Kitchen Culture Rejects Requisition to Remove 5 Directors, Sharply Criticises Major Shareholder OOWAY Group for Factual Inaccuracies and Mischaracterisations to the Media

Singapore, October 14, 2022 – The Board of Directors (the "**Board**") of **Kitchen Culture Holdings Ltd.** ("**Kitchen Culture**" or the "**Company**") today rejected a requisition to remove 5 of its 6 directors, and sharply criticised its largest shareholder, OOWAY Group Ltd. ("**OOWAY**"), for conveying to the media factual inaccuracies and mischaracterising recent events.

The Board, with the exception of Madam Hao Dongting ("**Mdm Hao**"), said that there are no grounds to justify the resignations. The Board had received a notice (the "Section 177 Notice") – issued under Section 177 of the Companies Act 1967 – on 30 September 2022 from OOWAY and 7 individuals who own an aggregate of 21.71% of the Company's shares.

Kitchen Culture was listed on SGX Catalist in 2011 as a provider of solutions and products for kitchens and wardrobes. Its shares have been suspended from trading since July 2021. Its Board has seen several changes since the involvement of OOWAY in October 2020. As announced on 17 July 2022, Mr Lincoln Teo ("**Mr Lincoln Teo**"), an OOWAY representative and former Interim CEO of Kitchen Culture, ceased to be Executive Director, while 2 new Board members were named – Mr Lau Kay Heng as Vice-Chairman and Non-Executive Director and Mr Peter Lim King Soon as Independent Director.

Kitchen Culture has written to the requisitioning shareholders that the 2 new Board members, Mr Lim Wee Li (Executive Director) and 2 Independent Directors Mr William Teo Choon Kow and Mr Ang Lian Kiat (the "**5 Directors**") will not resign. The Company stressed that OOWAY had in fact supported the re-appointments of Mr William Teo and Mr Ang Lian Kiat at the Annual General Meeting held on 18 March 2022.

"The circumstances suggest that OOWAY may have its own reasons for calling for the replacement of the 5 Directors, which are unknown to the Board, with the exception of Mdm Hao," Kitchen Culture said.

Separately, Kitchen Culture sharply criticised Mr Liu Yanlong ("**Mr Liu**"), representative of OOWAY, for his remarks to the Chinese-language *Lianhe Zaobao* newspaper, published on 7 October 2022, and as contained in a 12 October 2022 press release issued on ACN Newswire.

The Board, with the exception of Mdm Hao, said it "notes with grave disappointment that this is at least the second instance in which Mr Liu of the OOWAY has mis-characterised to the media events of the recent past with blatant factual inaccuracies. These efforts are a distraction to the serious matters, as outlined above, which the current Board is working very hard to address."

The Board, with the exception of Mdm Hao, highlighted 5 key matters:

1) The remarks to the media misinterpret the findings of an internal control review by Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**").

   It also notes that on 19 August 2021, the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") issued a Notice of Compliance ("**NOC**") for a Special Audit ("**Special Audit**") to review several matters including the internal control weaknesses noted in the Interim Report issued by Baker Tilly. Matters including the use of the Company's funds – including the funds of S$19 milion raised from February to August 2020 for business transformation, before OOWAY's involvement in the Company in October 2020 – remain within the purview of the Special Auditor and it is premature for Mr Liu or OOWAY to make any insinuations in that regard. The Company is reviewing a draft report in relation

only to the Payroll Matters and the Transaction announced by the Company on 29 September 2021. The independent review of the remaining scope of work is on-going. The Company will update shareholders once there are material developments in this regard.

2) It rejects any allegation of impropriety as to the appointment of Mr Lau Kay Heng as director, whose appointment was duly assessed by the Nominating Committee.

3) Regarding the reference in the media to 2 loan matters:

   (i) for the loan of S$1.0 million taken up by the Company, the rationale – announced on 30 August 2022 – was to meet anticipated general working capital needs up to the end of 2022; and

   (ii) a S$1.5 million interest-free loan proposed by OOWAY had initially come with the pre-condition that a specific candidate had to be appointed as Chief Financial Officer ("**CFO**") of the Company. This condition could not be accepted after the Nominating Committee's due assessment which found the candidate to be not suitable to be the CFO of the Company. Subsequently, the former Executive Director and Interim CEO Mr Lincoln Teo had on 7 July 2022 recommended the Board to accept a proposal by another investor found by the OOWAY Group which contained conditions, among others, that the Company's investment in OTPL be provided as collateral for a convertible loan of S$5.0 million. By late-July 2022, the balance proceeds from the past fundraising activities were reduced to the precariously low level of S$26,559 while liabilities accumulated under the management of Mr Lincoln Teo amounted to approximately S$935,000.

4) There is no basis to state "*OOWAY Technology [Pte. Ltd.] [("OTPL")] is Kitchen Culture's most valuable asset*".

   OOWAY has made many promises of injecting profitable businesses to the Company but did not make good its promises since becoming shareholders of the Company in October 2020 and had management control of the Company between July 2021 and July 2022.

   It is noted that the OTPL and its subsidiaries ("the OTPL Group") recorded losses in 2020 and 2021. The Company's share of OTPL Group's losses amounted to approximately S$910,000 and S$803,000 for the 12 months ended 30 June 2021 and 30 June 2022, respectively.

5) As to Mr Liu's remarks to the media on the Section 177 Notice, the Board said that since the resignation of Mr Lincoln Teo and appointments of the 2 new Independent Directors, the current Board has achieved significant progress in the last 3 months, by:

   - successfully negotiating payment terms for liabilities incurred during Mr Lincoln Teo's tenure, including rental arrears for the Company's office premises and unpaid salaries;
   - reducing overhead costs significantly by terminating services of 6 staff (4 of whom were existing/former employees of companies related to Mr Lincoln Teo) who were receiving almost S$600,000 in combined salaries and allowances annually from the Company; and
   - securing a S$1 million loan to settle immediate debts as well as to provide short term working capital.

   The current Board is also in the process of evaluating the acquisition of new businesses that are cashflow positive and profitable.

In its letter to the requisitioning shareholders, the Board, with the exception of Mdm Hao, said the Directors will continue to act honestly and diligently in discharging their functions and duties and will continue the ordinary course of business for the Company.

Further, the Board wishes to state that it has this afternoon received a letter dated 14 October 2022 from the requisitioning shareholders enclosing a Notice of Extraordinary General Meeting ("EGM") and proxy form, and giving notice that the EGM will be held on **Tuesday, 1 November 2022, 9.00 a.m. at Toucan**

Room Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663. A further announcement will be made in this regard on SGXNet.

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This press release 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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