



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

(the “**Company**”, and together with its subsidiaries, the “**Group**”)

**CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE (“FY”) 2022**

*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.*

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**Condensed interim consolidated statements
of comprehensive income**

For the six months and full year ended 30 June 2022		Group					
		2nd Half Year Ended		Change	Financial Year Ended		Change
		2022	2021		2022	2021	
Note	Unaudited	Unaudited*	%	Unaudited	Audited	%	
	\$	\$		\$	\$		
Revenue	4	3,297,208	7,231,706	(54.4)	10,787,129	11,932,465	(9.6)
Cost of sales		(4,650,455)	(5,081,306)	(8.5)	(10,272,172)	(8,187,231)	25.5
Gross profit		(1,353,247)	2,150,400	N.M.	514,956	3,745,234	(86.3)
Other income		133,071	278,056	(52.1)	383,448	820,385	(53.3)
Selling and distribution expenses		532,892	(387,502)	N.M.	(364,793)	(1,788,926)	(79.6)
General and administrative expenses		(4,086,383)	(3,161,905)	29.2	(8,377,906)	(8,359,374)	0.2
Other operating expenses		(518,223)	(2,555,509)	(79.7)	(672,012)	(2,729,803)	(75.4)
Finance costs		(51,551)	(49,637)	3.9	(98,554)	(87,307)	12.9
Share of result of associated company		(397,058)	(909,642)	(56.4)	(802,566)	(909,642)	(11.8)
Impairment loss on investment in associated company		-	(2,200,000)	N.M.	-	(2,200,000)	N.M.
Gain on derecognition of subsidiary corporation		1,710,189	-	N.M.	1,710,189	-	N.M.
Loss before income tax	6	(4,030,310)	(6,835,739)	(41.0)	(7,707,237)	(11,509,433)	(33.0)
Income tax expense		-	-	N.M.	-	-	N.M.
Net loss		(4,030,310)	(6,835,739)	(41.0)	(7,707,237)	(11,509,433)	(33.0)
Other comprehensive income for the period							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		96,443	36,672	>100.0	93,823	101,624	(7.7)
Total comprehensive income for the period		(3,933,867)	(6,799,067)	(42.1)	(7,613,414)	(11,407,809)	(33.3)
Net (loss)/profit attributable to:							
Equity holders of the Company		(3,840,996)	(7,008,874)	(45.2)	(7,521,282)	(11,514,117)	(34.7)
Non-controlling interests		(189,314)	173,135	N.M.	(185,955)	4,684	N.M.
		(4,030,310)	(6,835,739)	(41.0)	(7,707,237)	(11,509,433)	(33.0)
Total comprehensive income attributable to:							
Equity holders of the Company		(3,737,717)	(6,968,172)	(46.4)	(7,420,247)	(11,423,118)	(35.0)
Non-controlling interests		(196,150)	169,105	N.M.	(193,167)	15,309	N.M.
		(3,933,867)	(6,799,067)	(42.1)	(7,613,414)	(11,407,809)	(33.3)
Loss per ordinary share attributable to equity holders of the Company (cents)							
Basic	7	(0.9)	(1.7)		(1.8)	(3.0)	
Diluted	7	(0.9)	(1.7)		(1.8)	(3.0)	

N.M. = Not Meaningful

* The figures for the six months ended 30 June ("2H") 2021 were different from the results announcement dated 5 November 2021 as they were restated after adjustments made based on the audited figures for FY2021.

**Condensed interim consolidated
balance sheet**

As at 30 June 2022

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents		478,051	5,535,483	145,552	4,269,106
Trade receivables		1,168,190	5,223,650	-	-
Other receivables		1,629,796	2,857,970	4,304,461	4,465,757
Contract assets		-	569,756	-	-
Inventories		580,101	2,104,291	-	-
		<u>3,856,138</u>	<u>16,291,150</u>	<u>4,450,013</u>	<u>8,734,863</u>
Non-current assets					
Property, plant and equipment	9	770,745	3,580,922	527,036	1,330,849
Investment property	10	-	207,671	-	-
Investment in subsidiary corporations		-	-	699,999	2,200,002
Investment in associated companies	12	20,009,792	20,812,358	21,722,000	21,722,000
Trade receivables		-	857,486	-	-
Deferred tax assets		81,308	79,486	-	-
		<u>20,861,845</u>	<u>25,537,923</u>	<u>22,949,035</u>	<u>25,252,851</u>
Total assets		<u>24,717,983</u>	<u>41,829,073</u>	<u>27,399,048</u>	<u>33,987,714</u>
Current liabilities					
Trade payables		274,939	2,300,602	-	-
Other payables		1,020,637	3,228,599	2,867,977	2,546,536
Contract liabilities		1,529,510	4,392,293	-	-
Lease liabilities		773,059	1,447,697	539,246	628,738
		<u>3,598,145</u>	<u>11,369,191</u>	<u>3,407,223</u>	<u>3,175,274</u>
Non-current liabilities					
Lease liabilities		-	1,726,630	-	539,246
Total liabilities		<u>3,598,145</u>	<u>13,095,821</u>	<u>3,407,223</u>	<u>3,714,520</u>
Equity					
Share capital	11	58,948,250	58,948,250	58,948,250	58,948,250
Translation reserve		392,101	291,066	-	-
Accumulated losses		(37,752,794)	(30,231,512)	(34,956,425)	(28,675,056)
Equity attributable to equity holders of the Company		<u>21,587,557</u>	<u>29,007,804</u>	<u>23,991,825</u>	<u>30,273,194</u>
Non-controlling interests		(467,719)	(274,552)	-	-
Total equity		<u>21,119,838</u>	<u>28,733,252</u>	<u>23,991,825</u>	<u>30,273,194</u>
Total liabilities and equity		<u>24,717,983</u>	<u>41,829,073</u>	<u>27,399,048</u>	<u>33,987,714</u>

