



kitchen
culture

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 FINANCIAL YEAR ENDED 30 JUNE (“FY”) 2021**

*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 income statement For the six months and full year ended 30 June 2021	Note	2nd Half Year Ended		Group Change	Financial Year Ended		Change
		2021	2020		2021	2020	
		Unaudited	Unaudited		Unaudited	Audited	
		\$	\$		%	\$	
Revenue	4	6,946,919	8,042,521	(13.6)	11,647,678	15,222,365	(23.5)
Cost of sales		(5,041,414)	(5,134,910)	(1.8)	(8,147,339)	(10,256,499)	(20.6)
Gross profit		1,905,505	2,907,611	(34.5)	3,500,339	4,965,866	(29.5)
Other income		128,213	410,818	(68.8)	670,542	534,161	25.5
Gain on disposal of subsidiary corporation		-	1,140,586	N.M.	-	1,140,586	N.M.
Selling and distribution expenses		(472,116)	(509,692)	(7.4)	(1,873,540)	(1,842,704)	1.7
Other operating expenses		(2,799,301)	(1,367,935)	>100.0	(2,973,595)	(1,387,247)	>100.0
General and administrative expenses		(2,977,823)	(3,982,157)	(25.2)	(8,175,292)	(6,038,529)	35.4
Finance costs		(35,902)	(1,721,958)	(97.9)	(73,572)	(2,098,799)	(96.5)
Share of result of associated company		(909,642)	-	N.M.	(909,642)	-	N.M.
Loss before income tax	6	(5,161,066)	(3,122,727)	65.3	(9,834,760)	(4,726,666)	>100.0
Income tax credit	7	-	81,507	N.M.	-	81,507	N.M.
Net loss		(5,161,066)	(3,041,220)	69.7	(9,834,760)	(4,645,159)	>100.0
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		37,380	(199,208)	N.M.	102,333	(103,346)	N.M.
Total comprehensive loss for the period		(5,123,686)	(3,240,428)	58.1	(9,732,427)	(4,748,505)	>100.0
Net (loss)/income attributable to:							
Equity holders of the Company		(5,364,926)	(3,140,790)	70.8	(9,870,169)	(4,770,859)	>100.0
Non-controlling interests		203,860	99,570	>100.0	35,409	125,700	(71.8)
		(5,161,066)	(3,041,220)	69.7	(9,834,760)	(4,645,159)	>100.0
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(5,323,485)	(3,302,230)	61.2	(9,778,430)	(4,859,753)	>100.0
Non-controlling interests		199,799	61,802	>100.0	46,003	111,248	(58.6)
		(5,123,686)	(3,240,428)	58.1	(9,732,427)	(4,748,505)	>100.0
Loss per ordinary share attributable to equity holders of the Company (cents)							
Basic	8	(1.26)	(2.06)		(2.55)	(3.53)	
Diluted	8	(1.26)	(2.06)		(2.55)	(3.53)	

N.M. = Not Meaningful

Condensed interim consolidated balance sheet As at 30 June 2021		Group		Company		
		Note	Unaudited FY2021	Audited FY2020	Unaudited FY2021	Audited FY2020
			\$	\$	\$	\$
Current assets						
Cash and cash equivalents			5,503,262	6,403,022	4,269,106	5,938,263
Trade receivables			5,469,870	7,827,846	-	-
Other receivables			2,872,328	1,265,885	11,849,118	5,560,376
Contract assets			569,756	352,932	-	-
Inventories			2,184,691	4,853,956	-	-
Tax recoverable			-	3,316	-	-
			16,599,907	20,706,957	16,118,224	11,498,639
Non-current assets						
Property, plant and equipment	10		1,948,376	1,609,108	236,492	-
Investment property	11		207,671	220,448	-	-
Trade receivables			648,080	307,754	-	-
Investment in subsidiary corporations			-	-	2,200,002	100,002
Investment in associated companies	14		23,012,358	-	23,012,358	-
Deferred tax assets			79,486	82,497	-	-
			25,895,971	2,219,807	25,448,852	100,002
Total assets			42,495,878	22,926,764	41,567,076	11,598,641
Current liabilities						
Trade payables			2,726,949	1,953,657	-	-
Other payables			3,209,745	13,649,532	2,483,365	7,594,038
Contract liabilities			4,705,474	3,186,234	-	-
Lease liabilities			539,461	1,092,483	-	-
Borrowings	12		-	8,802,729	-	6,957,500
Income tax payable			-	4,429	-	-
			11,181,629	28,689,064	2,483,365	14,551,538
Non-current liabilities						
Lease liabilities			905,615	337,066	-	-
			905,615	337,066	-	-
Total liabilities			12,087,244	29,026,130	2,483,365	14,551,538
Equity						
Share capital	13		58,948,250	12,707,823	58,948,250	12,707,823
Translation reserve			291,806	200,067	-	-
Accumulated losses			(28,587,564)	(18,717,395)	(19,864,539)	(15,660,720)
Equity attributable to equity holders of the Company			30,652,492	(5,809,505)	39,083,711	(2,952,897)
Non-controlling interests			(243,858)	(289,861)	-	-
Total equity			30,408,634	(6,099,366)	39,083,711	(2,952,897)
Total liabilities and equity			42,495,878	22,926,764	41,567,076	11,598,641

