

CIRCULAR DATED 22 SEPTEMBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Kitchen Culture Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”). If you are in any doubt as to the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

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



kitchen
culture

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- A. PROPOSED ACQUISITION OF 30% OF THE TOTAL ISSUED AND PAID-UP CAPITAL OF OOWAY TECHNOLOGY PTE. LTD. (THE “PROPOSED ACQUISITION”);**
- B. PROPOSED ALLOTMENT AND ISSUE OF 90,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT THE ISSUE PRICE OF S\$0.2658 PER CONSIDERATION SHARE TO OOWAY GROUP LTD. (THE “VENDOR”), IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION;**
- C. PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE VENDOR PURSUANT TO THE PROPOSED ACQUISITION IN ACCORDANCE WITH RULE 803 OF THE CATALIST RULES;**
- D. PROPOSED ALLOTMENT AND ISSUE OF 4,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“INTRODUCER SHARES”) AT THE ISSUE PRICE OF S\$0.2658 PER INTRODUCER SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED AS INTRODUCER FEE FOR THE PROPOSED ACQUISITION; AND**
- E. PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE THE PROPOSED NEW BUSINESS.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	5 October 2020 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	7 October 2020 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means.

CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	8
2. PROPOSED ACQUISITION	9
3. VALUE OF THE SALE SHARES AND THE TARGET	15
4. SHAREHOLDERS' AGREEMENT	16
5. INTRODUCER ARRANGEMENT	16
6. PROPOSED ISSUE OF CONSIDERATION SHARES AND INTRODUCER SHARES PURSUANT TO CHAPTER 8 OF THE CATALIST RULES	18
7. LISTING AND QUOTATION NOTICE	18
8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION	18
9. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES	21
10. SERVICE CONTRACT	21
11. CHANGES IN SHAREHOLDINGS IN THE COMPANY	22
12. PROPOSED DIVERSIFICATION OF BUSINESS	23
13. DIRECTORS' RECOMMENDATIONS	36
14. EXTRAORDINARY GENERAL MEETING	36
15. ABSTENTION FROM VOTING	37
16. ACTIONS TO BE TAKEN BY SHAREHOLDERS	37
17. DIRECTORS' RESPONSIBILITY STATEMENT	39
18. CONSENT FROM THE VALUER	39
19. DOCUMENTS FOR INSPECTION	39
APPENDIX A – VALUATION SUMMARY LETTER	40
NOTICE OF EXTRAORDINARY GENERAL MEETING	59
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

“AI”	:	Artificial intelligence
“API”	:	Application Programming Interface
“associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,
		(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Audit Committee”	:	The audit committee of the Company, comprising Mr William Teo Choon Kow, Mr Kesavan Nair and Mr Lau Kay Heng
“bMARS”	:	Behaviour Model of Association Risk System
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 22 September 2020
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Kitchen Culture Holdings Ltd.
“Completion”	:	Completion of the Proposed Acquisition
“Completion Date”	:	The date on which Completion shall take place, to be scheduled by the parties to the SPA within 3 months from the date of the SPA

