



**KITCHEN CULTURE HOLDINGS LTD.**

(Company Registration No: 201107179D)

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

---

**RESPONSES TO SGX'S QUERIES RECEIVED ON 20 OCTOBER 2021**

---

The Board of Directors (the "**Board**" or "**Directors**") of Kitchen Culture Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 19 October 2021 (the "**Announcement**") relating to KHLM's receipt of a statutory demand from Kim Hup Lee in relation to the Alleged Rental Arrears. *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.*

The Company's responses to the queries received from the Singapore Exchange Securities Trading Limited ("**SGX**") on 20 October 2021 are set out below.

**Query 1:** It is stated in the Announcement that "Although Kim Hup Lee is owned and controlled by parties related to the Group's Director, Mr Lim Wee Li, Mr Lim Wee Li has stated that Kim Hup Lee remains separate from him and that he does not have any direct / indirect interest in Kum Hup Lee."

Please clarify who owns and controls Kim Hup Lee and how are these parties related to the Group's Director, Mr Lim Wee Li ("**LWL**")? Is this rental agreement considered an interested person transaction ("**IPT**")?

To the best of the Company's knowledge, the relationship between LWL and Kim Hup Lee's controllers and owners is as follows:

<b>Kim Hup Lee has 3 directors (based on ACRA record retrieved on 7 October 2021):</b>	<b>Relationship with LWL (based on the relationship disclosed in the Company's offer document dated 15 July 2011)</b>
Lim Geok Khoon	Uncle of LWL
Lim Geok Lin Andy	Uncle of LWL
Lim Geok Chong	Uncle of LWL

<b>Kim Hup Lee has 9 shareholders (based on ACRA record retrieved on 7 October 2021):</b>	<b>Percentage shareholding (rounded to nearest %)</b>	<b>Relationship with LWL</b>
Lim EE Pan & Sons (Private) Limited	85%	The shareholders of this entity include Lim Geok Khoon, Lim Geok Chong, Lim Geok Lin Andy, Adrienne Lim Ai Bee, Lim Han Li, Lim Wee Kiat, Lim Kong Wee and Lim Hon

Kim Hup Lee has 9 shareholders (based on ACRA record retrieved on 7 October 2021):	Percentage shareholding (rounded to nearest %)	Relationship with LWL
		Sean who are relatives of LWL as set out below
Lim Geok Khoon	3%	Uncle of LWL
Lim Geok Lin Andy	2%	Uncle of LWL
Lim Geok Chong	2%	Uncle of LWL
Adrienne Lim Ai Bee	1%	Sister of LWL
Lim Han Li	2%	Brother of LWL
Lim Wee Kiat	1%	Relative of LWL
Lim Kong Wee	1%	Relative of LWL
Lim Hon Sean	2%	Cousin of LWL

Based on information available to the Company Secretary, the transactions between KHLM and Kim Hup Lee (insofar as they were entered into after KCH's incorporation on 25 March 2011) do not appear to be an IPT. While KHLM is a wholly owned subsidiary of the Company and while LWL has familial connections with Kim Hup Lee, Kim Hup Lee does not appear to fall within the definition of "associate" under the Listing Manual Section B: Rules of Catalist of the SGX-ST, as LWL and his immediate family do not have an indirect or direct shareholding interest of 30% or more of Kim Hup Lee.

**Query 2: Were there any rental agreements signed between KHL Marketing Asia-Pacific Pte Ltd ("KHLM"), a wholly-owned subsidiary of the Company and Kim Hup Lee? Please provide details on the rental agreements (e.g. rental tenure period, rental rate). Have the agreements lapsed?**

Yes, the summary of Lease Agreements signed between KHLM and Kim Hup Lee for the Premises is as follows:

Document	Leased area	Rental period	Rental rate
Lease Agreement dated 19 April 2011 (Floor 1, 2 and 3)	Floor 1: 10,086 sq feet Floor 2: 15,339 sq feet Floor 3: 16,512 sq feet  Total: 41,937 sq feet	1 April 2011 – 31 March 2014 with option to renew	Rent of S\$37,743.30 per month Service charge of S\$12,581.10 per month Air conditioning charge for Floor 2 and 3 of S\$9,555.30 per month (with additional charges to apply if air conditioning is supplied to Floor 1)
Lease Agreement dated 10 July 2014 (Floor 1 and 2)	Stated as being the 1 <sup>st</sup> and 2 <sup>nd</sup> floor of the building at 25 New Industrial Road, Singapore 536211	1 April 2014 - 31 December 2014 (month to month basis) with option to renew	Floor 1: Rent of S\$9,077.40 per month Service charge of S\$3,025.80 per month  Floor 2: Rent of S\$13,805.10 per month

Document	Leased area	Rental period	Rental rate
			Service charge of S\$4,601.70 per month Air conditioning charge of S\$4,601.70 per month
Lease Agreement dated 10 July 2014 (Floor 3)	16,512 sq feet	1 April 2014 - 31 December 2014 (month to month basis)	Floor 3: Rent of S\$14,860.80 per month Service charge of S\$4,953.60 per month Air conditioning charge of S\$4,953.60 per month

The leasing of Premises from Kim Hup Lee was first disclosed to the public under “Properties and Fixed Assets” and “Other Transactions” sections in the Company’s offer document dated 15 July 2011. Save for the above, no further lease agreements were signed for the Premises.