Condensed interim statements of changes in equity

Group

	Share Capital	Accumulated Losses	Currency Translation Reserve	Attributable to Equity Holders of the Company	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
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	-	(9,870,169)	-	(9,870,169)	35,409	(9,834,760)
Other comprehensive income for the period						
Exchange differences on translation of foreign operations	-	-	91,739	91,739	10,594	102,333
Total comprehensive (loss)/income for the period	-	(9,870,169)	91,739	(9,778,430)	46,003	(9,732,427)
Issuance of new ordinary shares	46,240,427	-	-	46,240,427	-	46,240,427
As at 30 June 2021	58,948,250	(28,587,564)	291,806	30,652,492	(243,858)	30,408,634
As at 1 July 2019	8,731,259	(13,946,536)	288,961	(4,926,316)	(401,109)	(5,327,425)
Loss for the period	-	(4,770,859)	-	(4,770,859)	125,700	(4,645,159)
Other comprehensive (loss)/income for the period						
Exchange differences on translation of foreign operations	-	-	(88,894)	(88,894)	(14,452)	(103,346)
Total comprehensive (loss)/income for the period	-	(4,770,859)	(88,894)	(4,859,753)	111,248	(4,748,505)
Issuance of new ordinary shares	3,976,564	-	-	3,976,564	-	3,976,564
As at 30 June 2020	12,707,823	(18,717,395)	200,067	(5,809,505)	(289,861)	(6,099,366)

Company

	Share Capital	Accumulated Losses	Total Equity
	\$	\$	\$
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	-	(4,203,819)	(4,203,819)
Issuance of new ordinary shares	46,240,427	-	46,240,427
As at 30 June 2021	58,948,250	(19,864,539)	39,083,711
As at 1 July 2019	8,731,259	(8,719,101)	12,158
Loss for the period, representing total comprehensive loss for the period	-	(6,941,619)	(6,941,619)
Issuance of new ordinary shares	3,976,564	-	3,976,564
As at 30 June 2020	12,707,823	(15,660,720)	(2,952,897)

Condensed interim consolidated statement of cash flows

	Financial Year Ended	
	2021	2020
	Unaudited	Audited
	\$	\$
Operating activities		
Loss after income tax	(9,834,760)	(4,645,159)
Adjustments for:		
Income tax credit	-	(81,507)
Legal and professional fee - shares issued in lieu	1,196,100	-
Depreciation of property, plant and equipment	1,349,098	1,579,000
Amortisation of investment property	12,777	12,777
Property, plant and equipment written off	26,947	1,569
Loss/(gain) on disposal of property, plant and equipment	1,022	(7,220)
Gain on disposal of a subsidiary corporation	-	(1,140,586)
Allowance for inventories write-down	3,059,215	-
Share of result of associated company	909,642	-
Interest income	(30,068)	(2,297)
Interest expense	63,811	2,098,799
Unrealised foreign exchange differences, net	129,538	(87,290)
Operating cash flows before movements in working capital	(3,116,678)	(2,271,914)
Inventories	(389,950)	1,207,063
Trade and other receivables	411,207	(6,709,223)
Contract assets	(216,824)	437,135
Trade and other payables	(5,049,864)	3,365,298
Contract liabilities	1,519,240	(1,026,337)
Cash used in operating activities	(6,842,869)	(4,997,978)
Income tax refunded	3,316	652
Net cash used in operating activities	(6,839,553)	(4,997,326)
Investing activities		
Interest received	30,068	2,297
Additions to property, plant and equipment	(1,446,575)	(400,867)
Disposal of property, plant and equipment	-	7,220
Disposal of a subsidiary corporation, net of cash disposed of	-	(88,880)
Net cash used in investing activities	(1,416,507)	(480,230)
Financing activities		
Release of fixed deposit pledged to bank	-	52,082
Proceeds from advances from a director	-	2,515,170
Proceeds from issuance of new shares	9,534,388	3,976,564
Proceeds from convertible loan	-	6,050,000
Interest paid	(55,811)	(390,798)

	Financial Year Ended	
	2021	2020
	Unaudited	Audited
	\$	\$
Principal payment of lease liabilities	(267,373)	(1,384,527)
Repayment of loan from shareholder	-	(804,771)
Proceeds of term loan from a third party	-	3,160,900
Repayment of loan from a third party	-	(395,472)
Proceeds of term loan from external third parties	-	1,738,000
Repayment of term loan from external third parties	(1,853,229)	(2,798,000)
Net cash generated from financing activities	<u>7,357,975</u>	<u>11,719,148</u>
Net (decrease)/increase in cash and cash equivalents	(898,085)	6,241,592
Cash and cash equivalents at the beginning of the financial year	6,403,022	183,559
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,675)	(22,129)
Cash and cash equivalents at the end of the financial year	<u>5,503,262</u>	<u>6,403,022</u>

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 2021 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 2020.

Save as disclosed in Note 2.1 and Note 2.2 (valuation of inventories), 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 FY2021.