DEFINITIONS

- “*Consideration Share(s)*” : New Share(s) in the capital of the Company to be allotted and issued at the Issue Price (fractional entitlements to be disregarded) to the Vendor in satisfaction of the Purchase Consideration, free from all claims and encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the Consideration Shares with effect from such date of issue
- “*Control*” : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “*Controlling Shareholder*” : A person (including a corporation) who:
- (a) (unless otherwise determined by the SGX-ST) holds directly or indirectly 15% or more of the nominal amount of all voting Shares; or
 - (b) in fact exercises Control over the Company
- “*Directors*” : The directors of the Company as at the Latest Practicable Date
- “*EGM*” : The extraordinary general meeting of the Company to be held on 7 October 2020, notice of which is set out on pages 59 to 63 of this Circular
- “*FY*” : Financial year of the Company ended or ending 30 June (as the case may be)
- “*Group*” : The Company and its subsidiaries, collectively
- “*HY*” : 6-month financial period of the Company ended or ending 31 December (as the case may be)
- “*Introducer*” : Precious Glory Enterprises Limited
- “*Introducer Fee*” : The introducer fee payable by the Company to the Introducer in consideration of the services provided by the Introducer to the Company in connection with the Proposed Acquisition, being 5% of the Purchase Consideration, amounting to S\$1,196,100, which shall be fully settled by way of the allotment and issue of 4,500,000 Introducer Shares to the Introducer at the Issue Price per Introducer Share
- “*Introducer Share(s)*” : New Share(s) in the capital of the Company to be allotted and issued at the Issue Price (fractional entitlements to be disregarded) to the Introducer in satisfaction of the Introducer Fee, free from all claims and encumbrances and rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of such Introducer Shares
- “*Issue Price*” : S\$0.2658 per Consideration Share or Introducer Share (as the case may be)
- “*Latest Practicable Date*” : 31 August 2020, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“LPS”	:	Loss per Share
“NAV”	:	Net asset value
“Notice of EGM”	:	The notice of EGM set out on pages 59 to 63 of this Circular
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“OOWAY Acquisition”	:	Has the meaning ascribed to it in Section 5.2 of this Circular
“OOWAY Beijing”	:	OOWAY Data Technology (Beijing) Co., Ltd. (大路数据科技（北京）有限公司)
“OOWAY Group”	:	OOWAY PRC and its subsidiaries (whether direct or indirect)
“OOWAY PRC”	:	OOWAY Technology Co., Ltd (大路网络科技有限公司)
“Option”	:	The option granted by the Vendor to the Company under the SHA, to require the Vendor to sell such number of Target Shares held by the Vendor to the Company resulting in the Company holding an aggregate of more than 50% of the total number of Target Shares in the Target as at the relevant date of exercise of such option
“Option Shares”	:	Has the meaning ascribed to it in Section 4.3 of this Circular
“Ordinary Resolutions”	:	The ordinary resolutions to be passed by a simple majority of the Shareholders voting by proxy at the EGM to be convened for Shareholders to consider and approve the Proposed Transactions
“PRC”	:	People’s Republic of China
“Proposed Acquisition”	:	The proposed acquisition of 300 ordinary shares in the capital of the Target, representing 30% of the total number of issued shares of the Target at the Purchase Consideration
“Proposed Diversification”	:	The diversification of the Group’s business to include the Proposed New Business
“Proposed Issue of Consideration Shares”	:	The proposed allotment and issue of 90,000,000 Consideration Shares at the Issue Price per Consideration Share to the Vendor, in satisfaction of the Purchase Consideration
“Proposed Issue of Introducer Shares”	:	The proposed allotment and issue of 4,500,000 Introducer Shares at the Issue Price per Introducer Share to the Introducer, in satisfaction of the Introducer Fee
“Proposed New Business”	:	The business comprising AI, machine learning and data science, more particularly described in Section 12 of this Circular
“Proposed Transactions”	:	Has the meaning ascribed to it in Section 1.1 of this Circular

DEFINITIONS

<i>“Proposed Transfer of Controlling Interest”</i>	:	The proposed transfer of controlling interest to the Vendor upon the allotment and issue of 90,000,000 Consideration Shares to the Vendor pursuant to the Proposed Acquisition
<i>“Proxy Form”</i>	:	The proxy form attached to this Circular
<i>“Purchase Consideration”</i>	:	The aggregate consideration of S\$23,922,000 payable by the Company to the Vendor for the Proposed Acquisition, to be satisfied by way of the allotment and issue of 90,000,000 Consideration Shares to the Vendor at the Issue Price per Consideration Share
<i>“Restructuring Exercise”</i>	:	Has the meaning ascribed to it in Section 2.2.3 of this Circular
<i>“Sale Shares”</i>	:	300 ordinary shares in the capital of the Target, representing 30% of the total number of issued shares of the Target
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SHA”</i>	:	The shareholders’ agreement dated 13 August 2020 entered into between the Company, the Vendor and the Target, to regulate the Company and the Vendor’s relationship as shareholders of the Target with effect from the Completion Date
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of the Company
<i>“Share Capital”</i>	:	The issued and paid-up share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“SPA”</i>	:	The sale and purchase agreement dated 13 August 2020 entered into between the Company and the Vendor in relation to the Proposed Acquisition
<i>“Sponsor”</i>	:	SAC Capital Private Limited
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
<i>“Target”</i>	:	OOWAY Technology Pte. Ltd.
<i>“Target Board”</i>	:	Has the meaning ascribed to it in Section 12.5 of this Circular
<i>“Target Group”</i>	:	The Target, OOWAY Beijing and the OOWAY Group

