



SDAI LIMITED

(formerly known as Kitchen Culture Holdings Ltd.)
 (Company Registration No. 201107179D)
 (Incorporated in the Republic of Singapore on 25 March 2011)

**MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND
 AUDITED FINANCIAL STATEMENTS FOR THE 18 MONTHS FINANCIAL PERIOD FROM 1 JULY
 2021 TO 31 DECEMBER 2022**

The board of directors (the “**Board**”) of SDAI Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s full yearly results announcement dated 31 March 2023 relating to the unaudited condensed interim financial statements and dividend announcement of the Group for the six months and eighteen months financial period ended 31 December 2022 (“**FP2022**”) (the “**Unaudited Financial Statements**”).

The finalisation of the audit for the consolidated financial statements of the Group for FP2022 (the “**Audited Financial Statements**”) has been completed subsequent to the release of the Unaudited Financial Statements. The external auditor of the Company, Messrs Foo Kon Tan LLP, has proposed certain audit adjustments and reclassifications (the “**Adjustments**”) between the Unaudited Financial Statements and the Audited Financial Statements and the Company has duly incorporated these Adjustments.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the details and explanations for the material variances between the Unaudited Financial Statements and Audited Financial Statements are set out below:

Consolidated Statement of Profit or Loss and Consolidated Statement for Comprehensive Income for FP2022 (the “P&L Statement FP2022”)

	Audited Financial statements S\$	Unaudited Financial Statements S\$	Variance S\$	Notes
Revenue	5,804,491	13,186,373	(7,381,882)	1,2,11
Cost of sales	(4,236,857)	(11,907,028)	7,670,171	1,2,11
Gross profit	1,567,634	1,279,345	288,289	-
Other income	87,951	644,373	(556,422)	1,2
Selling and distribution expenses	(1,756,498)	(372,677)	(1,383,821)	1,2,3
Other operating expenses	(1,531,058)	(823,927)	(707,131)	3,4
General and administrative expenses	(5,359,546)	(10,589,570)	5,230,024	1,2,3,8
Loss from operations	(6,991,517)	(9,682,456)	2,870,939	-
Finance costs	(116,421)	(262,586)	146,165	2,5,8
Share of results of associates	(1,396,454)	(1,396,454)	-	-

	Audited Financial statements S\$	Unaudited Financial Statements S\$	Variance S\$	Notes
Impairment loss on investment in associate	(17,121,904)	-	(17,121,904)	6
Gain on derecognition of subsidiary corporation	-	1,710,189	(1,710,189)	1,2,9
Loss before tax	(25,626,296)	(9,811,307)	(15,814,989)	-
Tax expense	(80,590)	(2,073)	(78,517)	2,7
Loss from continuing operations	(25,706,886)	(9,813,380)	(15,893,506)	-
Loss from discontinued operations, net of tax	(3,008,541)	-	(3,008,541)	1,2,9
loss for the period	(28,715,427)	(9,813,380)	(18,902,047)	-
Net loss attributable to: Owners of the Company				
- Loss from continuing operations	(25,133,789)	(9,611,137)	(15,522,652)	4 - 8
- Loss from discontinued operations	(3,008,541)	-	(3,008,541)	1,2,9
	(28,142,330)	(9,611,137)	(18,531,193)	
Non-controlling interests				
- Loss from continuing operations	(573,097)	(202,243)	(370,854)	4,7,8
	(573,097)	(202,243)	(370,854)	
Loss for the period	(28,715,427)	(9,813,380)	(18,902,047)	-
Other comprehensive income, after tax: <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences relating to foreign operations	28,137	159,594	(131,457)	1,4,7,8
Foreign currency translation differences of subsidiaries reclassified to profit and loss upon derecognition	(196,110)	-	(196,110)	1,9
	(167,973)	159,594	(327,567)	
<i>Items that will not be reclassified subsequently to profit and loss</i>				
Foreign currency translation differences relating to foreign operations	(1,050)	-	(1,050)	4,7,8
	(1,050)	-	(1,050)	
Other comprehensive (loss)/income for the period (nil tax)	(169,023)	159,594	(328,617)	
Total comprehensive loss for the period	(28,884,450)	(9,653,786)	(19,230,664)	
Total comprehensive loss attributable to:				
Owners of the Company	(28,310,303)	(9,449,740)	(18,860,563)	
Non-controlling interests	(574,147)	(204,046)	(370,101)	
Total Comprehensive loss for the period	(28,884,450)	(9,653,786)	(19,230,664)	