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 2021, the Group's trade receivables and contract assets amounted to \$6,687,706 (2020: \$8,488,532) 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. A loss allowance of \$6,085 for trade receivables was recognised in FY2021.

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

The Company has made a change in accounting policy for valuation of inventories for FY2021:

1. 100% provision for items >4 years old
2. 50% provision for items >3 years and <= 4 years old
3. 100% provision for appliances where we are no longer authorized dealers

Previously, 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.

Under the new accounting policy, the management has respectively written down and written off inventories of \$3,059,215 and \$142,519 (2020: \$1,266,224 and \$133,988) during FY2021.

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 \$639,296 (2020: \$905,667) 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 \$524,527 (2020: \$717,924) 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 FY2021, 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 2021	Residential Projects	Distribution and Retail	Others	Total
	FY2021	FY2021	FY2021	FY2021
	\$	\$	\$	\$
Reportable segment revenue	6,392,965	5,254,713	-	11,647,678
Reportable segment losses	(4,409,926)	(2,640,452)	(2,739,396)	(9,789,774)
Reportable segment assets	17,344,514	8,862,573	16,288,791	42,495,878
Segment liabilities	7,822,603	3,410,932	314,249	11,547,784
Capital expenditure	540,160	180,054	-	720,214
Depreciation of property, plant and equipment	(404,729)	(215,856)	(728,513)	(1,349,098)
Amortisation of investment property	(9,583)	(3,194)	-	(12,777)
Loss allowances	(4,564)	(1,521)	-	(6,085)
Property, plant and equipment written off	(20,166)	(6,722)	-	(26,888)
Inventories written down	(2,294,411)	(764,804)	-	(3,059,215)
Inventories written off	(106,889)	(35,630)	-	(142,519)
Bad debts written off	(17,639)	(5,880)	-	(23,519)

For the full year ended 30 June 2020	Residential Projects	Distribution and Retail	Others	Total
	FY2020	FY2020	FY2020	FY2020
	\$	\$	\$	\$
Reportable segment revenue	9,587,345	5,635,020	-	15,222,365
Reportable segment losses	(17,379)	(1,763,488)	(1,909,885)	(3,690,752)
Reportable segment assets	9,545,415	7,146,930	6,234,919	22,926,764
Segment liabilities	7,856,384	5,796,781	5,349,786	19,002,951
Capital expenditure	1,567,443	1,458,325	-	3,025,768
Depreciation of property, plant and equipment	(840,799)	(736,457)	(1,744)	(1,579,000)
Amortisation of investment property	(7,027)	(5,750)	-	(12,777)
Loss allowances	(67,022)	(54,837)	-	(121,859)
Property, plant and equipment written off	-	(1,569)	-	(1,569)
Inventories written off	(73,693)	(60,295)	-	(133,988)
Bad debts written off	(277,886)	(227,362)	-	(505,248)

For the second half year ended 30 June 2021	Residential Projects	Distribution and Retail	Others	Total
	2H2021	2H2021	2H2021	2H2021
	\$	\$	\$	\$
Reportable segment revenue	4,481,418	2,465,501	-	6,946,919
Reportable segment losses	(3,256,567)	(1,333,945)	(613,577)	(5,204,089)
Reportable segment assets	17,344,514	8,862,573	16,288,791	42,495,878
Segment liabilities	7,822,603	3,410,932	314,249	11,547,784
Capital expenditure	540,160	180,054	-	720,214
Depreciation of property, plant and equipment	(389,092)	(201,088)	(672,046)	(1,262,226)
Amortisation of investment property	(4,791)	(1,597)	-	(6,388)
Loss allowances	(4,564)	(1,521)	-	(6,085)
Inventories written down	(2,294,411)	(764,804)	-	(3,059,215)
Inventories written off	(106,889)	(35,630)	-	(142,519)
Bad debts written off	(11,108)	(3,703)	-	(14,811)

For the second half year ended 30 June 2020	Residential Projects	Distribution and Retail	Others	Total
	2H2020	2H2020	2H2020	2H2020
	\$	\$	\$	\$
Reportable segment revenue	5,899,913	2,142,608	-	8,042,521
Reportable segment (losses)/profits	151,443	(813,689)	(1,799,903)	(2,462,149)
Reportable segment assets	9,545,415	7,146,930	6,234,919	22,926,764
Segment liabilities	7,856,384	5,796,781	5,349,786	19,002,951
Capital expenditure	1,567,443	1,458,325	-	3,025,768
Depreciation of property, plant and equipment	(794,655)	(710,821)	29,019	(1,476,457)
Amortisation of investment property	(7,027)	(5,750)	6,388	(6,389)
Loss allowances	(67,022)	(54,837)	-	(121,859)
Property, plant and equipment written off	-	(1,569)	-	(1,569)
Inventories written off	(73,693)	(60,295)	-	(133,988)
Bad debts written off	(277,886)	(227,362)	-	(505,248)

Geographical information

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

	2nd Half Year Ended		Financial Year Ended	
	2021	2020	2021	2020
	Unaudited	Unaudited	Unaudited	Audited
	\$	\$	\$	\$
Singapore	4,205,276	1,480,313	5,107,718	4,472,145
Hong Kong	2,540,135	6,390,043	5,729,028	10,277,853
Malaysia	201,508	2,027	810,932	140,296
China	-	170,138	-	332,071
	<u>6,946,919</u>	<u>8,042,521</u>	<u>11,647,678</u>	<u>15,222,365</u>

