



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)
(Incorporated in the Republic of Singapore on 25 March 2011)

CHANGE IN AND USE OF PROCEEDS

The Board of Directors (the “**Board**”) of Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the section entitled “Use of Proceeds” in the Company’s Annual Report 2019/20 (the “**Annual Report**”) in relation to the use of proceeds from:

- (i) the placement of an aggregate of 56,273,000 new ordinary shares in the capital of the Company (“**Shares**”) at a placement price of S\$0.068 per Share to such third party subscribers procured by the placement agent, UOB Kay Hian Private Limited, which was completed on 19 March 2020 (“**1st Placement Exercise**”);
- (ii) the Convertible Loan Agreement dated 3 May 2020 (“**CLA**”); and
- (iii) the placement of an aggregate of 40,572,000 new Shares at an issue price of S\$0.235 per Share (“**2nd Placement Exercise**”), under which the Company, on 6 August 2020 and 12 August 2020, allotted and issued an aggregate of 40,572,000 new Shares to certain subscribers.

Further to the section entitled “Use of Proceeds” in the Annual Report updating shareholders on the use of proceeds from the 1st Placement Exercise, CLA and the 2nd Placement Exercise, the Board wishes to announce the change in and use of the balance proceeds, as follows:

(i) 1st Placement Exercise

The Company raised net proceeds from the 1st Placement Exercise (after deducting expenses incurred in connection with the 1st Placement Exercise) amounting to S\$3.73 million (the “**1st Placement Net Proceeds**”).

The uncertainty of the Covid-19 crisis has disrupted the Group’s economic operations. During the second quarter of the financial year ending 30 June 2021, the Company has substantially completed its strategy to explore new areas of opportunities and alternate businesses with an acquisition of 30% of the total number of issued shares in OOWAY Technology Pte Ltd. After a review of the Group’s cash flow position and the immediate plans to pursue new business opportunities, the Company has re-allocated S\$400,000 of the 1st Placement Net Proceeds from the pursuance of new business opportunities and utilised it for general working capital purposes.

The following table summarises the re-allocation and utilisation of the 1st Placement Net Proceeds:

Use of 1 st Placement Net Proceeds	Amount allocated	Amount re-allocated	Revised allocation	Amount utilised as at 13 October 2020 per Annual Report	Amount utilised from 14 October 2020 to the date of this announcement	Balance of 1 st Placement Net Proceeds as at the date of this announcement
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Repayment of amounts owing to external parties	1,900	-	1,900	(1,900)	-	-
Pursue new business opportunities	1,000	(400)	600	-	-	600
General working capital (including meeting general overheads and other operating expenses of the Group, as well as the expenses pertaining to the 1 st Placement Exercise)	831	400	1,231	(752) ⁽¹⁾	(413) ⁽¹⁾	66
Total	3,731	-	3,731	(2,652)	(413)	666

Note:

- (1) The breakdown of the utilisation of the 1st Placement Net Proceeds for general working capital is as follows:

General Working Capital	Amount utilised as at 13 October 2020 per Annual Report	Amount utilised from 14 October 2020 to the date of this announcement
	S\$'000	S\$'000
Consultancy fees in connection with the Group's fundraising and marketing strategies	195	-
Operating expenses (including staff costs and other miscellaneous expenses)	520	413
Expenses in relation to the 1 st Placement Exercise	37	-
Total	752	413

Save as disclosed above, the 1st Placement Net Proceeds is in line with the intended use and allocation as set out in the Company's announcements dated 6 March 2020 and 19 March 2020.

(ii) Convertible Loan Agreement dated 3 May 2020

The Company had on 3 May 2020 entered into the CLA with various investors pursuant to which such investors agreed to grant an interest-bearing convertible loan of an aggregate amount of S\$6,050,000 (the "**Convertible Loan**"), and the Company agreed to allot and issue an aggregate of up to 46,694,626 new Shares at the conversion price of S\$0.149 per new Share upon the investors' exercise of their respective conversion rights to convert the Convertible Loan (including interest), in accordance with the terms and conditions of the CLA (the "**CLA Conversion**"). The CLA Conversion was approved by shareholders at an extraordinary general meeting held on 29 June 2020. The Company had subsequently allotted and issued an aggregate of 46,694,626 new Shares to the investors pursuant to such investors' exercise of their respective rights under the CLA.