Statements of Financial Position At 31 December 2022 (the “Balance Sheet FP2022”)

	Audited Financial statements S\$	Unaudited Financial Statements S\$	Variance S\$	Notes
ASSETS				
Non-current assets				
Property, plant and equipment	354,287	256,558	97,729	1,8
Investment in associated companies	2,294,000	19,415,904	(17,121,904)	6
Deferred tax assets	-	80,427	(80,427)	7
Total non-current assets	2,648,287	19,752,889	(17,104,602)	-
Current assets				
Inventories	245,731	583,138	(337,407)	4
Trade receivables	563,941	717,583	(153,642)	1,4,10,11
Other receivables	1,033,721	1,576,306	(542,585)	1,4,10,11
Contract assets	13,649	-	13,649	10
Cash and bank balances	185,538	459,593	(274,055)	1
Total current assets	2,042,580	3,336,620	(1,294,040)	-
Total Assets	4,690,867	23,089,509	(18,398,642)	-
EQUITY				
Capital and reserves				
Share capital	58,948,250	58,948,250	-	-
Foreign currency translation reserves	123,093	452,462	(329,369)	1,4,7,8,9,11
Accumulated losses	(58,373,842)	(39,842,649)	(18,531,193)	1 - 9
Equity attributable to owners of the Company	697,501	19,558,063	(18,860,562)	-
Non-controlling interests	(848,699)	(478,597)	(370,102)	4,7,8
Total equity	(151,198)	19,079,466	(19,230,664)	-
LIABILITIES				
Non-current liabilities				
Lease liabilities	-	-	-	-
Total non-current liabilities	-	-	-	-
Current liabilities				
Lease liabilities	330,834	224,758	106,076	8
Borrowings	1,398,219	1,500,000	(101,781)	5
Trade payables	430,383	257,042	173,341	1,11
Other payables	1,686,992	1,033,023	653,969	1,9,11
Contract liabilities	995,637	995,220	417	1
Total current liabilities	4,842,065	4,010,043	832,022	-
Total Liabilities	4,842,065	4,010,043	832,022	-
Total Liabilities and Equity	4,690,867	23,089,509	(18,398,642)	-

Consolidated Statement of Cash Flows for FP2022 (the “Cashflow Statement FP2022”)