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

	2nd Half Year Ended		Financial Year Ended	
	2021	2020	2021	2020
	Unaudited	Unaudited	Unaudited	Audited
	\$	\$	\$	\$
Segment losses	(5,204,089)	(2,462,149)	(9,789,774)	(3,690,752)
Gain on disposal of subsidiary corporation	-	1,140,586	-	1,140,586
Interest income	2,427	1,115	30,068	2,297
(Loss)/gain on foreign exchange difference, net	48,596	(143,263)	(67,054)	(150,349)
Interest on borrowings	(8,000)	(1,659,016)	(8,000)	(2,028,448)
Loss before tax	<u>(5,161,066)</u>	<u>(3,122,727)</u>	<u>(9,834,760)</u>	<u>(4,726,666)</u>

5. Financial assets and financial liabilities

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	FY2021	FY2020	FY2021	FY2020
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	8,990,278	9,137,561	11,849,118	5,521,591
Cash and cash equivalents	5,503,262	6,403,022	4,269,106	5,938,263
	<u>14,493,540</u>	<u>15,540,583</u>	<u>16,118,224</u>	<u>11,459,854</u>
Financial liabilities				
Trade and other payables	5,936,694	15,489,694	2,483,365	7,494,038
Lease liabilities	1,445,076	1,429,549	-	-
Borrowings	-	8,802,729	-	-
	<u>7,381,770</u>	<u>25,721,972</u>	<u>2,483,365</u>	<u>7,494,038</u>

6. Loss before income tax

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

	Financial Year Ended	
	2021	2020
	Unaudited	Audited
	\$	\$
Allowance for doubtful receivables:		
- trade (third parties)	6,085	161,242
Allowance for doubtful receivables written back:		
- trade (third parties)	-	(39,383)
Bad debts written-off	23,519	505,248
Audit fees paid to:		
- auditors of the Company	130,000	80,504
- other auditors	21,164	12,175
Non-audit fees paid to:		
- auditors of the Company	-	11,000
Cost of inventories recognised as an expense included in cost of sales	2,902,065	1,355,640
Depreciation of property, plant and equipment	1,349,098	1,579,000
Amortisation of investment property	12,777	12,777
Directors' fees	124,817	87,284
Inventories written down	3,059,215	1,266,224
Inventories written off	142,519	133,988
Net gain on foreign exchange differences	(31,728)	(150,349)
Net loss/(gain) on disposal of property, plant and equipment	1,022	(7,220)
Property, plant and equipment written off	26,888	1,569
Rental expense on operating lease	339,805	316,661
Salaries and related costs	4,206,703	3,051,494
Contributions to defined contribution plans	593,112	430,237
Gain on disposal of subsidiary corporation	-	(1,140,586)
Interest income on bank deposits	(30,068)	(2,297)
Interest expense on loans and bills payable	22,373	2,033,059
Interest expense on lease liabilities	51,200	65,740

	2nd Half Year Ended	
	2HY2021	2HY2020
	Unaudited	Audited
	\$	\$
Allowance for doubtful receivables:		
- trade (third parties)	-	48,411
Allowance for doubtful receivables written back:		
- trade (third parties)	(1,527)	(39,383)
Bad debts written-off	25,519	505,248
Audit fees paid to:		
- auditors of the Company	130,000	80,504
- other auditors	21,164	12,175
Non-audit fees paid to:		
- auditors of the Company	-	11,000
Cost of inventories recognised as an expense included in cost of sales	1,539,134	1,848,048
Depreciation of property, plant and equipment	340,842	1,476,457
Amortisation of investment property	6,388	6,388
Directors' fees	67,142	87,284
Inventories written down	3,059,215	1,266,224
Inventories written off	142,519	133,988
Net gain on foreign exchange differences	84,125	(143,264)
Net loss/(gain) on disposal of property, plant and equipment	(2)	(7,220)
Property, plant and equipment written off	(59)	1,569
Rental expense on operating lease	169,903	158,331
Salaries and related costs	1,932,364	1,476,552
Contributions to defined contribution plans	272,447	208,183
Gain on disposal of subsidiary corporation	-	(1,140,586)
Interest income on bank deposits	(2,427)	(1,115)
Interest expense on loans and bills payable	22,373	1,663,627
Interest expense on lease liabilities	23,848	65,740

7. Income tax credit

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	2nd Half Year Ended		Financial Year Ended	
	2021	2020	2021	2020
	Unaudited	Unaudited	Unaudited	Audited
	\$	\$	\$	\$
Current tax expense	-	(243)	-	(243)
Deferred tax credit	-	81,750	-	81,750
	-	81,507	-	81,507

8. Loss per share

Group Loss per ordinary share (cents) ("LPS")	Period/Year ended 30 June			
	2nd Half Year Ended		Financial Year Ended	
	2021 Unaudited	2020 Unaudited	2021 Unaudited	2020 Audited
Basic	(1.26)	(2.06)	(2.55)	(3.53)
Diluted	(1.26)	(2.06)	(2.55)	(3.53)
Weighted average number of ordinary shares in issue for basic LPS	424,665,283	152,402,231	386,953,802	135,187,708
Weighted average number of ordinary shares in issue for diluted LPS	424,665,283	152,402,231	386,953,802	135,187,708

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 in FY2021 are the same as the Company did not have any dilutive equity instruments in FY2021.