DEFINITIONS

“Target Share(s)”	:	1,000 ordinary shares in the capital of the Target, being the entire issued and paid-up share capital of the Target
“Valuation Report”	:	The valuation report dated 31 August 2020 in respect of the valuation on the OOWAY Group issued by the Valuer
“Valuation Summary Letter”	:	The summary of the Valuation Report dated 31 August 2020 which is set out in Appendix A on pages 40 to 58 of this Circular
“Valuer”	:	AVA Associates Limited
“Vendor”	:	OOWAY Group Ltd.
“VWAP”	:	Volume weighted average price

Currencies, Units and Others

“%”	:	Per centum or percentage
“RMB”	:	PRC Renminbi
“S\$” or “cents”	:	Singapore dollars and cents, respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

Opal Lawyers LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

LETTER TO SHAREHOLDERS

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

Board of Directors

Lim Wee Li (Executive Chairman and Chief Executive Officer)
Loy Soo Toon (Executive Director, Business Development)
William Teo Choon Kow (Lead Independent Director)
Kesavan Nair (Independent Director)
Lau Kay Heng (Independent Director)

Registered Office

2 Leng Kee Road,
#01-08 Thye Hong Centre,
Singapore 159086

22 September 2020

To: The Shareholders of Kitchen Culture Holdings Ltd.

Dear Sir/Madam

- A. **PROPOSED ACQUISITION OF 30% OF THE TOTAL ISSUED AND PAID-UP CAPITAL OF OOWAY TECHNOLOGY PTE. LTD. (THE “PROPOSED ACQUISITION”);**
- B. **PROPOSED ALLOTMENT AND ISSUE OF 90,000,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.2658 PER CONSIDERATION SHARE TO OOWAY GROUP LTD. (THE “VENDOR”), IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION;**
- C. **PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE VENDOR PURSUANT TO THE PROPOSED ACQUISITION IN ACCORDANCE WITH RULE 803 OF THE CATALIST RULES;**
- D. **PROPOSED ALLOTMENT AND ISSUE OF 4,500,000 INTRODUCER SHARES AT THE ISSUE PRICE OF S\$0.2658 PER INTRODUCER SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED AS INTRODUCER FEE FOR THE PROPOSED ACQUISITION; AND**
- E. **PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE THE PROPOSED NEW BUSINESS.**

1. INTRODUCTION

1.1 The Directors are convening an EGM to be held on Wednesday, 7 October 2020 at 10.00 a.m. to seek the approval of Shareholders for the following proposals:

- (i) Proposed Acquisition;
 - (ii) Proposed Issue of Consideration Shares;
 - (iii) Proposed Transfer of Controlling Interest;
 - (iv) Proposed Issue of Introducer Shares; and
 - (v) Proposed Diversification,
- (collectively, the “**Proposed Transactions**”).

LETTER TO SHAREHOLDERS

- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Transactions, and the rationale thereof, and to seek Shareholders' approval at the EGM for the Ordinary Resolutions in respect of the Proposed Transactions respectively as set out in the Notice of EGM.
- 1.3 Shareholders should note that the approval of Ordinary Resolution 1 relating to the Proposed Acquisition, Ordinary Resolution 2 relating to the Proposed Issue of Consideration Shares and Ordinary Resolution 3 relating to the Proposed Transfer of Controlling Interest are inter-conditional. As such, if any of the Ordinary Resolutions 1, 2 or 3 are not carried, all of Ordinary Resolutions 1, 2 and 3 will not be carried.

In addition, Shareholders should note that the passing of Ordinary Resolutions 1, 2 and 3 are contingent upon the Shareholders' approval to the Ordinary Resolution 5 relating to the Proposed Diversification having been obtained. In the event that Ordinary Resolution 5 is not passed, the Ordinary Resolutions 1, 2 and 3 would not be effective, whether or not they are passed at the EGM.

Further, Shareholders should also note that the passing of Ordinary Resolution 4 relating to the Proposed Issue of Introducer Shares is contingent upon the Shareholders' approval to the Ordinary Resolutions 1, 2, 3 and 5 having been obtained. In the event that Ordinary Resolutions 1, 2, 3 and 5 are not passed, the Ordinary Resolution 4 would not be effective, whether or not Ordinary Resolution 4 is passed at the EGM.

For the avoidance of doubt, the Ordinary Resolution 5 is not contingent upon the Shareholders' approval to either of Ordinary Resolutions 1, 2, 3 or 4.