Condensed interim consolidated statements of changes in equity

Group	Share Capital	Accumulated Losses	Currency Translation Reserve	Attributable to Equity Holders of the Company	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
As at 1 July 2021	58,948,250	(30,231,512)	291,066	29,007,804	(274,552)	28,733,252
Loss for the period	-	(7,521,282)	-	(7,521,282)	(185,955)	(7,707,237)
Other comprehensive income for the period						
Exchange differences on translation of foreign operations	-	-	101,035	101,035	(7,212)	93,823
Total comprehensive income for the period	-	(7,521,282)	101,035	(7,420,247)	(193,167)	(7,613,414)
Issuance of new ordinary shares	-	-	-	-	-	-
As at 30 June 2022	58,948,250	(37,752,794)	392,101	21,587,557	(467,719)	21,119,838
As at 1 July 2020	12,707,823	(18,717,395)	200,067	(5,809,505)	(289,861)	(6,099,366)
Loss for the period	-	(11,514,117)	-	(11,514,117)	4,684	(11,509,433)
Other comprehensive income for the period						
Exchange differences on translation of foreign operations	-	-	90,999	90,999	10,625	101,624
Total comprehensive income for the period	-	(11,514,117)	90,999	(11,423,118)	15,309	(11,407,809)
Issuance of new ordinary shares	46,240,427	-	-	46,240,427	-	46,240,427
As at 30 June 2021	58,948,250	(30,231,512)	291,066	29,007,804	(274,552)	28,733,252

Company	Share Capital	Accumulated Losses	Total Equity
	\$	\$	\$
As at 1 July 2021	58,948,250	(28,675,056)	30,273,194
Loss for the period, representing total comprehensive loss for the period	-	(6,281,369)	(6,281,369)
As at 30 June 2022	58,948,250	(34,956,425)	23,991,825
As at 1 July 2020	12,707,823	(15,660,720)	(2,952,897)
Loss for the period, representing total comprehensive loss for the period	-	(13,014,336)	(13,014,336)
Issuance of new ordinary shares	46,240,427	-	46,240,427
As at 30 June 2021	58,948,250	(28,675,056)	30,273,194

Condensed interim consolidated statement of cash flows

	Financial Year Ended	
	2022	2021
	Unaudited	Audited
	\$	\$
Operating activities		
Loss before income tax	(7,707,237)	(11,509,433)
Adjustments for:		
Amortisation of investment property	10,658	12,777
Depreciation of property, plant and equipment	1,518,223	1,634,574
Property, plant and equipment written off	20,029	26,888
(Gain) / Loss on disposal of property, plant and equipment	(149,770)	254,824
Gain on derecognition of lease liability	-	(264,578)
Gain on derecognition of a subsidiary corporation	(1,710,189)	-
Impairment loss on investment in associated company	-	2,200,000
Share of results of associated company	802,566	909,642
Interest income	(252)	(30,068)
Interest expense	83,100	72,894
Unrealised foreign exchange loss	114,395	154,562
Operating cash flows before movements in working capital	(7,018,477)	(6,537,918)
Inventories	344,050	2,749,665
Trade and other receivables	513,738	462,378
Contract assets	569,756	(216,824)
Trade and other payables	2,043,507	(4,247,481)
Contract liabilities	(95,575)	1,206,059
Cash used in operating activities	(3,643,001)	(6,584,121)
Income tax paid	(1,714)	(1,113)
Net cash used in operating activities	(3,644,715)	(6,585,234)
Investing activities		
Interest received	252	30,068
Additions to property, plant and equipment	(166,856)	(473,029)
Disposal of property, plant and equipment	547,602	-
Derecognition of a subsidiary corporation, net of cash disposed of	(260,378)	-
Net cash generated from / (used in) investing activities	120,620	(442,961)
Financing activities		
Proceeds from issuance of new shares	-	9,534,420
Interest paid	(83,100)	(72,894)
Principal payment of lease liabilities	(1,447,294)	(1,447,157)
Repayment of borrowings	-	(1,845,229)
Net cash generated from financing activities	(1,530,394)	6,169,140
Net decrease in cash and cash equivalents	(5,054,489)	(859,055)
Cash and cash equivalents at the beginning of the financial period	5,535,483	6,403,022
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(2,943)	(8,484)
Cash and cash equivalents at the end of the financial period	478,051	5,535,483

Notes to the condensed interim consolidated financial statements

1 Corporate information

Kitchen Culture Holdings Ltd. (the “**Company**”) is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is incorporated and domiciled in Singapore. The address of its registered office is 9 Raffles Place #52-02 Republic Plaza, Singapore 048619.

The principal activity of the Company is that of investment holding. The Group is primarily involved in the selling and distribution of imported high-end kitchen systems and appliances, wardrobe systems and household furniture and accessories.

2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2021.

Save as disclosed in Note 2.1, the Group has applied the same accounting policies and methods of computation as in the Group’s most recently audited financial statements.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those SFRS(I). The adoption of the new and revised SFRS(I) and interpretation of SFRS(I) has no material impact on the financial performance or position of the Group and the Company for FY2022.

2.2 Critical judgements and key sources of estimate uncertainty

Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management did not make any material judgements that have significant effect on the amounts recognised in the financial statements except for those affecting accounting estimates as disclosed below.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting date, that have a significant risk of causing a material adjustment to the

carrying amounts of assets and liabilities within the next financial year, are discussed in the following notes:

Impairment of trade receivables and contract assets

As at 30 June 2022, the Group's trade receivables and contract assets amounted to \$1,168,190 (30 June 2021: \$6,650,892) arising from the Group's different revenue segments.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. No loss allowance for trade receivables was recognised in FY2022 (FY2021: \$293,898).

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

Valuation of inventories

A review is made periodically on inventory for obsolete and excess inventory and declines in net realisable value below cost and a write off or write down is recorded against the carrying amount of the inventory balance for any such obsolescence, excess and declines. The realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting date and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of write off or write down include management's expectations for future sales and inventory management which may materially affect the carrying amount of inventories as at financial year end. Possible changes in these estimates could result in revisions to the stated value of the inventories but these changes would not arise from the assumptions or other sources of estimation uncertainty at the end of the financial year.

The management has written down inventories of unsold copper-oxide masks totaling \$512,035 (FY2021: \$Nil) during FY2022. There was no write down/write off of kitchen system/accessories during FY2022. During FY2021, the management had respectively written down and written off inventories of kitchen system/accessories \$3,058,838 and \$6,744.

Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the project activity at the end of reporting date, when the outcome of a construction project can be estimated reliably. The stage of completion is measured by reference to the proportion of value of work certified for work performed to-date compared to the total project revenue ("**output method**").

Significant assumptions are required in determining the stage of completion, the extent of the project costs incurred, the estimated total project revenue and total budgeted project costs, as well as the recoverability of the projects. Total project revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making these estimates, the Group relies on past experience and knowledge of the project managers.

If the revenue on uncompleted contracts at the reporting date had been higher/lower by 10% from management's estimates, the Group's revenue would have been approximately higher/lower by \$152,170 (FY2021: \$523,550) respectively.

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's profit would have been lower/higher by \$121,365 (2021: \$422,313) respectively.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment information

For FY2022, the Group is organised into business units based on its products and services for management purposes. The reportable segments are Residential Projects, Distribution and Retail, and Others.

Residential Projects segment is involved in designing, assembling, installing, testing and inspection of various furniture and fittings, kitchen equipment and related products.

Distribution and Retail segment is involved in selling and distributing of products through a network of authorised dealers and retailers.

Others are the investment holding, dormant and inactive companies.

Management monitors the operating results of its reportable segments separately for making decisions about allocation of resources and assessment of performances of each segment.

Segment Information

For the full year ended 30 June 2022

	Residential Projects	Distribution and Retail	Others	Total
	FY2022	FY2022	FY2022	FY2022
	\$	\$	\$	\$
Reportable segment revenue	6,539,705	4,247,424	-	10,787,129
Reportable segment losses	(4,791,197)	(2,263,271)	(2,199,511)	(9,255,978)
Reportable segment assets	10,305,460	4,796,138	9,616,385	24,717,983
Reportable segment liabilities	1,317,728	1,384,479	659,947	3,362,154
Capital expenditure	(229,321)	(92,484)	(12,800)	(334,605)
Depreciation of property, plant and equipment	(57,099)	(17,673)	(61,177)	(135,949)
Depreciation of right-of-use assets	(580,555)	(179,696)	(622,023)	(1,382,274)
Amortisation of investment property	(7,567)	(3,091)	-	(10,658)
Loss allowances	-	-	-	-
Property, plant and equipment written off	(14,221)	(5,808)	-	(20,029)
Inventories written down	(363,545)	(148,490)	-	(512,035)
Inventories written off	(4)	(1)	-	(5)
Bad debts written off	(5,164)	(2,109)	-	(7,273)

For the full year ended 30 June 2021

	Residential Projects	Distribution and Retail	Others	Total
	FY2021	FY2021	FY2021	FY2021
	\$	\$	\$	\$
Reportable segment revenue	6,660,672	5,271,793	-	11,932,465
Reportable segment losses	(3,966,408)	(2,559,210)	(5,037,552)	(11,563,170)
Reportable segment assets	14,510,006	8,133,181	19,185,886	41,829,073
Reportable segment liabilities	7,241,830	3,568,500	1,183,686	11,994,016
Capital expenditure	1,738,822	1,146,691	1,022,517	3,908,030
Depreciation of property, plant and equipment	(343,261)	(196,149)	(1,095,165)	(1,634,574)
Amortisation of investment property	(9,199)	(3,578)	-	(12,777)
Loss allowances, net	(25,104)	(9,762)	-	(34,866)
Property, plant and equipment written off	-	(26,888)	-	(26,888)
Inventories written down	(2,202,363)	(856,475)	-	(3,058,838)
Inventories written off	(4,856)	(1,888)	-	(6,744)
Bad debts written off	(20,694)	(8,047)	-	(28,741)

For the second half year ended 30 June 2022	Residential Projects	Distribution and Retail	Others	Total
	2H2022	2H2022	2H2022	2H2022
	\$	\$	\$	\$
Reportable segment revenue	1,482,532	1,814,676	-	3,297,208
Reportable segment losses	(2,784,151)	(1,527,103)	(1,297,742)	(5,608,996)
Reportable segment assets	10,305,460	4,796,138	9,616,385	24,717,983
Reportable segment liabilities	1,317,728	1,384,479	659,947	3,362,154
Capital expenditure	(107,984)	(62,892)	(3,357)	(174,233)
Depreciation of property, plant and equipment	(24,318)	(5,966)	(27,616)	(57,900)
Depreciation of right-of-use assets	(264,783)	(66,920)	(298,733)	(630,436)
Amortisation of investment property	(2,392)	(1,877)	-	(4,269)
Loss allowances	-	-	-	-
Property, plant and equipment written off	-	-	-	-
Inventories written down	(363,545)	(148,490)	-	(512,035)
Inventories written off	(4)	(1)	-	(5)
Bad debts written off	4,431	142	-	4,573

For the second half year ended 30 June 2021	Residential Projects	Distribution and Retail	Others	Total
	2H2021	2H2021	2H2021	2H2021
	\$	\$	\$	\$
Reportable segment revenue	4,749,125	2,482,581	-	7,231,706
Reportable segment losses	(2,606,194)	(854,015)	(3,517,479)	(6,977,688)
Reportable segment assets	14,510,006	8,133,181	19,185,886	41,829,073
Reportable segment liabilities	7,241,830	3,568,500	1,183,686	11,994,016
Capital expenditure	1,577,901	910,907	840,517	3,329,325
Depreciation of property, plant and equipment	(161,774)	(24,746)	(439,798)	(626,318)
Amortisation of investment property	(4,407)	(1,981)	-	(6,388)
Loss allowances	(25,104)	(9,762)	-	(34,866)
Property, plant and equipment written off	-	-	-	-
Inventories written down	(2,202,363)	(856,475)	-	(3,058,838)
Inventories written off	(4,856)	(1,888)	-	(6,744)
Bad debts written off	(17,472)	(2,561)	-	(20,033)

Geographical information

Revenue based on the geographical location of customers is as follows:

	2nd half year ended		Financial year ended	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Audited
	\$	\$	\$	\$
Singapore	2,048,913	4,786,164	7,115,352	5,688,606
Hong Kong	1,188,927	2,439,885	3,546,922	5,628,778
Malaysia	59,368	5,657	124,855	615,081
	<u>3,297,208</u>	<u>7,231,706</u>	<u>10,787,129</u>	<u>11,932,465</u>