	Audited Financial statements S\$	Unaudited Financial Statements S\$	Variance S\$	Notes
Cash flows from Operating Activities				
Loss for the period	(28,715,427)	(9,811,307)	(18,904,120)	12
Adjustments for:				
Amortisation of investment property	10,658	10,658	-	-
Bad debts written off	7,273	-	7,273	12
Depreciation of property, plant and equipment	1,997,487	1,972,038	25,449	-
Gain on derecognitions of subsidiaries	(1,630,383)	(1,710,189)	79,806	-
Impairment loss on trade receivables	256,632	-	256,632	12
Impairment loss on other receivables	233,256	-	233,256	12
Impairment loss on investment in associate	17,121,904	-	17,121,904	12
Interest expense	142,727	244,590	(101,863)	12
Interest income	(1,022)	(1,022)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(149,770)	(149,770)	-	-
Property, plant and equipment written off	20,029	24,130	(4,101)	12
Share of results of associated companies	1,396,454	1,396,454	-	-
Tax expense	82,663	-	82,663	12
Unrealised foreign exchange differences, net	485	(364,924)	365,409	12
Operating cash flows before working capital changes	(9,227,034)	(8,389,342)	(837,692)	-
Changes in working capital:				
- Inventories	874,355	341,013	(341,013)	12
- Trade and other receivables	695,620	976,722	(102,367)	12
- Contract assets	563,993	569,756	(5,763)	-
- Trade and other payables	3,291,547	2,108,787	1,182,760	12
- Contract liabilities	(452,580)	(629,865)	177,285	12
Cash used in operations	(4,254,099)	(5,022,929)	768,830	-
Income tax paid	(2,073)	39,440	(41,513)	12
Net cash used in operating activities	(4,256,172)	(4,983,489)	727,317	-
Cash Flows from Investing Activities				
Interest received	1,022	1,022	-	-
Additions to property, plant and equipment	(177,305)	(181,406)	4,101	-
Proceeds from disposal of property, plant and equipment	809,597	547,602	261,995	12
Derecognition of subsidiaries, net of net disposed	(383,248)	(260,378)	(122,870)	12
Net cash from investing activities	250,066	106,840	143,226	-
Cash Flows from Financing Activities				
Interest paid	(244,508)	(244,590)	82	-
Principal payment of lease liabilities	(2,185,832)	(1,447,294)	(738,538)	12
Repayment of loan from a shareholder of a subsidiary	(413,874)	-	(413,874)	12
Proceeds from loan from a third party	1,500,000	1,500,000	-	-
Net cash used in financing activities	(1,344,214)	(191,884)	(1,152,330)	-
Net decrease in cash and cash equivalents	(5,350,320)	(5,068,533)	(281,787)	12
Cash and cash equivalents at beginning of the financial period	5,535,483	5,535,483	-	-
Effects of foreign exchange rate changes on cash and cash equivalents	375	(7,357)	7,732	12
Cash and cash equivalents at end of the financial period	185,538	459,593	(274,055)	-

Notes:

1. On 5 April 2022, the Company's wholly-owned subsidiary, KHL Marketing Asia-Pacific Pte. Ltd. ("**KHLM**") entered into compulsory liquidation. Accordingly, KHLM was deconsolidated from the consolidated financial statements in the Unaudited Financial Statements. However, the subsidiaries of KHLM were not deconsolidated, resulting in their 18-month results for FP2022 being erroneously consolidated into the Unaudited Financial Statements.
2. The deconsolidation of KHLM met the definition of discontinued operations in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, and it is now re-presented as a separate account on the P&L Statement FP2022 labelled "Loss from discontinued operation, net of tax" to reflect the presentation of discontinued operations in the Audited Financial Statements.
3. Reclassification of "Other operating expenses" and "General and administrative expenses" to "Selling and distribution expenses".
4. Additional recognition of "Impairment loss on trade receivables", "Impairment loss on other receivables" and "Inventories" written-down, which were not accounted for in the Unaudited Financial Statements.
5. Adjustment of S\$101,781 from over-recognition of interest expense in the Unaudited Financial Statements.
6. "Impairment loss on investment in associate" was erroneously omitted for in the Unaudited Financial Statements.
7. Deferred tax assets were not expensed in the Unaudited Financial Statements.
8. The right-of-use assets presented within "Property, plant and equipment" and current portion of the "Lease liabilities" were under-recognised in the Unaudited Financial Statements.
9. The amount due to KHLM was erroneously omitted subsequent to the deconsolidation of KHLM in the Unaudited Financial Statements.
10. Reclassification from "Other receivables" to S\$154,286 in "Trade receivables" and S\$13,649 in "Contract assets".
11. Adjustments to the management accounts of KHL (Hong Kong) Limited, a subsidiary of the Company, subsequently to the Unaudited Financial Statements.
12. The variances in the Cashflow Statement FP2022 are the results of adjustments and reclassifications of the P&L Statement FP2022 and the Balance Sheet FP2022 as detailed and explained in notes 1 to 11 above.

Save as set out above, the P&L Statement FP2022, the Balance Sheet FP2022 and the Cashflow Statement FP2022 do not contain any other material adjustments.

The Company's shareholders are advised to read this announcement in conjunction with the Audited Financial Statements as set out in the annual report of the Company for FP2022, which will be released separately on SGXNet on 25 April 2024.

By Order of the Board of
SDAI Limited

Yip Kean Mun
Executive Director
25 April 2024

*This announcement has been prepared by SDAI Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by 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 Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone: (65) 6636 4201.