- 1.4 The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he should take, he should consult his bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

2. PROPOSED ACQUISITION

2.1 Background

On 17 April 2020, the Company announced that it had, on the same day, entered into a non-binding memorandum of understanding in relation to the Company's proposed acquisition of such number of ordinary shares in OOWAY PRC, a Big Data Analytics and AI business operating in the PRC.

Following negotiations between the parties, the Company has on 13 August 2020 entered into the SPA and the SHA with the Vendor in relation to the Proposed Acquisition by the Company of the Sale Shares, representing 30% of the total number of issued shares of the Target at the Purchase Consideration. Upon completion of the Proposed Acquisition, the Target will become an associated company of the Group.

2.2 Information on the Target, the Vendor and the Target Group

Shareholders should note that the information relating to the Target, the Vendor and the Target Group in this section and elsewhere in this Circular was based on information provided by the Target and the Vendor. The Company and the Directors have not independently verified the accuracy and correctness of such information.

2.2.1 Information on the Target

The Target, a company incorporated in Singapore, is principally engaged in investment holding and management consultancy services. It has an issued and paid-up share capital of S\$1,000 divided into 1,000 ordinary shares. The Vendor is the sole shareholder of the Target.

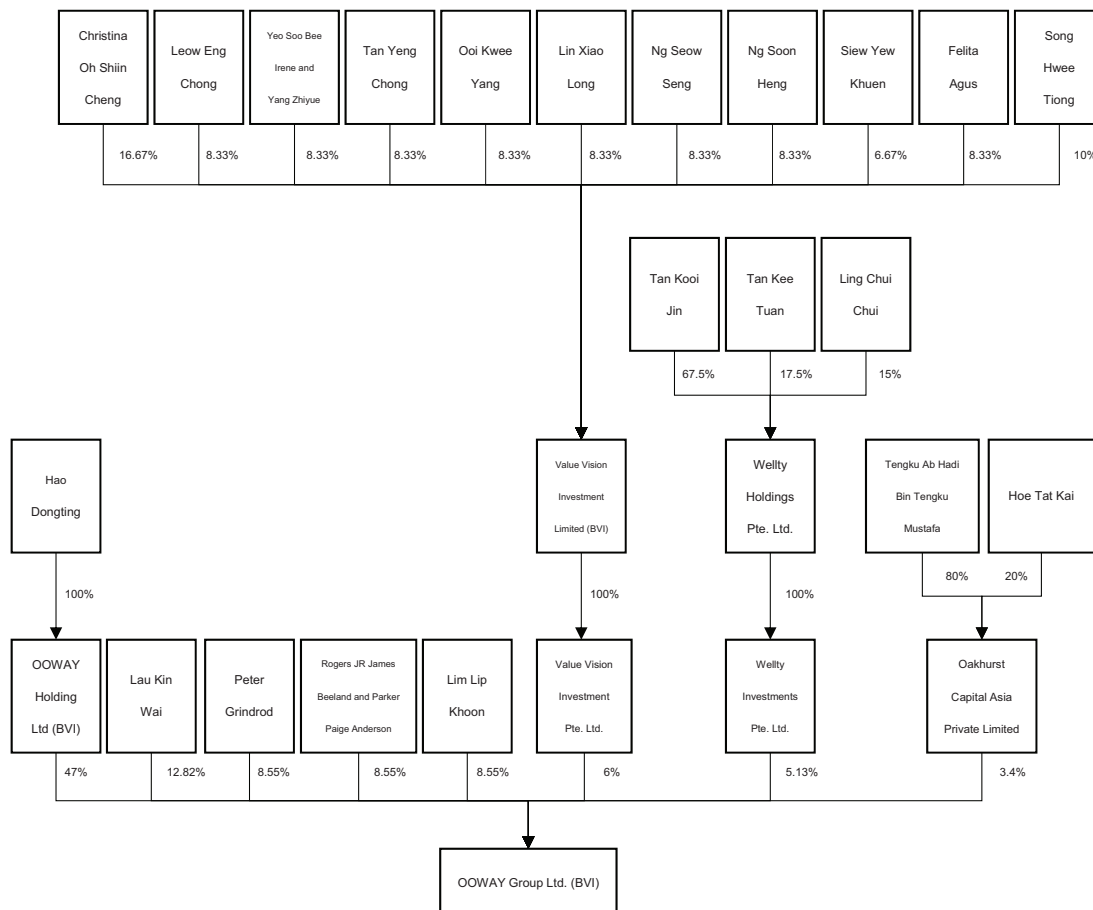
LETTER TO SHAREHOLDERS

2.2.2 Information on the Vendor

The Vendor, a company incorporated in the British Virgin Islands, is principally engaged in investment holding.