A reconciliation of segment losses to the loss before tax is as follows:

For the full year ended	2nd half year ended		Financial year ended	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Audited
	\$	\$	\$	\$
Segment losses	(5,608,996)	(6,977,688)	(9,255,978)	11,563,170
Gain on derecognition of subsidiary corporation	1,710,189	-	1,710,189	0
Interest income	85	2,427	252	30,068
(Loss)/gain on foreign exchange difference, net	(131,588)	147,521	(161,700)	31,668
Interest on borrowings	-	(8,000)	-	(8,000)
Loss before tax	<u>(4,030,310)</u>	<u>(6,835,740)</u>	<u>(7,707,237)</u>	<u>11,509,434</u>

5. Financial assets and financial liabilities

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	FY2022	FY2021	FY2022	FY2021
	\$	\$	\$	\$
Financial assets				
Trade and other receivables*	2,193,936	7,778,446	4,253,070	4,401,816
Cash and cash equivalents	478,051	5,535,483	145,552	4,269,106
	<u>2,671,987</u>	<u>13,313,929</u>	<u>4,398,622</u>	<u>8,670,922</u>
Financial liabilities				
Trade and other payables	1,296,576	5,509,108	2,867,977	2,546,536
Lease liabilities	773,059	3,174,327	539,246	1,167,984
	<u>2,068,535</u>	<u>8,683,435</u>	<u>3,407,223</u>	<u>3,714,520</u>

* Excludes prepayments and advances to suppliers

6. Loss before income tax

Loss before income tax has been arrived at after charging/(crediting):

	Financial year Ended	
	FY2022	FY2021
	Unaudited	Audited
	\$	\$
Allowance for doubtful receivables:		
- trade (third parties)	-	41,535
Allowance for doubtful receivables written back:		
- trade (third parties)	-	(6,669)
Amortisation of investment property	10,658	12,777
Audit fees paid to:		
- auditors of the Company	121,981	95,234
- other auditors	25,878	21,270
Bad debts written-off	7,273	28,741
Bad debts recovered	-	(148,672)
Cost of inventories recognised as an expense included in cost of sales	2,426,453	2,942,512
Depreciation of property, plant and equipment	135,949	234,975
Depreciation of right-of-use assets	1,382,274	1,399,599
Directors' fees	172,803	124,817
Gain on derecognition of subsidiary corporation	(1,710,189)	-
Impairment loss on investment in associated company	-	2,200,000
Inventories written down	512,035	3,058,838
Inventories written off	5	6,744
Interest income on bank deposits	(252)	(30,068)
Interest expense on loans and bills payable	-	8,000
Interest expense on lease liabilities	83,100	64,894
Legal and professional fees	1,685,975	2,334,334
Net loss/(gain) on foreign exchange differences	161,700	(31,668)
Net (gain)/loss on disposal of property, plant and equipment	(149,770)	254,824
Property, plant and equipment written off	20,029	26,888
Rental expense on operating lease	194,031	138,190
Salaries and related costs	3,523,302	4,206,530
Contributions to defined contribution plans	343,960	593,088

	2nd Half Year Ended	
	2H2022	2H2021
	Unaudited	Unaudited
	\$	\$
Allowance for doubtful receivables:		
- trade (third parties)	-	33,854
Allowance for doubtful receivables written back:		
- trade (third parties)	-	(6,669)
Amortisation of investment property	4,269	6,388
Audit fees paid to:		
- auditors of the Company	58,418	73,700
- other auditors	25,878	21,270
Bad debts written-off	(4,573)	20,033
Bad debts recovered	16,793	(148,672)
Cost of inventories recognised as an expense included in cost of sales	950,853	1,403,378
Depreciation of property, plant and equipment	57,900	148,102
Depreciation of right-of-use assets	630,436	478,216
Directors' fees	167,204	124,817
Gain on derecognition of subsidiary corporation	(1,710,189)	-
Impairment loss on investment in associated company	-	2,200,000
Inventories written down	512,035	3,058,838
Inventories written off	5	6,744
Interest income on bank deposits	(85)	(2,427)
Interest expense on loans and bills payable	-	(3,348)
Interest expense on lease liabilities	36,444	48,890
Legal and professional fees	394,302	255,814
Net loss on foreign exchange differences	131,588	(147,522)
Net (gain)/loss on disposal of property, plant and equipment	(149,770)	254,824
Property, plant and equipment written off	-	(59)
Rental expense on operating lease	67,039	(188,435)
Salaries and related costs	1,456,092	1,932,190
Contributions to defined contribution plans	52,499	272,424

7. Loss per share

Group Loss per ordinary share (cents) ("LPS")	Period/Year ended 30 June			
	2nd Half Year Ended		Financial Year Ended	
	2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Audited
Basic	(0.9)	(1.8)	(1.8)	(3.0)
Diluted	(0.9)	(1.8)	(1.8)	(3.0)
Weighted average number of ordinary shares in issue for basic LPS	424,665,283	386,953,802	424,665,283	386,953,802
Weighted average number of ordinary shares in issue for diluted LPS	424,665,283	386,953,802	424,665,283	386,953,802

Basic and fully diluted LPS are calculated by dividing the Group's net loss attributable to equity holders of the Company for the year by the weighted average number of ordinary shares. The basic and fully diluted loss per ordinary share are the same as the Company did not have any dilutive equity instruments in the respective financial periods.

8. Net asset value per ordinary share

	Group		Company	
	As at 30 June 2022 Unaudited	As at 30 June 2021 Audited	As at 30 June 2022 Unaudited	As at 30 June 2021 Audited
Net asset value per ordinary share (cents)	5.1	6.8	5.6	7.1
Number of ordinary shares in issue as at year end	424,665,283	424,665,283	424,665,283	424,665,283

Net asset value per ordinary share is calculated by dividing the Group's equity attributable to equity holders of the Company by the aggregate number of ordinary shares as at the end of the respective financial years.

