



kitchen
culture

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
FINANCIAL YEAR ENDED 30 JUNE 2021**

*This announcement has been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited. This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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.

The Board of Directors (the “**Board**”) of Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited financial results announcement for the financial year ended 30 June 2021 (“**FY2021**”) dated 5 November 2021 (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 FY2021 (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

As at 30 June 2021	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Cash and cash equivalents	5,503,262	5,535,483	32,221	0.59%	n.m.
Trade receivables (total)	6,117,950	6,081,136	(36,814)	-0.60%	n.m.
Other receivables	2,872,328	2,857,970	(14,358)	-0.50%	n.m.
Contract assets	569,756	569,756	-	-	-
Inventories	2,184,691	2,104,291	(80,400)	-3.68%	n.m.
Property, plant and equipment	1,948,376	3,580,922	1,632,546	83.79%	Refer to A
Investment property	207,671	207,671	-	-	-
Investment in associated company	23,012,358	20,812,358	(2,200,000)	-9.56%	Refer to B
Deferred tax assets	79,486	79,486	-	-	-
Trade payables	2,726,949	2,300,602	(426,347)	-15.63%	Refer to C
Other payables	3,209,745	3,228,599	18,854	0.59%	n.m.
Contract liabilities	4,705,474	4,392,293	(313,181)	-6.66%	Refer to D
Lease liabilities (total)	1,445,076	3,174,327	1,729,251	>100.00%	Refer to E
Share capital	58,948,250	58,948,250	-	-	-
Translation reserve	291,806	291,066	(740)	-0.25%	n.m.
Accumulated losses	(28,587,564)	(30,231,512)	(1,643,948)	5.75%	Refer to F
Equity attributable to equity holders of the Company	30,652,492	29,007,804	(1,644,688)	-5.37%	
Non-controlling interests	(243,858)	(274,552)	(30,694)	12.59%	
Total equity	30,408,634	28,733,252	(1,675,382)	-5.51%	

Consolidated Statement of Comprehensive Income

FY2021	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Revenue	11,647,678	11,932,465	284,787	2.45%	Refer to G
Cost of sales	(8,147,339)	(8,187,231)	(39,892)	0.49%	n.m.
Other income	670,542	820,385	149,843	22.35%	Refer to H
Selling and distribution expenses	(1,873,540)	(1,788,926)	84,614	-4.52%	n.m.
Other operating expenses	(2,973,595)	(2,729,803)	243,792	-8.20%	Refer to I
General and administrative expenses	(8,175,292)	(8,359,374)	(184,082)	2.25%	Refer to J
Finance cost	(73,572)	(87,307)	(13,735)	18.67%	n.m.
Share of result of associated company	(909,642)	(909,642)	-	-	-
Impairment loss on investment in associated company	-	(2,200,000)	(2,200,000)	>100.00%	Refer to K
Net loss	(9,834,760)	(11,509,433)	(1,674,673)	17.03%	
Exchange differences on translation of foreign operations	102,333	101,624	(709)	-0.69%	n.m.
Total comprehensive loss	(9,732,427)	(11,407,809)	(1,675,382)	17.21%	

Consolidated Statement of Cash Flows

FY2021	Per Unaudited Results	Per Audited Results	Change Increase / (Decrease)		Explanation for the variances
	S\$	S\$	S\$	%	
Net cash used in operating activities	(6,839,553)	(6,585,234)	254,319	-3.72%	Refer to L
Net cash used in investing activities	(1,416,507)	(442,961)	973,546	-68.73%	Refer to M
Net cash provided by financing activities	7,357,975	6,169,140	(1,188,835)	-16.16%	Refer to N

n.m. – not meaningful / not material

Explanatory notes:

- A. Property, plant and equipment increased by S\$1,632,546 due to addition of right-of-use assets.
- B. Investment in associated company decreased by S\$2,200,000. The Company recorded an impairment loss on investment in OOWAY Technology Pte. Ltd. (“**OOWAY Technology**”) after reviewing the independent valuation report on the Group’s investment in OOWAY Technology as at 30 June 2021 prepared by the independent valuer engaged by the Company, Foo Kon Tan Corporate Finance Pte. Ltd..
- C. Trade payables decreased by S\$426,347 due mainly to payments made to suppliers by a main contractor on behalf of a Singapore subsidiary and trade creditors written off of S\$148,672, partially set off by write back of S\$37,774 from reversal of un-presented cheques against cash and cash equivalents.
- D. Contract liabilities decreased by S\$313,181 due to recognition of retail revenue from sales deposits received for inventory delivered to customers not invoiced.
- E. Lease liabilities increased by S\$1,729,251. This corresponds to the increase in right-of-use assets in A above.
- F. Accumulated losses increased by S\$1,643,948 mainly due to an increase in loss for the year of S\$1,674,673.
- G. Revenue increased by S\$284,787 due mainly to:-
 - (1) project revenue increased by S\$267,707 from grossing up of project revenue for amounts deducted from payment certificate;
 - (2) retail revenue increased by S\$17,080 due to (i) S\$313,181 recognition of retail revenue from sales deposits received for inventory delivered to customers not invoiced in D above; partially set off by decreases arising from (ii) S\$195,851 goods returned and (iii) S\$100,250 reclassified to service income in H below.
- H. Other income increased by S\$149,843 due to (i) S\$100,250 reclassified from revenue in G above; (ii) S\$48,812 additional dealers’ commission and (iii) S\$781 miscellaneous income.
- I. Other operating expenses decreased by S\$243,792 due to a net reduction in allowances for doubtful debts/bad debts recovered/bad debts written off totalling S\$107,700 and reclassification of inventory written off of S\$135,776 to cost of sales.
- J. General and administrative expenses increased by S\$184,082 mainly due to (i) an increase in depreciation of right-of-use assets of S\$285,701 arising from addition of right-of-use assets in A above and (ii) an increase in auditor’s remuneration of S\$17,500, partially offset by decreases in rental expenses of S\$112,479 reclassified to depreciation of right-of-use assets.
- K. Impairment loss on investment in associated company S\$2,200,000. The Company recorded an impairment loss on investment in OOWAY Technology Pte. Ltd. (“**OOWAY Technology**”) after reviewing the independent valuation report on the Group’s investment in OOWAY Technology as at 30 June 2021 prepared by the independent valuer engaged by the Company, Foo Kon Tan Corporate Finance Pte. Ltd. Please refer to B above.
- L. Net cash used in operating activities decreased mainly due to an increase in operating cash outflow before movements in working capital changes of S\$3,421,240, partially offset by a net decrease in positive working capital changes of S\$3,679,988.

- M. Net cash used in investing activities decreased due to capitalisation of leases to right-of-use assets amounting to S\$1,006,446, partially offset by an increase in assets acquired through finance leases of S\$32,900.
- N. Net cash provided by financing activities decreased mainly due to payments of lease liabilities in relation to right-of-use assets amounting to S\$1,179,784 and payment of interest on finance leases S\$17,083.

On behalf of the Board of Directors

Hao Dongting
Non-Executive Chairperson

Date: 9 March 2022