



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

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

BOND ISSUE THROUGH CROWDFUNDING PLATFORM

1. INTRODUCTION

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 that the Company has, on 27 October 2016, entered into a term sheet (the **“Term Sheet”**) that is intended to be legally binding with a crowdfunding platform, to issue non-convertible bonds (the **“Bond Issue”**) for a sum of S\$2.0 million (the **“Loan”**).

The crowdfunding platform is a company licensed by the Monetary Authority of Singapore and supported by a group of Singaporean investors. It is based in Singapore and is an equity and lending-based crowdfunding platform.

2. THE BOND ISSUE

The crowdfunding platform is the arranger for the Bond Issue, where it invites accredited investors to subscribe to the Bond Issue. If the Bond Issue is successful, the crowdfunding platform will be paid an administrative fee which is a percentage of the sum raised. The crowdfunding platform will hold the investors' funds until the Bond Issue is closed and it has appointed a Bond Trustee (the **“Trustee”**) to handle the funds.

The Company will have to enter into a loan agreement (the **“Loan Agreement”**) with the Trustee before the Loan can be disbursed. The Loan Agreement serves to regulate the bondholders' rights and obligations in relation with the Bond Issue. The Trustee will enter into the Loan Agreement on behalf of the bondholders and will be granted authority to act on behalf of the bondholders to the extent provided for in the Loan Agreement.

3. SALIENT TERMS OF THE TERM SHEET

3.1 Tenure

The tenure for the Loan is 24 months where 50% of the principal is due for repayment in 12 months and the remaining 50% at the end of the next 12 months. The Company has the option to repay the full sum either (i) during the first 12 months provided that all coupons that would have accrued during the 12-month period are due immediately on full redemption; or (ii) at the end of the first 12 months without incurring any penalty.

The Company also retains the right to repay the remaining 50% of the principal in full during the final 12 months provided that all coupons that would have accrued during the final 12-month period are due immediately on redemption of the bond regardless of when the principal is paid.

3.2 Coupon Rate

The Coupon Rate is 9.0% per annum (the "**Coupon Rate**") which will be paid out quarterly on the last day of the month. In the case of late payment, interest will increase to 12% per annum for the period payments are behind schedule, calculated on a per day basis, and added to the quarterly interest payment for the period immediately following the late payment period. For example:

Loan Amount	S\$2,000,000	A
Interest Rate	9% p.a.	
Quarterly Interest Payment	S\$45,000	B
Late Payment % Increase	3%	C = 12% - 9%
Days Late	20	D
Late Payment Increase	S\$ 3,288	E = A x C x (D/365)
Total Interest Payment Due	S\$ 48,288	= B + E

3.3 Administration Fee

The crowdfunding platform charges an administration fee of 2.25% of the Loan amount, payable upon the disbursement of the Loan.

3.4 Security

Mr Lim Wee Li, being the Executive Chairman and Chief Executive Officer of the Company as well as the controlling shareholder of the Company, will have to pledge 50,000,000 ordinary shares, representing a 50% equity stake in the Company held by him, to the Trustee as security.

As at the date of this announcement, an equity stake of 4.4% in the Company held by Mr Lim Wee Li has been pledged to Sing Investments & Finance (Pte) Limited as set out in the Company's announcement dated 8 April 2015. The aforementioned transaction would therefore result in a total equity stake of 54.4% in the Company held by Mr Lim Wee Li being pledged.

In compliance with Rule 728 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company has obtained an undertaking from Mr Lim Wee Li for him to notify the Company, as soon as he becomes aware of any share pledging

arrangements relating to his shares in the Company and of any event which may result in a breach of the Company or its subsidiaries' loan covenants.

4. RATIONALE FOR THE BOND ISSUE

Based on current market conditions, the Company believes that the Bond Issue is presently a more viable option to raise funds for the Company compared to current funding options that are reasonably available from traditional lenders such as banks and financial institutions.

5. USE OF PROCEEDS

The full amount of the proceeds will be used for general working capital needs.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the Directors or controlling shareholder of the Company or their respective associates has any interest, direct or indirect, in the Bond Issue, other than through their respective shareholdings in the Company (if any).

7. DOCUMENT FOR INSPECTION

A copy of the Term Sheet is available for inspection during normal business hours at the registered office of the Company at 25 New Industrial Road #02-01 KHL Industrial Building Singapore 536211 for a period of three months from the date of this announcement.

8. FUTURE UPDATES

The Company will provide updates on the status of the Bond Issue and any documents that are being entered into, including and not limited to the Loan Agreement and any security documents.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer
27 October 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors 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.

The contact person for the Sponsor is Ms. Lee Khai Yinn (telephone no.: (65) 6532 3829), at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.