9. Property, plant and equipment

During 2H2022, the Group acquired assets amounting to \$174,233 (2H2021: \$3,329,325) and disposed of assets amounting to \$683,432 (2H2021: \$683,514).

10. Investment property

	Group	
	FY2022	FY2021
	\$	\$
Beginning of financial year	207,671	220,448
Amortisation charge for the year	(10,658)	(12,777)
Derecognised	(197,013)	-
End of financial year	-	207,671

The Group's investment property was derecognised during FY2022 as the Company has no power to govern the financial and operating policies of KHL Marketing Asia-Pacific Pte Ltd which entered into compulsory liquidation on 5 April 2022.

The Group's investment property was held for capital appreciation and/or to earn rental and was expected to be recovered through sale. No rental income was recognised by the Group during FY2022 and FY2021. There are no significant direct operating expenses (including repairs and maintenance) incurred on the investment property.

11. Share Capital

	The Group and the Company			
	As at 30 June 2022		As at 30 June 2021	
	No. of shares	\$	No. of shares	\$
Issued and paid-up				
Beginning of financial year	424,665,283	58,948,250	176,750,000	12,707,823
Shares issued	-	-	247,915,283	46,240,427
End of financial year	424,665,283	58,948,250	424,665,283	58,948,250

Changes in the Company's Share Capital

Date	No. of Shares Issued	\$	Details of Shares Issued
2, 6, 8, 9 & 13 July 2020	46,694,626	6,957,500	Conversion of loans from third parties and accrued interest thereon at \$0.149 per share.
30 July 2020	66,148,657	4,630,407	Conversion of loans from a director at \$0.07 per share.
6 & 12 August 2020	40,572,000	9,534,420	Issue of shares at \$0.235 per share for cash via a placement exercise.
13 October 2020	94,500,000	25,118,100	Issue of consideration shares and introducer shares in relation to acquisition of an associated company at \$0.2658 per share.
Total	247,915,283	46,240,427	

The Company does not have any outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

12. Investment in associated company

	Group		Company	
	FY2022	FY2021	FY2022	FY2021
	\$	\$	\$	\$
<i>Equity investment at cost:</i>				
Beginning of financial year	20,812,358	-	21,722,000	-
Acquisition consideration	-	23,922,000	-	23,922,000
Impairment loss on investment in associated companies	-	(2,200,000)	-	(2,200,000)
Share of results of associated company	(802,566)	(909,642)	-	-
End of financial year	<u>20,009,792</u>	<u>20,812,358</u>	<u>21,722,000</u>	<u>21,722,000</u>

Name	Principal activities	Country of business/ incorporation	% of ownership interest	% of ownership Interest
			FY2022 %	FY2021 %
<u>Held by Kitchen Culture Holdings Ltd.</u>				
OOWAY Technology Pte Ltd.	Holding company and provision of management consultancy services	Republic of Singapore	27.65	-
<u>Held by KHL Marketing Asia-Pacific Pte Ltd*</u>				
Kitchen Culture (Sichuan) Co., Ltd.	Sales and distribution of kitchen systems and appliances, wardrobe system, household furniture and appliances	The People's Republic of China	40.00	40.00

* KHL Marketing Asia-Pacific Pte Ltd entered into compulsory liquidation on 5 April 2022.

13. Related party transactions

There are no material related party transactions apart from those disclosed under interested person transactions elsewhere in this announcement.

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

Other information required by Catalist Rules Appendix 7C

1. Review

The condensed consolidated statement of financial position of Kitchen Culture Holdings Ltd. and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period and the full financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Disclosure pursuant to Paragraph 3A of Appendix 7C of the Catalist Rules

The Group's latest audited financial statements for the financial year ended 30 June 2021 was subject to a disclaimer of opinion.

(a) Notices of Compliance (“**NOC**”) issued by Singapore Exchange Regulation (“**SGX RegCo**”)

As disclosed in Note 16 to the financial statements above, the Company had, on 21 April 2022, announced the receipt of the AUP Report and the Follow Up Report from Baker Tilly. Please refer to the relevant announcement for further details.

Following the conclusion of AUP, Management will be conducting further analysis and investigation of the “unmatched” items quantified in the AUP Report in order to assess the accuracy of (i) the allocated amounts, the utilised amounts and the remaining balance of the proceeds and (ii) the breakdown of the use of proceeds from the fundraising exercises in 2020 since inception to 30 November 2021.

Following the release of the Follow Up Report, Management has revised the draft Policies, Procedures and Delegation of Authority manual for the ARC's review and recommendation to the Board for Board's approval. The ARC is in the midst of reviewing the draft Policies, Procedures and Delegation of Authority manual and targets to recommend the reviewed version of the document to the Board by 30 April 2022 for its approval. The Board will provide approval on the revised manual by 31 October 2022. In addition, the Board will continue to monitor Management's ongoing implementation of the recommendations raised in the Interim Report and the Follow Up Report and intends to complete the implementation of all outstanding items by 31 October 2022.

The AUP Report and the Follow Up Report have been shared with the Special Auditor on 31 March 2022 for their information. As at the date of this announcement, the special audit is still ongoing. The Company will update shareholders when there are material developments.

The Management has also submitted the AUP Report and the Follow Up Report to the Company's legal advisor for legal review. As at the date of this announcement, such review is still ongoing.

As a result of the above, as at the date of this announcement, the Board is unable to ascertain the impact that may arise from these reports, if any, on the financial statements.

(b) Investment in associated company

(i) Purchase Price Allocation (“**PPA**”)

A PPA was not prepared as the Company did not have financial statements of OOWAY Technology Pte. Ltd. (“**OOWAY**”) as of 12 October 2020, being the date

of completion of the acquisition of OOWAY, as OOWAY's financial year end is 31 December.

As a PPA was not performed, no goodwill or bargain purchase was reclassified out of the carrying value of the investment in OOWAY as at the acquisition date and 30 June 2021. The Company is planning to assess the feasibility of performing a PPA in FY2022 as if the PPA was conducted in FY2021 to determine if any restatement is required for the consolidated financial statements of the Group for FY2021. The Company will consult and work with its external auditor on performing a PPA in FY2022. Until a PPA is performed, the Company is unable to ascertain the potential financial impact arising from such PPA exercise for the consolidated financial statements of the Group for FY2021.