9. Net asset/(liability) value per ordinary share

	Group		Company	
	FY2021 Unaudited	FY2020 Audited	FY2021 Unaudited	FY2020 Audited
Net asset/(liability) value per ordinary share (cents)	7.22	(3.29)	9.42	(1.67)
Number of ordinary shares in issue as at year end	424,665,283	176,750,000	424,665,283	176,750,000

Net asset/(liability) 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.

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$720,214 (30 June 2020: \$3,025,768) and disposed of assets amounting to \$27,909 (30 June 2020: \$20,501).

11. Investment property

	Group	
	FY2021 \$	FY2020 \$
Beginning of financial year	220,448	233,225
Amortisation charge for the year	(12,777)	(12,777)
End of financial year	<u>207,671</u>	<u>220,448</u>

The Group's investment property is held for capital appreciation and/or to earn rental and is expected to be recovered through sale. The Group has recognised rental income amounting to \$Nil (2020: \$3,894) in profit or loss. There are no significant direct operating expenses (including repairs and maintenance) incurred on the investment property.

The investment property held by the Group is as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Unit 91, Montigo Resorts, Nongsa, Batam, Riau Island	Holiday resort	Leasehold	16 years

Fair value measurement of the Group's investment property

The fair value measurement of investment property not carried at fair value but for which fair values are disclosed has been categorised as a Level 2 fair value based on the inputs to the valuation technique which are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 30 June 2020, the fair values of the properties have been determined by Roma Appraisals Limited and is valued to be approximately \$500,000 (2019: \$500,000).

An external, independent and qualified valuer will be engaged to obtain a new valuation to determine the fair value of the Group's properties as at 30 June 2021.

There were no transfer between fair value hierarchies.

12. Borrowings

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	\$	\$	\$	\$
Borrowings from non-financial institutions				
Loan from shareholder	-	195,229	-	-
Loan from other third parties	-	1,650,000	-	-
Loan from other third parties (convertible loan)	-	6,957,500	-	6,957,500
	-	8,802,729	-	6,957,500
Presented as:				
Current	-	8,802,729	-	6,970,500
Non-current	-	-	-	-
	-	8,802,729	-	6,970,500

Convertible Loan

The Company had on 3 May 2020 entered into a convertible loan agreement (the "**Convertible Loan Agreement**") with various investors, pursuant to which, the investors agreed to grant an interest-bearing convertible loan of \$6,050,000 to the Company (the "**Convertible Loan**").

In return, the investors were granted the right to convert the Convertible Loan together with the interest payable into a maximum of 46,694,626 new ordinary shares in the issued and paid-up capital of the Company in accordance with the terms of the Convertible Loan Agreement ("**Conversion**"). Such Conversion was approved by the shareholders of the Company on 29 June 2020.

The Company had subsequently allotted and issued an aggregate of 46,694,626 new ordinary shares to the investors pursuant to the Conversions which took place in July 2020.

13. Share Capital

	The Group and the Company			
	As at 30 June 2021		As at 30 June 2020	
	No. of shares	\$	No. of shares	\$
Issued and paid-up				
Beginning of financial year	176,750,000	12,707,823	118,477,000	8,731,259
Shares issued	247,915,283	46,240,427	58,273,000	3,976,564
End of financial year	424,665,283	58,948,250	176,750,000	12,707,823

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 hold any treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

14. Investment in associated company

	Group FY2021 \$	Company FY2021 \$
<i>Equity investment at cost:</i>		
Beginning of financial year	-	-
Acquisition consideration	23,922,000	23,922,000
Remeasurement of equity interests retained	(909,642)	(909,642)
End of financial year	<u>23,012,358</u>	<u>23,012,358</u>

Name	Principal activities	Country of business/ incorporation	% of ownership interest FY2021 %	% of ownership Interest FY2020 %
<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

15. Related party transactions

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

16. Subsequent events

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

On 12 July 2021, the Company voluntarily suspended its shares trading.

The Company has on 14 July 2021 and 19 August 2021 received notices of compliance from the Singapore Exchange Regulation, pursuant to which, the Company has appointed an independent special auditor to review various matters in relation to the Group. The special audit is currently ongoing.

On 31 July 2021, the Company announced that it has, through its legal counsel, lodged a police report with the Commercial Affairs Department of the Singapore Police Force in relation to suspected payroll irregularities of \$520,000 arising from the past employment of two foreign nationals by its subsidiary, KHL Marketing Asia-Pacific Pte. Ltd. ("**Payroll Matter**").

On 10 August 2021, the Company announced that its subsidiary, KHL Marketing Asia-Pacific Pte. Ltd. has taken legal actions against the Company's former Chief Executive Officer and two foreign nationals to recover the amount of \$520,000 from the three defendants pursuant to the Payroll Matter. The legal proceeding is currently ongoing.