The Company raised gross proceeds of up to S\$6,050,000 under the CLA. After deducting estimated expenses (including but not limited to legal expenses), the estimated net proceeds amount to approximately S\$6,020,000 (the "**CLA Net Proceeds**"). The Company intends to use the CLA Net Proceeds for the working capital requirements for KC Medical Supplies Pte. Ltd. ("**KC Medical**").

The Board wishes to update the breakdown of the utilisation of CLA Net Proceeds as follows:

	Amount utilised as at 13 October 2020 per Annual Report	Amount utilised from 14 October 2020 to the date of this announcement
	S\$'000	S\$'000
Consultancy fees on potential projects for KC Medical	303	-
KC Medical's operating expenses and other miscellaneous expenses	9	-
Additional expenses in relation to the CLA Conversion	43	91
Total	355	91

The above utilisation of the CLA Net Proceeds is in line with the intended use and allocation as set out in the Company's circular dated 13 June 2020.

(iii) 2nd Placement Exercise

The Company raised net proceeds from the 2nd Placement Exercise (after deducting expenses incurred in connection with the 2nd Placement Exercise of approximately S\$50,000 to be borne by the Company) amounting to approximately S\$9,484,000 (the "2nd Placement Net Proceeds"). The 2nd Placement Shares were issued pursuant to the general share issuance mandate obtained at the extraordinary general meeting of the Company held on 29 June 2020.

The uncertainty of the Covid-19 crisis has disrupted the Group's economic operations. During the second quarter of the financial year ending 30 June 2021, the Company has substantially completed its strategy to explore new areas of opportunities and alternate businesses with an acquisition of 30% of the total number of issued shares in OOWAY Technology Pte Ltd. After a review of the Group's cash flow position and the immediate plans to pursue new business opportunities, the Company has re-allocated approximately S\$3.1 million of the 2nd Placement Net Proceeds from the pursuance of new business opportunities and utilised it for repayment of amounts owing to external parties and general working capital purposes.

The following table summarises the re-allocation and utilisation of the 2nd Placement Net Proceeds:

Use of 2 nd Placement Net Proceeds	Amount allocated	Amount re- allocated	Revised allocation	Amount utilised as at 13 October 2020 per Annual Report	Amount utilised from 14 October 2020 to the date of this announcement	Balance of 2 nd Placement Net Proceeds as at the date of this announcement
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Pursue new business opportunities	4,684	(3,084)	1,600	-	(208)	1,392
General working capital (including meeting general overheads and other operating expenses of the Group)	2,800	2,207	5,007	(875) ⁽¹⁾	(2,768)	1,364
Repayment of amounts owing to external parties	2,000	877	2,877	(2,000)	(877)	-
Total	9,484	-	9,484	(2,875)	(3,853)	2,756

Note:

- (1) The breakdown of the utilisation of the 2nd Placement Net Proceeds for general working capital is as follows:

General Working Capital	Amount utilised as at 13 October 2020 per Annual Report	Amount utilised from 14 October 2020 to the date of this announcement
	S\$'000	S\$'000
Consultancy fees in connection with the Group's fundraising and marketing strategies	475	-
Operating expenses (including project-related costs, staff costs and other miscellaneous expenses)	400	1,922
Rental Deposits	-	273
Purchase of motor vehicles	-	573
Total	875	2,768

Save as disclosed above, the 2nd Placement Net Proceeds is in line with the intended use and allocation as set out in the Company's announcement dated 22 July 2020.

The Company will continue to make periodic announcements via SGXNET on the utilisation of the remaining proceeds as and when such balance of the proceeds is materially disbursed, and will also provide a status report on the use of proceeds in the annual reports of the Company.

By Order of the Board

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

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.

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.