(i) Beneficial owners of the Vendor

The beneficial owners of the Vendor as at the Latest Practicable Date are set out below:



LETTER TO SHAREHOLDERS

- (ii) Relationship between the Vendor and its respective beneficial owners, and the Group, the Directors and Controlling Shareholders, and their respective associates

Save for the individuals set out below, the beneficial owners of the Vendor do not hold any Shares as at the Latest Practicable Date:

No.	Name	Shareholding Interest	
		As at the Latest Practicable Date ⁽¹⁾⁽³⁾	After Completion of the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares ⁽²⁾⁽³⁾
1	Leow Eng Chong	0.74%	0.57%
2	Song Hwee Tiong	0.57%	0.44%
3	Siew Yew Khuen	0.47%	0.37%
4	Tan Yeng Chong	0.34%	0.26%
5	Christina Oh Shiin Cheng	0.31%	0.24%
6	Felita Agus	0.19%	0.15%
7	Ng Seow Seng	0.16%	0.13%
8	Lin Xiao Long	0.16%	0.12%
9	Ooi Kwee Yang	0.09%	0.07%
10	Ng Soon Heng	0.05%	0.04%
11	Ling Chui Chui	<0.01%	<0.01%
12	Tan Kee Tuan	<0.01%	<0.01%

Notes:

- (1) Based on the total number of existing Shares of 330,165,283 as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares of 424,665,283, assuming the completion of the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares.
- (3) Including both direct and deemed interests.

For the purposes of good corporate governance, each of the individuals set out in the table above will abstain from exercising their voting rights in respect of all existing issued Shares owned by them, in respect of the Ordinary Resolutions 1, 2 and 3. Accordingly, the Company will disregard any votes cast on the Ordinary Resolutions 1, 2 and 3 (as the case may be) by such individuals in respect of the respective resolutions.

Ms Christina Oh Shiin Cheng, a 16.67%-shareholder of Value Vision Investment Limited, which in turn wholly-owns Value Vision Investment Pte. Ltd., a 6%-shareholder of the Vendor, was a business consultant to the Company. The Company engaged Ms Christina Oh in November 2019 to provide business consultancy services to the Group, including to explore the suitability and feasibility of the Company to raise funds through the placement of new shares in Singapore, taking into account the Group's financial condition, business and outlook, provide inputs on the type and profile of investors who may be interested to invest in the Company, provide inputs to enhance the positioning of the Company and recommend suitable marketing strategies vis-à-vis the potential investors who may be interested to explore such corporate exercise, and to facilitate communication between the Company and prospective investors.