On 17 September 2021, the Company announced that its former Chief Executive Officer has taken legal actions against the Company in relation to, among others, wrongful termination of his appointment as Chief Executive Officer of the Company, breach of obligation of mutual trust and confidence owed to him and release of defamatory statements referring to him. The legal proceeding is currently ongoing.

On 29 September 2021, the Company announced that the Company was informed of a police report lodged with the Commercial Affairs Department of the Singapore Police Force by Mr Lim Wee Li against the Company's interim Chief Executive Officer in relation to a transfer of the Company's fund of US\$480,010 carried out by the interim Chief Executive Officer without the requisite approval of the Board.

In connection with the foregoing, the Company recovered and received a net amount of US\$492,259.97 pursuant to the termination of the transaction.

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 2021 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. The Group's latest audited financial statements for the financial year ended 30 June 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Review of Consolidated Statement of Comprehensive Income

Revenue

In FY2021, the Group recorded revenue of S\$11.6 million, a decrease of 23.5% or S\$3.6 million from S\$15.2 million in FY2020. The decrease in revenue occurred in Hong Kong (S\$4.5 million) and China (S\$0.3 million), partially offset by increases in revenue from Singapore (S\$0.6 million) and Malaysia (S\$0.6 million).

The Residential Projects segment decreased by 33.3% or S\$3.2 million while the Distribution and Retail segment decreased by 6.7% or S\$0.4 million.

Residential Projects

The Residential Projects segment accounted for 54.9% or S\$6.4 million of the Group's revenue, attributable to revenue derived from 8 ongoing projects (5 in Singapore and 3 in Hong Kong). Residential Projects revenue decreased by 33.3% or S\$3.2 million due mainly to the disruption of construction work for the Singapore projects arising from COVID-19 circuit breaker restrictions, and 2 projects in Hong Kong which were completed during FY2021. Comparatively, revenue for Residential Projects in FY2020 amounted to S\$9.6 million, derived from 8 ongoing projects (6 in Singapore and 2 in Hong Kong). The decrease in revenue for this segment occurred mainly in Hong Kong (S\$4.5 million), partially offset by an increase in Singapore (S\$1.3 million).

Distribution and Retail

The Distribution and Retail segment accounted for 45.1% or S\$5.3 million of the Group's revenue in FY2021, a decrease of 6.7% or S\$0.4 million compared with FY2020 wherein the Distribution and Retail segment accounted for 37.0% or S\$5.6 million of the Group's revenue. The decrease in revenue for this segment was mainly the result of the COVID-19 situation in which affected all of the Group's operations, in Singapore (S\$0.7 million), China (S\$0.3 million), partially offset by an increase in Malaysia (S\$0.6 million).

Gross Profit

Gross profit in FY2021 was S\$3.5 million, a decrease of 29.5% or S\$1.5 million from S\$5.0 million in FY2020. The decrease in gross profit was mainly due to a decrease in gross profit from the Residential Projects segment of S\$1.4 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\$0.1 million as a result of a decline in revenue and gross profit margin.

Overall gross profit margin decreased by 2.5 percentage points to 30.1% in FY2021, from 32.6% in FY2020.

The Residential Projects segment recorded a decrease in gross profit margin of 7.6 percentage points. This arose from late costs recorded on two projects completed in prior years in Singapore. The Distribution and Retail segment recorded gross profit margin of 44.8% in FY2021 which was unchanged from the previous financial year.

Other Income

Other income increased by S\$0.1 million from S\$0.5 million in FY2020 to S\$0.6 million in FY2021, due to an increase of S\$214K received from the Singapore Government through the COVID-19 relief measures, which was partially offset by decreases in service income S\$67K and sundry income S\$86K due to movement restrictions during the COVID-19 lock-down period. Interest income increased by S\$28K, from a short-term interest-bearing loan extended to a third party.

Gain on Disposal of Subsidiary Corporation

In FY2020, the Group recorded a gain on disposal of \$1.1 million following the disposal of 60% of the registered capital of Kitchen Culture (Sichuan) Co., Ltd. (“**KCSC**”) completed in June 2020. KCSC has been reclassified from a subsidiary to an associated company of the Group.

Other Operating Expenses

Other operating expenses increased by S\$1.6 million from S\$1.4 million in FY2020 to S\$3.0 million in FY2021. The increase was mainly due to the combined effects of:

- a. an increase in allowance for inventories write-down of S\$1.8 million;
- b. a net decrease in foreign exchange loss of S\$0.1 million;
- c. partially offset by a net decrease in allowance for doubtful receivables and bad debts written-off totalling S\$0.6 million.