(ii) Valuation

Nexia was unable to obtain sufficient appropriate audit evidence over certain key inputs and assumptions in the valuation assessment as these were primarily OOWAY management's estimates of projected transaction volume and revenue growth over the relevant periods. There are inherent uncertainties in the projected transaction volume and revenue growth as they are forward-looking estimates in the absence of historical track record of OOWAY.

The Company placed reliance on valuation reports prepared by AVA Associates Limited dated 31 August 2020 and Foo Kon Tan Corporate Finance Pte. Ltd. dated 15 December 2021 in reviewing the fair valuation of the Company's equity interest in OOWAY as at acquisition and 30 June 2021 respectively. Both valuers were appointed by the Company's Board and possessed well-documented experiences in the field.

The Board will continue to engage reputable independent valuer to conduct relevant valuation at least on an annual basis. As at the date of this announcement, no independent valuer has been appointed. Accordingly, the Board is unable to ascertain the impact that may arise from the valuation exercise for FY2022, if any, on the financial statements.

(iii) Share of Results of OOWAY

Nexia was unable to obtain sufficient appropriate audit evidence over the Group's share in net loss of S\$909,642 in OOWAY for FY2021 as the financial statements received from OOWAY did not contain sufficient financial information for Nexia to determine the breakdown of the various financial statement line items, and thereon to request for the audit schedules to enable an audit of those financials.

From data contained in those financial statements, the Company accounted for its share of associate's results by taking the comprehensive loss for the period and multiplying by the Company's effective shareholding for the relevant time period.

For FY2022, the Company received OOWAY financial statements for the period from 1 July 2021 to 30 June 2022 and accounted for its share of associate's results by taking the comprehensive loss for the period and multiplying by the Company's effective shareholding for the relevant time period.

While OOWAY currently is not required legislatively to provide audited Financial Statements to the Group, the Management will be communicating officially to the

OOWAY's management to have its group accounts audited for the upcoming financial year for FY2022.

(c) Receipt of bank confirmations

The outstanding bank confirmations relate to two bank accounts:

- An account held by the Company with DBS Bank, with a bank balance of SGD 1,361.82 as at 30 June 2021. This account was intended to be closed as it was dormant for several years. The account is not serviced by a relationship manager and the Company was not able to obtain assistance from bank employees at the branch as the audit confirmation reply is handled by a different department located offsite. The Company did not receive any acknowledgement or reply from the bank in relation to the request for audit confirmation.
- An account held by KHL Marketing Asia-Pacific Pte Ltd (“**KHLM**”), a subsidiary of the Company, with Maybank Singapore. The bank balance on this account was SGD 9,643.05 as at 30 June 2021. The bank informed the Company that the signatories to the request letter for audit confirmation were “not right”, and the bank will not reply. The Company informed the bank that signatories were changed in October/November 2021. The bank said they will check but the Company did not receive a response on this matter.

The Company submitted a letter instruction to DBS Bank on 10 August 2022 to close the account. No further action was taken by the Company in relation to the account held by KHLM with Maybank, as KHLM entered into compulsory liquidation on 5 April 2022.

(d) Going concern

As at 30 June 2022, the Group had cash and cash equivalent of \$0.5 million. Based on the review of existing debts and ongoing operational costs, the Company will require cash injection of at least \$4 million to pay its debts as and when they fall due and to meet its ongoing operating costs for the next 12 months.

The funding proposals put up in the previous half yearly results announcement dated 5 May 2022 by the Company did not materialize as the funding from Ooway Group as well as two other parties came with conditions which the Board could not accept.

The Company is at an advanced stage to firm up a loan of \$1 million. Upon finalisation of the said loan, the management is reasonably confident to raise the remaining sum of \$3 million on or before 1 January 2023.

In the meantime, the management is working on various cost reductions initiatives as well as evaluating the acquisition of new businesses that are cashflow positive and profitable. The success of such measures will help to alleviate the Company's dire need of cash and enhancing the Company's chances of maintaining its going concern status.

Accordingly, the Board is of the view that there are reasonable grounds for the Group to continue to prepare its financial statements on a going concern basis, subject to the Company's ability to successfully carry out the abovementioned plans.

The Company will make the necessary announcements on various matters mentioned above when appropriate.

3. Review of performance of the Group

Review of Consolidated Statement of Comprehensive Income

Revenue

In FY2022, the Group recorded revenue of S\$10.8 million, a decrease of 9.6% or S\$1.1 million from S\$11.9 million in FY2021. The decrease in revenue occurred in Hong Kong (S\$2.1 million) and Malaysia (S\$0.5 million), partially offset by an increase in revenue from Singapore (S\$1.4 million).

The Residential Projects segment decreased by 1.8% or S\$0.1 million while the Distribution and Retail segment decreased by 19.4% or S\$1.0 million.

Residential Projects

The Residential Projects segment accounted for 60.6% or S\$6.5 million of the Group's revenue, attributable to revenue derived from 9 ongoing projects (5 in Singapore and 4 in Hong Kong). Residential Projects revenue decreased by 1.8% or S\$0.1 million due mainly to the disruption of construction work for the Singapore projects arising from lack of manpower issues, and 2 projects in Hong Kong which only commenced in second half of FY2022. Comparatively, revenue for Residential Projects in FY2021 amounted to S\$6.7 million, derived from 8 ongoing projects (5 in Singapore and 3 in Hong Kong). The decrease in revenue for this segment occurred mainly in Hong Kong (S\$1.0 million), partially offset by an increase in Singapore (S\$0.9 million).

Distribution and Retail

The Distribution and Retail segment accounted for 39.4% or S\$4.2 million of the Group's revenue in FY2022, a decrease of 19.4% or S\$1.0 million compared with FY2021 wherein the Distribution and Retail segment accounted for 44.2% or S\$5.3 million of the Group's revenue. The decrease in revenue for this segment occurred in Hong Kong (S\$1.0 million) and Malaysia (S\$0.5 million) partially offset by an increase in Singapore (S\$0.4 million).

