credit rating agency, in consideration for the credit rating assessment; and**
  - (d) the date on which the credit rating was given.**
- 

Not applicable as no credit rating was given.

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- 9. If a credit rating is disclosed under paragraph 8 of this Part, provide the following information:**
- (a) a statement whether the credit rating is current as of the date of lodgment of the offer information statement;**

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- (b) a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be, and that investors should perform their own evaluation as to whether the investment is appropriate;
- (c) a statement that the credit rating may be revised or withdrawn at any time;
- (d) a statement that the credit rating is a statement of opinion;
- (e) a statement stating the specific publicly available sources where the following information can be obtained:
  - (i) the rating methodology used by the credit rating agency;
  - (ii) the relative ranking of the credit rating;
  - (iii) an explanation of the meaning and limitations of the credit rating;
  - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures or units of debentures being offered or, in the case of a guaranteed debenture issue, its implications on the relevant entity, its guarantor entity or the debentures or units of debentures being offered;
- (f) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available;
- (g) if the credit rating is below BBB by Fitch Ratings, Baa by Moody’s Investors Service, BBB by Standard and Poor’s Ratings Services, or an equivalent rating by any other credit rating agency, provide the following statement: “This rating is a non-investment grade credit rating.”

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Not applicable as no credit rating was given.

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- 10. If all of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered have not been given a credit rating by a credit rating agency, state that fact, and provide a statement that not having a credit rating means that no independent assessment by a credit rating agency of the default risk of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered has been made.**
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No independent assessment by a credit rating agency of the default risk of the Company, the Convertible Loan Agreement or the Conversion Shares (as the case may be) being offered has been made.

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- 11. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form:**
- (a) the aggregate value of the tangible assets owned by the relevant entity;
  - (b) the aggregate value of the tangible assets owned by each, or jointly owned by 2 or more, of its guarantor entities; and



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- (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

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Not applicable as the Convertible Loan is unsecured.

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**12. Show also, in the summary:**

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment equally with the amount under the proposed issue;
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.
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Not applicable as the Convertible Loan is unsecured.

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**13. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.**

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Not applicable as the Convertible Loan is unsecured.

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**14. Where the tangible assets referred to in paragraph 11 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer.**

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Not applicable as the Convertible Loan is unsecured.

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**15. Provide a statement that, for a period of at least 6 months after the date of lodgment of the offer information statement, the trust deed, fiscal agency agreement or any other document constituting the debentures or units of debentures (or a copy of the trust deed, fiscal agency agreement or other document) and in the case of a guaranteed debenture issue, the guarantee and other related documents (or a copy of the guarantee and related documents), may be inspected by any person at a specified place in Singapore.**

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For a period of at least six (6) months after the date of lodgement of this Offer Information Statement, the Convertible Loan Agreement and other related documents referred to in the Convertible Loan Agreement may be inspected by any person at the registered office of the Company in Singapore.

Shareholders who wish to inspect the above documents shall make an appointment via the following email address ([EGM@kitchenculture.com](mailto: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.

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PART 9 (ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES)

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1. Provide information concerning the nature of the securities, securities-based derivatives contracts, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached to the securities, securities-based derivatives contracts, equity interests or property including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.
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The Conversion Shares will, when allotted and issued, be credited as fully-paid Shares free from any and all encumbrances and rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of the Conversion Shares.

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2. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:
- (a) the total number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;
  - (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
  - (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;
  - (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;
  - (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;
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Please refer to the section entitled “**Summary of the Terms of the Convertible Loan Agreement**” and the sub-section entitled “**Part 3 (Offer Statistics and Timetable)**” under the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

Where required by the Company, each Investor shall pay the expenses for the issue of Conversion Shares on conversion of the Convertible Amount.

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- (f) any arrangement for the variation in the subscription price of the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities,

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**securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;**

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The Conversion Price is fixed and 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.

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. For avoidance of doubt, any adjustments to the Conversion Price, pursuant to the Convertible Loan Agreement, which are to the advantage of the Investors or are prejudicial to the interests of the Shareholders shall be subject to the prior approval of the Shareholders in a general meeting.

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- (g) if there is no established market for the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Please refer to the sub-section entitled “**Part 6 (The Offer and Listing)**” under section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018**” of this Offer Information Statement.

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PART 10 (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR  
SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE)

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Not applicable as this is not a rights issue.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

This Offer Information Statement is dated this 1 July 2020.

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

**Board of Directors of  
Kitchen Culture Holdings Ltd.**

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**LIM WEE LI**

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**TEO CHOON KOW @ WILLIAM TEO**

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**KESAVAN NAIR**

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**LAU KAY HENG**

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**LOY SOO TOON**

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**CHUA SIONG KIAT**