General and Administrative Expenses

General and administrative expenses increased by 35.4% or S\$2.1 million, from S\$6.1 million in FY2020 to S\$8.2 million in FY2021. This was mainly attributable to:

- a. an increase in legal and professional fee of S\$1.3 million, due primarily to expenses incurred in: (i) acquisition of 30% of the total number of issued shares of OOWAY Technology Pte. Ltd. (“**OOWAY Technology**”) (“**OOWAY Acquisition**”), (ii) placement of 40,572,000 new ordinary shares in the capital of the Company, and (iii) conversion of debts to share capital;
- b. an increase in staff costs of S\$1.3 million arising from increased management and administration headcount in Singapore;
- c. an increase in entertainment expenses of S\$0.1 million;
- d. partially offset by decreases in (i) depreciation charges of S\$0.2 million due to certain property, plant and equipment being fully depreciated in prior year; (ii) maintenance of office/showroom premises in Hong Kong of S\$0.1 million; (iii) travelling and transport of S\$0.1 million; and (iv) postage and packing of S\$0.1 million.

Finance Cost

Finance cost decreased by 96.5% from S\$2.1 million in FY2020 to S\$74K in FY2021, mainly due to the decrease in interest paid on loans from third parties as borrowings were fully repaid in FY2021.

Share of Result of Associated Company

Subsequent to the completion of OOWAY Acquisition in October 2020, OOWAY Technology has become an associated company to the Group. The Company accounted for its share of losses in OOWAY Technology since the completion of OOWAY Acquisition which amounting to S\$0.9 million.

Loss Before Income Tax

The Group recorded loss before income tax of \$9.8 million in FY2021 as compared to loss of \$4.7 million in FY2020 due to the reasons explained above.

During FY2021, the Company has undertaken a conversion of debts to share capital which was completed in July 2020, fundraising exercise via a private placement which was completed in October 2020, allotment and issue of 90,000,000 Consideration Shares and 4,500,000 Introducer Shares in relation to the OOWAY Acquisition which was also completed in October 2020. The expenses incurred in FY2021 for these corporate exercises are one-off in nature and amounting to S\$2.2 million. If excluding these one-off expenses, the normalised loss before income tax for FY2021 would be S\$7.6 million.

Income Tax Credit

There is no income tax expense in FY2021 as the Group is in a loss position in FY2021. The income tax credit in FY2020 relates to a deferred tax credit.

Review of Statements of Financial Position of the Group

Assets

The Group's total assets increased by S\$19.6 million from \$22.9 million as at 30 June 2020 to S\$42.5 million as at 30 June 2021.

The increase in total assets was mainly attributable to:

- a. an increase in investment in associated companies of S\$23.0 million arising from the OOWAY Acquisition. The purchase consideration was satisfied by way of an issue of 90,000,000 Consideration Shares to the Vendor;
- b. an increase in other receivables of S\$1.6 million due to:
 - (i) an increase in deposits paid to third parties of S\$0.7 million (rental deposit of S\$0.1 million and merchant/vendor financing scheme deposit of S\$0.6 million);
 - (ii) an increase in advances and prepayments paid to foreign suppliers of S\$0.8 million for purchases of raw materials to be used on residential projects; and
 - (iii) an increase in other receivables of S\$0.1 million;
- c. an increase in property, plant and equipment of S\$0.3 million; and
- d. an increase in contract assets of S\$0.2 million.

These increases are partially offset by:

- a. a decrease of S\$2.7 million in inventories mainly due to additional allowance for inventories write-down of S\$3.1 million, partially offset by an increase of S\$0.4 million for purchase of filtering half masks for the medical supply business;
- b. a net decrease in trade receivables of S\$2.0 million resulting from:
 - (i) a net decrease of S\$1.8 million in trade receivables mainly due to collections from customers in Hong Kong totalling S\$3.9 million, partially offset by increases in trade

- receivables in Singapore of S\$2.0 million and Malaysia of S\$0.1 million arising from billings for work completed in FY2021; and
- (ii) a decrease in accrued revenue of S\$0.2 million (Singapore); and
- c. a decrease in cash and cash equivalents of S\$0.9 million.

Liabilities

The Group's total liabilities decreased by S\$16.9 million from S\$29.0 million as at 30 June 2020 to S\$12.1 million as at 30 June 2021.

The decrease in total liabilities was mainly attributable to:

- a. a decrease in other payables of S\$10.4 million due to (i) conversion of loan from a director of S\$4.6 million into new shares, (ii) repayment of loan from a third party of S\$2.8 million, (iii) decrease in non-trade creditors of S\$1.4 million due to settlement of outstanding accounts to suppliers for non-trade services, and (iv) a decrease in accrued expenses of S\$1.6 million for project costs (invoices received from suppliers/vendors); and
- b. a decrease in borrowings S\$8.8 million due to conversion of Convertible Loan and its accrued interest of S\$7.0 million into new shares and repayment of term loan of S\$1.8 million.

The decrease was partially offset by:

- a. an increase in trade payables of S\$0.8 million due to a net increase in trade creditors; and
- b. an increase in contract liabilities of S\$1.5 million due to an increase in amounts due to customers on contracts of S\$1.1 million and sales deposits received from customers of \$0.4 million.

Total Equity

The Group recorded total equity of S\$30.4 million as at 30 June 2021, compared with a capital deficit of S\$6.1 million as at 30 June 2020 due mainly to the increase in share capital by S\$46.2 million arising from placement exercises and debt to equity conversions, partially offset by the loss after income tax of S\$9.9 million recorded in FY2021.