**Query 3: Are the Premises still being used by KHLM currently? If not, please provide the period used by KHLM and for what purposes.**

No, the Premises are not being used by KHLM currently. From the Company’s records, KHLM vacated the premises on 31 October 2018. The Premises were used as a corporate office, showroom and warehouse.

**Query 4: Please provide more details on the Rental Arrears. Why didn’t KCH pay for such rental arrears incurred since 2016?**

To the best of the Company’s knowledge, there was no formal lease agreement signed during this period. The Company has been legally advised that the agreement between KHLM and Kim Hup Lee was that rent payments would not be immediately enforceable by Kim Hup Lee, and that as a condition precedent to Kim Hup Lee enforcing payments, Kim Hup Lee would first engage KHLM in good faith discussions and seek payment only if KHLM was in funds and able to prioritise the use of funds. This agreement was borne out of the close relationship and shared interests between KHLM and Kim Hup Lee, including but not limited to the Lim family’s connections with both companies.

**How material are the Alleged Rental Arrears to the Group?**

The Alleged Rental Arrears amount to about 55% of the Company and KHLM’s current cash resources and the Group is able to meet this alleged liability.

**Query 5: How were the Rental Arrears being recorded in KCH’s audited financial statements? Please provide the amount of Rental Arrears being recorded in each year between 2016 to 2018.**

The Alleged Rental Arrears were included within “Other payables” on the Balance Sheet of the Group’s audited financial statements.

The amount of the Alleged Rental Arrears recorded as “Other payables” in the books of KHLM between 2016 and 2018 are as follows:

2016: Nil\*; 2017: S\$1,326,767.53; 2018: S\$1,987,663.25.

*\*In 2016 the Company/Group changed its financial year-end from 31 December to 30 June. Consequently, the financial statements for 2017 was for an 18-month period from 1 January 2016 to 30 June 2017.*

As at the date of this announcement, the amount of the Alleged Rental Arrears recorded in the books of KHLM is S\$1,770,126.57.

**Query 6: It is stated that the Group has commenced investigations and instructed solicitors.**

**(a) Please identify the solicitors.**

The Company has instructed Shook Lin & Bok LLP.

**(b) Who in the Group are overseeing the investigation and what does the investigation encompass?**

The Company's Interim CEO is overseeing the investigations. The investigations were commenced because the Alleged Rental Arrears accrued prior to the Interim CEO's appointment on 8 July 2021. The Management team comprising of the COO and Financial Controller are also assisting with the fact-finding and retrieval of documentation. Members of the Finance and Warehouse department were also roped in to access the document archives. The main focus of the investigation is to establish whether there were lease agreements signed for the relevant period, and if not, what the arrangement or agreement between KHLM and Kim Hup Lee was in relation to the Premises.

**Query 7: The Statutory Demand was served to KHLM on 27 September 2021 and Kim Hup Lee had demanded payment for the Alleged Rental Arrears within 21 days.**

**(a) Why is the announcement only released on 19 October 2021 (more than 3 weeks after receipt of the Statutory Demand)?**

The Alleged Rental Arrears referred to in the Statutory Demand accrued from February 2016 to October 2018. Due to the passage of time and the change of management in the interim, in the interests of prudence, the Company needed time to investigate the basis for Kim Hup Lee's claim and to seek legal advice on the same.

In this regard, the Company had initially assumed that there were formal lease agreements signed for February 2016 to October 2018 and had written to Kim Hup Lee's lawyers on 1 October 2021 and 5 October 2021 to request the same. However, Kim Hup Lee declined to provide copies of the lease agreements.

Further, insofar as the alleged arrears accrued when LWL was the sole director of KHLM and CEO of the Company, the Company had also written to LWL on 5 October 2021 to seek the lease agreements for February 2016 to October 2018 and to seek various clarifications in relation to the Alleged Rental Arrears. However, LWL did not respond until after the release of the announcement.

**(b) What were the Board's considerations upon receipt of the Statutory Demand?**

The Alleged Rental Arrears accrued from February 2016 to October 2018, prior to the appointments of the members of the present Board (save for LWL). The Board's immediate response was to consult Management on the lease and also to attempt to obtain and review documentary proof of the lease agreement for the relevant period, including seeking copies of the lease agreement from the relevant parties. See response to Query 7(a) above.

Subsequently, when no lease agreement for the relevant period was found, the Board considered the likelihood that there was never a lease agreement signed and no Board approval obtained. Legal advice was also sought so as to ensure due diligence and protection of the Company's interests.

**(c) What are the legal and financial impact on KHLM and KCH? Are there further legal actions pursued by Kim Hup Lee on KHLM or vice versa?**

If the Alleged Rental Arrears were to be paid immediately – which the Company denies, the cash outflow will reduce the Company and KHLM's working capital significantly, and may disrupt the progress of KHLM's on-going projects.

KHLM has responded to the Statutory Demand to among other things deny that the Alleged Rental Arrears are presently due and owing. Kim Hup Lee may choose to take further action against KHLM in relation to the Alleged Rental Arrears, including commencing legal proceedings against KHLM. In this regard, the Company has obtained confirmation from its solicitors that no further legal actions have been pursued by Kim Hup Lee or vice versa as of 29 October 2021.

**Query 8: Please tabulate and update shareholders on the utilization as well as remaining balance of proceeds from the past fund raising exercises (since 2020).**

The Company will release a separate announcement for the updated use of proceeds in due course.

By Order of the Board

Hao Dongting  
Non-Executive Chairman  
1 November 2021

---

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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