



**KITCHEN CULTURE HOLDINGS LTD.**

(Company Registration No: 201107179D)

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

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**ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES**

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Pursuant to Rule 706A of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (the “**Board**” or “**Directors**”) of Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following transactions that occurred during the period from 1 July 2020 to 31 December 2020 pursuant to Rule 706A of the Catalist Rules:

**1. Incorporation of wholly-owned subsidiary – 3L Asia Capital Pte. Ltd.**

The Company incorporated a wholly-owned subsidiary in Singapore known as 3L Asia Capital Pte. Ltd. (“**3L Asia Capital**”), with an issued and paid-up share capital of S\$2,000,000 divided into 2,000,000 ordinary shares.

As part of the strategic business review conducted by the Group as set out in the Company’s announcement dated 31 March 2020, the Company had incorporated 3L Asia Capital to undertake fund management activities for ultra high net worth individuals and families mainly from Asia Pacific countries.

Further details on the incorporation of 3L Asia Capital are disclosed in the Company’s announcement dated 16 October 2020.

**2. Acquisition of 30% of the total number of issued shares in OOWAY Technology Pte. Ltd.**

The Company entered into a sale and purchase agreement (the “**SPA**”) and a shareholders’ agreement on 13 August 2020 with OOWAY Group Ltd. (the “**Vendor**”) in relation to the proposed acquisition by the Company of 300 ordinary shares in the capital of OOWAY Technology Pte. Ltd. (“**OTPL**”), representing 30% of the total number of issued shares in OTPL (the “**Sale Shares**”), at a purchase consideration of S\$23,922,000 (the “**Purchase Consideration**”) (the “**Proposed Acquisition**”).

The Purchase Consideration was arrived at on a willing buyer and willing seller basis, taking into account the preliminary independent valuation of OOWAY Technology Co., Ltd (大路网络科技有限公司) (“**OOWAY PRC**”) and its wholly-owned subsidiaries (collectively, the “**OOWAY Technology Group**”), and the prospect and growth potential of the OOWAY Technology Group and the Big Data Analytics and the artificial intelligence (“**AI**”) sector. The Board is of the view that the Behaviour Model of Association Risk System (“**bMARS**”) platform developed by the OOWAY Technology Group, which utilises machine learning and AI, is unique and well-placed to generate growth and enhance shareholders’ value for the Company. Based on the preliminary valuation conducted by the independent professional valuer, AVA Associates

Limited (the “**Valuer**”), the bMARS platform has been tested and services have been marketed since. The OOWAY Technology Group had also secured order book of RMB 3.0 million as of 30 April 2020 and entered into strategic collaboration contracts with relevant enterprises and associations to reach out to more potential clients.

Based on the preliminary valuation conducted by the Valuer, the indicative market value of the 100% equity interest in OOWAY PRC ranged from S\$74 million to S\$90 million as at 30 April 2020 as disclosed in the Company’s announcement dated 13 August 2020. The Purchase Consideration was thus derived based on 30% of the approximate valuation of OOWAY PRC of S\$79.7 million which is within the range of preliminary valuation. Based on the Valuation Report dated 31 August 2020 issued by the Valuer, the market value of the 100% equity interest in OOWAY PRC remains the same as the preliminary valuation, ranging from S\$74 million to S\$90 million as at 30 April 2020. As such, the market value of the Sale Shares was approximately S\$22.2 million to S\$27 million as at 30 April 2020.

The unaudited *pro forma* net tangible assets of OTPL, OOWAY Data Technology (Beijing) Co., Ltd. (“**OOWAY Beijing**”) and the OOWAY Technology Group (assuming the completion of the restructuring exercise resulting in OOWAY PRC becoming a wholly-owned subsidiary of OOWAY Beijing) as at 30 April 2020 was RMB 0.8 million (or equivalent to S\$0.2 million).

The Company obtained its shareholders’ approval to the Proposed Acquisition at the extraordinary general meeting of the Company held on 7 October 2020. The Purchase Consideration was satisfied by the Company by way of the allotment and issue of 90,000,000 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to the Vendor at the issue price of S\$0.2658 per Consideration Share.

The completion of the Proposed Acquisition took place on 12 October 2020, and accordingly, OTPL became an associated company of the Group.

Pursuant to the SPA, the Company on 13 October 2020 allotted and issued 90,000,000 Consideration Shares to the Vendor, in satisfaction of the Purchase Consideration for the Proposed Acquisition.

Further details on the Proposed Acquisition are set out in the Company’s announcements dated 17 April 2020, 23 June 2020, 13 August 2020, 18 August 2020, 21 September 2020, 27 September 2020, 7 October 2020, 12 October 2020 and 13 October 2020, and the Company’s circular dated 22 September 2020.

### **3. Increase in share capital of OOWAY Technology Pte. Ltd.**

In December 2020, OTPL undertook the following increases in share capital:

- (i) OTPL entered into a share subscription agreement (“**SSA**”) with Pegasus Investments Pte. Ltd. (“**Pegasus**”) on 21 October 2020 in relation to the series A financing of OTPL. Pursuant to the SSA, OTPL on 2 December 2020 issued 85 ordinary shares in the capital of OTPL to such investors for a subscription consideration of US\$5 million.

Following the issue of shares, the Company’s shareholding interest in OTPL decreased from 30% to 27.6%.

- (ii) Following the completion under the SSA, the total issued and paid-up share capital of OTPL was adjusted to 108,500 shares on 17 December 2020, of which the Vendor holds 70,000 shares, the Company holds 30,000 shares and Pegasus holds 8,500 shares.

Accordingly, there was no change in the Company's shareholding interest in OTPL following the above adjustment to the share capital of OTPL.

Save for minority shareholdings (below 5%) in the Company held by some of the owners of Pegasus, Pegasus and its respective owners are not related to the Group, the Directors and controlling shareholders of the Company, and their respective associates.

**4. Wholly-owned subsidiaries of associated company**

Further to the Proposed Acquisition and the adjustments to the share capital of OTPL, the Board wishes to update the resultant group structure of OTPL will include the following wholly-owned subsidiary of OTPL, Firefly Technology Pte. Ltd. ("**Firefly**"), a company incorporated in Singapore on 2 April 2020 with an issued and paid-up share capital of S\$1,000 divided into 1,000 ordinary shares. Firefly has remained dormant since the date of incorporation.

By Order of the Board

Lim Wee Li  
Executive Chairman and Chief Executive Officer  
10 February 2021

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*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.*

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