Gross Profit

Gross profit in FY2022 was S\$0.5 million, a decrease of 86.3% or S\$3.2 million from S\$3.7 million in FY2021. The decrease in gross profit was mainly due to a decrease in gross profit from the Residential Projects segment of S\$2.7 million as a result of reduced revenue and decline in gross profit margin, and a decrease in gross profit from the Distribution and Retail segment of S\$0.5 million as a result of a decline in revenue and gross profit margin.

Overall gross profit margin decreased by 26.6 percentage points to 4.8% in FY2022, from 31.4% in FY2021.

The Residential Projects segment recorded a decrease in gross profit margin of more than 100 percentage points. This arose from late costs recorded on all projects in Singapore completed up to 5 April 2022 when the Company's wholly owned subsidiary, KHL Marketing Asia-Pacific Pte Ltd ("**KHLM**"), entered into compulsory liquidation. The Distribution and Retail segment recorded gross profit margin of 44.2% in FY2021 decreased to 42.9% in FY2022.

Other Income

Other income decreased by S\$0.4 million from S\$0.8 million in FY2021 to S\$0.4 million in FY2022, due mainly to a reduction in COVID-19 relief measures received from the Singapore Government (S\$0.4 million). Service income declined by S\$0.2 million. These decreases were partially offset by write backs for impairment loss and provision for doubtful debt which were no longer required, totalling S\$0.2 million.

Gain on Derecognition of Subsidiary Corporation

On 5 April 2022, the Company's wholly owned subsidiary, KHLM, entered into compulsory liquidation. The Company has no power to govern the financial and operating policies of KHLM due to the loss of representation on the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and non-controlling interest in the lost subsidiary.

As a result, in FY2022, the Group recorded a gain on derecognition of a subsidiary corporation of S\$1.7 million.

Selling and Distribution Expenses

Selling and Distribution expenses decreased by S\$1.4 million from S\$1.8 million in FY2021 to S\$0.4 million in FY2022. The decrease was mainly due to:

- a. a decrease in staff salaries and related costs of S\$1.3 million, classified under *Selling and Distribution Expenses* in FY2021 and re-classified under *General and Administrative Expenses* in FY2022;
- b. a decrease in depreciation charges of S\$0.1 million;
- c. a decrease in entertainment expenses of S\$0.1 million;
- d. a decrease in renovation costs and upkeep of motor vehicles totalling S\$0.1 million,

partially offset by:

- a. an increase in rental expenses of S\$0.1 million;
- b. an increase in subscription fee of S\$0.1 million.

Other Operating Expenses

Other operating expenses decreased by S\$2.0 million from S\$2.7 million in FY2021 to S\$0.7 million in FY2022. The decrease was mainly due to the combined effects of:

- a. a decrease in allowance for inventories write-down of S\$2.5 million;
- b. a decrease in loss on disposal of property plant and equipment of S\$0.4 million arising from a gain of S\$0.1 million instead of a loss on disposal in the previous year of S\$0.2 million,

partially offset by:

- a. an increase in foreign exchange differences of S\$0.2 million arising from a loss of S\$0.2 million instead of a gain of S\$0.1 million in the previous year;
- b. an increase in subscription fee of S\$0.1 million;
- c. non recurrence of write-back of accruals in previous year of S\$0.6 million.

General and Administrative Expenses

General and administrative expenses in total remained at the same level in FY2022 and FY2021, with a marginal increase of S\$18.5K or 0.2%.

Finance Cost

Finance cost increased by S\$11.2K in FY2022, mainly due to an increase in interest expense on lease liabilities S\$18.2K, partially offset by a decrease in interest paid on loans from third parties S\$8K.

Share of Result of Associated Company

This pertains to share of results of OOWAY Technology Pte. Ltd. and its group entities (“**OOWAY Technology Group**”). The share of results of OOWAY Technology Group decreased by S\$0.1 million from S\$0.9 million in FY2021 to S\$0.8 million in FY2022.

Loss Before Income Tax

The Group recorded loss before income tax of S\$7.7 million in FY2022 as compared to loss of S\$11.5 million in FY2021 due to the reasons explained above.

Income Tax Credit

There is no income tax expense in FY2022 as the Group is in a loss position in FY2022.

Review of Statements of Financial Position of the Group

On 5 April 2022, the Company’s wholly-owned subsidiary, KHLM, entered into compulsory liquidation. The Company has no power to govern the financial and operating policies of KHLM due to the loss of representation on the Board of Directors. Accordingly, the Company derecognized related assets and liabilities.

Assets

The Group’s total assets decreased by S\$17.1 million from S\$41.8 million as at 30 June 2021 to S\$24.7 million as at 30 June 2022.

The decrease in total assets was mainly attributable to:

- a. a decrease in trade receivables and contract assets of S\$5.5 million due to:
 - (i) derecognition of trade receivables held by KHLM totalling S\$4.2 million;
 - (ii) a decrease in contract assets of S\$0.6 million;
 - (iii) a decrease in trade receivables of S\$0.8 million due to collection from customers;
 - (iv) partially offset by a decrease in provision for doubtful debts of S\$0.1 million;
- b. a decrease in cash and cash equivalents of S\$5.1 million;
- c. a decrease in other receivables of S\$1.2 million due to:
 - (i) derecognition of trade receivables held by KHLM totalling S\$1.5 million;
 - (ii) partially offset by an increase in advances and prepayments paid to foreign suppliers of S\$0.3 million for purchases of raw materials to be used on residential projects;
- d. a decrease in inventories of S\$1.5 million due to derecognition of trade receivables held by KHLM totalling S\$1.0 million and additional allowance for inventories write-down of S\$0.5 million in relation to unsold copper-oxide filtering masks;
- e. a decrease in property, plant and equipment of S\$2.8 million arising from:
 - (i) depreciation charges of S\$1.5 million;
 - (ii) derecognition of assets held by KHLM of S\$1.0 million;
 - (iii) carrying value of asset disposals of S\$0.6 million;
 - (iv) partially offset by an increase of S\$0.3 million from asset additions during the year;
- f. a decrease in investment property of S\$0.2 million due to derecognition of carrying value of investment property held by KHLM; and
- g. a decrease in carrying value of investment in associated companies of S\$0.8 million due to recognition of share of result of OOWAY Technology Group.

