



KITCHEN CULTURE HOLDINGS LTD.
(Company Registration No: 201107179D)

**ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES –
ADJUSTMENTS TO PRELIMINARY FINANCIAL RESULTS ANNOUNCEMENT FOR THE
18-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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.

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The Board of Directors (the “**Board**”) of Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its unaudited financial results announcement for the 18-month financial period ended 30 June 2017 (“**FP2017**”) dated 29 August 2017 (the “**Announcement**”). Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), the Board wishes to announce the material variances and the reasons for the material variances between the audited financial statements of the Group for FP2017 (the “**Audited Results**”) and the unaudited financial statements stated in the Announcement (the “**Unaudited Results**”) following the finalisation of the audit.

Below are the details of the material variances between the Audited Results and the Unaudited Results:

Consolidated Statement of Financial Position

	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Property, plant and equipment	1,096,145	1,114,564	18,419	1.7%	n.m.
Investment property	258,825	258,825	-	-	n.m.
Deferred tax assets	342,926	342,926	-	-	n.m.
Trade and other receivables	12,403,325	12,557,386	154,061	1.2%	Refer to D
Cash and cash equivalents	696,705	755,017	58,312	8.4%	Refer to A
Inventories	9,364,369	9,364,369	-	-	n.m.
Tax recoverable	61,998	89,374	27,376	44.2%	Refer to B
Finance lease liabilities	158,552	158,553	1	0.0%	n.m.
Borrowings	6,956,237	7,014,551	58,314	0.8%	Refer to A
Trade and other payables	16,321,851	17,034,955	713,104	4.4%	Refer to C
Income tax payable	4,429	4,429	-	-	n.m.
Share capital	6,231,259	6,231,259	-	-	n.m.
Translation reserve	403,035	404,263	1,228	0.3%	n.m.
Accumulated Losses	(5,680,761)	(6,195,765)	515,004	9.1%	Refer to F to J
Non-controlling interests	(107,309)	(169,784)	62,475	58.2%	Refer to E

Consolidated Statement of Comprehensive Income

	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Revenue	49,587,071	49,551,428	(35,643)	-0.1%	n.m.
Cost of sales	(34,403,699)	(34,894,726)	491,027	1.4%	Refer to F
Other income	97,171	247,063	149,892	154.3%	Refer to G
Selling and distribution expenses	(10,864,839)	(10,027,887)	(836,952)	-7.7%	Refer to H
Other operating expenses	(404,208)	(561,197)	156,989	38.8%	Refer to I
General and administrative expenses	(9,082,494)	(9,900,683)	818,189	9.0%	Refer to J
Finance costs	(1,331,746)	(1,331,746)	-	-	n.m.
Loss before tax	(6,402,744)	(6,917,748)	515,004	8.0%	
Loss for the year	(6,402,744)	(6,917,748)	515,004	8.0%	
Other comprehensive income for the year, net of tax	38,197	39,951	1,754	4.6%	n.m.
Total comprehensive loss for the year	(6,364,547)	(6,877,797)	513,250	8.1%	

Consolidated Statement of Cash Flows

	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Net cash from operating activities	1,145,358	1,546,085	400,727	35.0%	Refer to K, L
Net cash used in investing activities	(627,964)	(670,910)	42,946	6.8%	Refer to K
Net cash used in financing activities	(3,850,383)	(4,208,165)	357,782	9.3%	Refer to L

n.m. – not meaningful / not material

Explanatory notes:

- A. Reclassification of bank overdraft from cash and cash equivalents to borrowings of S\$58,312.
- B. Reclassification from trade and other receivables to tax recoverable of S\$27,376.
- C. Reclassification of amount due to contract customers of S\$703,181 from trade and other receivables to trade and other payables.
- D. Trade and other receivables increased by S\$154,061 due mainly to the reclassification of amount due to contract customers to trade and other payables of S\$703,181 as explained in Note C above, partially offset by project expenses amounting to S\$505,426 previously recorded as recoverable construction in progress which was written off to cost of sales as these expenses related to completed projects.
- E. Adjustment for non-controlling interests' share of profit or loss for the financial period ended 30 June 2017 of S\$62,475 due to adjustments to net loss for the year.
- F. Cost of sales increased due to the adjustments made for additional costs in proportion to percentage of completion of projects of S\$491,027.
- G. Other income increased as a result of recognition of service income and sundry income amounting to S\$107,023 and S\$42,869 respectively.
- H. Selling and distribution expenses decreased due to reclassification of rental expenses and staff salaries totalling S\$836,952 to general and administrative expenses.
- I. Other operating expenses increased due mainly to additional foreign exchange loss amounting to S\$103,143 and a reclassification for inventories written down of S\$30,061 from general and administrative expenses.
- J. General and administrative expenses increased due to reclassification of rental expenses and staff salaries totalling S\$836,952 from selling and distribution expenses, additional depreciation expense of S\$18,058, offset by a decrease in general expenses of S\$36,821 (which includes the reclassification for inventories written down of S\$30,061 in Note I above).
- K. Reclassification of property, plant and equipment acquired under finance lease of S\$42,946 from operating activities to investing activities.
- L. Reclassification of finance lease repayments and interest expense on borrowings of S\$77,500 and S\$280,283 respectively from operating activities to financing activities.

On behalf of the Board of Directors

Lim Wee Li
Executive Chairman and CEO

Date: 12 October 2017