Review of Consolidated Statement of Cash Flows

In FY2021, the Group's operating cash flows before movements in working capital was cash outflow of S\$3.1 million. The net cash used in working capital amounting to S\$3.7 million was due mainly to a net decrease in trade and other payables (S\$5.0 million) and an increase in inventories (S\$0.4 million), an increase in contract assets (S\$0.2 million), partially offset by a decrease in trade and other receivables of S\$0.4 million, and an increase in contract liabilities S\$1.5 million. The net cash used in operating activities in FY2021 amounted to S\$6.8 million.

In FY2021, the net cash used in investing activities of S\$1.4 million was mainly due to net cash outflow on purchase of property, plant and equipment.

The net cash generated from financing activities of \$7.4 million in FY2021 was due mainly to proceeds from issuance of new shares in the capital of the Company of S\$9.5 million via a placement exercise, partially offset by repayment of term loans from external third parties of S\$1.8 million and repayment of finance leases and interest expenses of S\$0.3 million.

As a result of the above, cash and cash equivalents decreased to S\$5.5 million as at 30 June 2021, from S\$6.4 million as at 30 June 2020.

Going Concern and Working Capital Position

The Group's working capital position and net asset position was S\$5.4 million and S\$30.4 million respectively as at 30 June 2021.

Sufficient liquidity is maintained to meet the Group's working capital and capital expenditure requirements for the financial year ending 30 June 2022, with a cash and cash equivalent of \$5.5 million as at 30 June 2021. The Board of Directors is of the view that the Group is able operate as a going concern.

3. **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."

For item (a), only approximately 19%, 31%, 41% and 43% of the total contract value was received as of 30 June 2019, 31 December 2019, 30 June 2020 and 31 December 2020 respectively due to the delay in the construction progress by the main contractor caused by COVID-19 disruptions. As at 30 June 2021, 68% of the total contract value was received.

For item (b), only approximately 8% of the total contract value was received as of 31 December 2020 due to the delay in the construction progress by the main contractor caused by COVID-19 disruptions. As at 30 June 2021, 23% of the total contract value was received.

4. 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. In particular, the Group's Retail and Distribution business revenue slowed by about 7% compared with FY2020. The slowdown was more pronounced in Singapore with a decline of 36% year-on-year. The management expect revenue growth to be modest for the next twelve months even in this difficult environment with anticipated cutback in domestic consumption amidst strict safe distancing and safety measures. The Group's Distribution and Retail business had been slow amidst the challenging retail conditions. However, the Group's order book for kitchen appliances and kitchen systems (based on deposits received from customers which is classified as contract liabilities) currently stands at \$3.4 million as at 30 September 2021, and efforts will be expended over the next few months in delivering these kitchen systems to customers.

The Group's Residential Projects business had faced significant challenges following the circuit breaker measures which resulted in the suspension of almost all construction worksites, as well as manpower disruptions arising from the additional measures implemented to curb the spread of COVID-19. Despite these difficulties, the Group is confident the Residential Projects segment will recover. As at the date of this announcement, the Group's project portfolio stands at \$15.3 million for 5 residential projects in Singapore and 1 in Hong Kong, which are expected to be completed over the next 1 to 2 years.

Whilst the Group focuses on growing its core business of kitchens by increasing market share in Singapore and the region, the Group has diversified into Artificial Intelligence and Big Data business through OOWAY Acquisition that will enhance shareholders value. The management is working on potential business plans in Artificial Intelligence and Big Data areas. The Company will make necessary announcements when appropriate.

5. 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.

6. 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 FY2021 as the Group is loss-making for the year and has accumulated losses as at 30 June 2021.

7. Breakdown of total annual dividend

No dividend has been declared for FY2021 and FY2020.

8. 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. Details of the IPT entered into by the Group for FY2021 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules are set out below:

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	FY2021	FY2020	FY2021	FY2020
Mr Lim Wee Li (Former Executive Chairman and CEO) – Purchase of a pre-owned motor vehicle from Mr Lim Wee Li	\$270,000.00	-	-	-

9. Breakdown of sales

	Group		% Increase/ (Decrease)
	FY2021 \$	FY2020 \$	
(a) Sales reported for first 6-month period	4,700,759	7,179,844	(34.5)
(b) Loss after tax before deducting non-controlling interests reported for first 6-month period	(4,673,694)	(1,603,939)	>100.0
(c) Sales reported for second 6-month period	6,946,919	8,042,521	(13.6)
(d) Loss after tax before deducting non-controlling interests reported for second 6-month period	(5,161,066)	(3,041,220)	(69.7)

10. 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 2 under "Other information required by Catalist Rules Appendix 7C" section of this announcement for the review of the performance of the Group.

11. 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.

12. 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.

Name	Age	Family relationship with any director or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and positions held, if any, during the year
Lim Sok Khim	59	Wife of Mr Lim Wee Li	Mdm Lim was appointed to the position of Sales Manager in 2018. Duties included managing the day-to-day operations of showrooms in Singapore and supervising a team of designers and sales staff. Mdm Lim ceased her employment on 15 July 2021.	Nil

13. Use of Proceeds

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

On behalf of the Board of Directors

Hao Dongting
Non-Executive Chairperson

Date: 5 November 2021