Liabilities

The Group's total liabilities decreased by S\$9.5 million from S\$13.1 million as at 30 June 2021 to S\$3.6 million as at 30 June 2022.

The decrease in total liabilities was mainly attributable to:

- a. a decrease in trade payables and contract liabilities totalling of S\$4.9 million due to:
 - (i) derecognition of liabilities held by KHLM of S\$5.2 million;
 - (ii) a net decrease in contract liabilities of S\$0.1 million due to progress certification of work completion on projects;
 - (iii) partially offset by an increase in trade creditors of S\$0.4 million for costs incurred on ongoing projects;
- b. a decrease in other payables of S\$2.2 million due to:
 - (i) derecognition of liabilities held by KHLM of S\$3.8 million;
 - (ii) repayment of S\$0.4 million due to a director of a subsidiary corporation (KC Hong Kong); partially offset by
 - (iii) an increase in other payables of S\$0.1 million due to suppliers for non-trade services;
 - (iv) an increase in accrued expenses of S\$0.2 million due to services rendered by third parties not invoiced;
 - (v) an increase in other payables of S\$1.7 million for goods received not yet invoiced;
- c. a decrease in lease liabilities of S\$2.4 million due to:
 - (i) payment of lease liabilities of S\$1.2 million;
 - (ii) derecognition of liabilities held by KHLM of S\$0.9 million;
 - (iii) payment/termination of finance leases of S\$0.3 million.

Total Equity

The Group recorded total equity of S\$21.1 million as at 30 June 2022, compared with S\$28.7 million as at 30 June 2021 due mainly to the loss after income tax of S\$7.7 million recorded in FY2022.

Review of Consolidated Statement of Cash Flows

In FY2022, the Group's operating cash flows before movements in working capital was cash outflow of S\$7.0 million. The net cash generated from working capital amounting to S\$3.4 million was due mainly to a net decrease in inventories (S\$0.3 million), a decrease in trade and other receivables (S\$0.5 million), decrease in contract assets (S\$0.6 million), a net increase in trade and other payables (S\$2.0 million) and a decrease in contract liabilities (S\$0.1 million). The net cash used in operating activities in FY2022 amounted to S\$3.6 million.

In FY2022, the net cash generated from investing activities of S\$0.1 million was mainly due to cash inflow from disposal of property, plant and equipment (S\$0.5 million) partially offset by net cash outflow on purchase of property, plant and equipment (S\$0.1 million) and cash disposed on derecognition of subsidiary corporation (S\$0.3 million).

The net cash used in financing activities of S\$1.5 million in FY2022 was due mainly to repayment of lease liabilities of S\$1.4 million and interest paid of S\$0.1 million.

As a result of the above, cash and cash equivalents decreased to S\$0.5 million as at 30 June 2022, from S\$5.5 million as at 30 June 2021.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company previously disclosed the following prospect statements in its announcement dated 28 February 2019:

- (a) “In respect of the \$5.3 million project, work on the project has commenced and 25% of the total contract value is expected to be received by June 2019, 50% of the total contract value by December 2019 and 100% of the total contract value by December 2020.”
- (b) “In respect of the \$11.3 million project, the Group is expected to receive 15% of the total contract value by December 2020, 77% of the total contract value by December 2021 and 100% of the total contract value by April 2022.”

The above projects were undertaken by KHLM, a subsidiary of the Company. On 5 April 2022, KHLM entered into compulsory liquidation and the contracts were terminated.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The COVID-19 pandemic has affected the global economy and it has disrupted the Group’s economic operations. The emergence of the Omicron variant has added further uncertainty and weakened the momentum of the Group’s economic recovery.

In April 2022, the Company’s main operating subsidiary in Singapore, KHLM was put under compulsory liquidation due to operating losses sustained during the past years. This will result in stemming losses and allow the Group to focus its resources and future incoming funds to be directed to planned diversification into new businesses.

The focus of the kitchen business will be shifted to other markets in which the Group operates, which are Hong Kong and Malaysia. The Group’s kitchen business in Hong Kong is expected to remain profitable. The management expects revenue growth to be modest for the next twelve months in both the Residential Projects and Retail and Distribution segments. The outlook in the Group’s kitchen business in Malaysia is unfavourable due to expected sustained operating cost pressures brought about by manpower crunch and intense competition. The management is currently reviewing the strategic direction for this subsidiary and will update shareholders where necessary.

As mentioned in paragraph 2(d) of this section, the Company’s management has informed the Board, *inter alia*, that it is at the advanced stage to firm up a loan of \$1 million and is working on various cost reductions initiatives as well as evaluating the acquisition of new businesses that are cashflow positive and profitable. The Company will make the necessary announcements when appropriate.

6. Dividend

(a) Current Financial Period Reported on

Any dividend declared/recommended for the current financial period reported?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2022 as the Group is loss-making for the year and has accumulated losses as at 30 June 2022.

8. Breakdown of total annual dividend

No dividend has been declared for FY2022 and FY2021.

9. Interested Person Transactions ("IPT")

The Group does not have a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPT entered into by the Group for FY2022 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules.

10. Breakdown of sales

	Group		% Increase/ (Decrease)
	FY2022 \$	FY2021 \$	
(a) Sales reported for first 6-month period	7,489,921	4,700,759	59.3
(b) Loss after tax before deducting non-controlling interests reported for first 6-month period	(3,676,927)	(4,673,694)	(21.3)
(c) Sales reported for second 6-month period	3,297,208	7,231,706	(54.4)
(d) Loss after tax before deducting non-controlling interests reported for second 6-month period	-	(6,835,739)	(40.3)

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 3 under “Other information required by Catalist Rules Appendix 7C” section of this announcement for the review of the performance of the Group.

12. Issuer to confirm that it has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

The Company confirms that all the required undertakings in the format set out in Appendix 7H under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules. If there are no such persons, the issuer must make an appropriate negative statement.

As at the date of this announcement, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is also a relative of a Director or chief executive officer or substantial shareholder of the Company.

14. Use of Proceeds

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

15. Additional information required pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review. Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

On behalf of the Board of Directors

William Teo Choon Kow
Lead Independent Director

Date: 29 August 2022