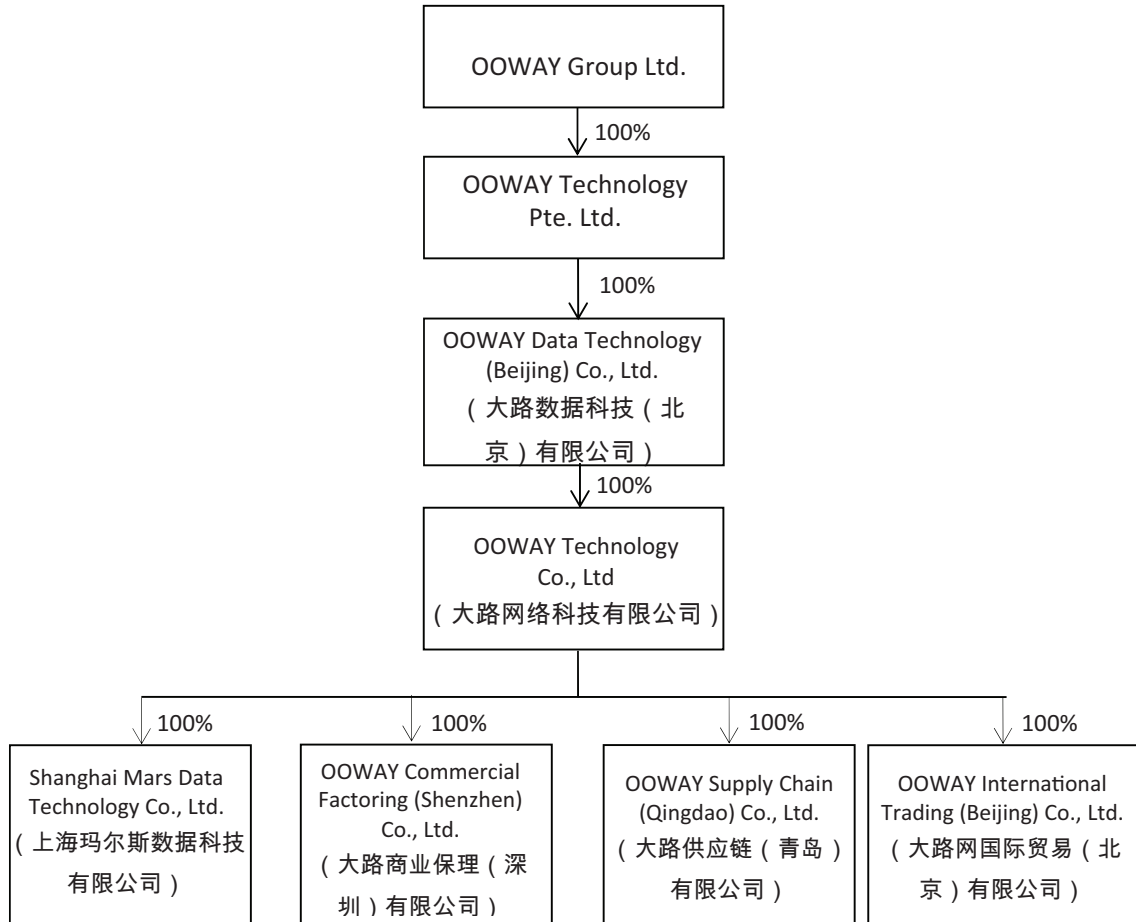
As at the Latest Practicable Date, save as disclosed above, the Vendor and its respective owners are not related to the Group, the Directors and Controlling Shareholders, and their respective associates.

LETTER TO SHAREHOLDERS

2.2.3 Information on the Target Group

Pursuant to the SPA, the Vendor has procured the completion of the establishment of OOWAY Beijing as a Wholly Foreign Owned Enterprise in the PRC wholly-owned by the Target, and the completion of the restructuring exercise resulting in OOWAY PRC becoming a wholly-owned subsidiary of OOWAY Beijing (collectively, the “**Restructuring Exercise**”).

The structure of the Target Group, as at the Latest Practicable Date, is as set out below:



OOWAY PRC was incorporated in China on 18 September 2017. On 12 December 2017, OOWAY PRC was named in the development report by the Management Committee of the Qingdao Qianwan Free Trade Port Zone (青岛前湾保税港区管理委员会) to the Ministry of Commerce of the People’s Republic of China (中国商务部) as a partner and designated corporate credit management service provider of the “Belt and Road Initiative” (“一带一路自贸驿站”) in the PRC.

Incorporated in the PRC, the OOWAY Group is principally engaged in the establishment of the Credit 3.0 platform in the PRC named bMARS, which utilises machine learning and AI to quantify corporate behaviour into credit value. bMARS has tested solutions and is built on proprietary behavioural algorithms. As the core product of the OOWAY Group, bMARS provides the foundational basis for the ecosystem of products of the OOWAY Group by providing big data analysis, prediction and risk control. Via bMARS, the OOWAY Group provides credit rating services and credit management services for importers and exporters in the PRC, Singapore, Thailand, Vietnam, Malaysia, Myanmar, Philippines, Brunei, Cambodia, Indonesia, and Laos. The target clients include banks, financial institutions, government agencies, corporates and small and medium enterprises. The services provided include technical services in credit loan and other fields, credit report inquiry services, customer intelligent matching services, customised solutions such as big data platform building, and credit data API interfaces call services.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the development of bMARS has been completed. The platform has been tested and services have been marketed since. The OOWAY Group has entered into strategic collaboration contracts with relevant enterprises and associations, such as the ASEAN-China Commerce Association and the China Association for Small and Medium Commercial Enterprises, to reach out more potential clients. As at the Latest Practicable Date, the OOWAY Group has secured order book of RMB 3.0 million (RMB 2.0 million of which has been paid and recorded as revenue in August 2020) and is in the process of discussing with various potential customers to secure more sales.

The OOWAY Group is also concurrently exploring the application of its AI-based solutions for the tourism and health industries through its “AI Trip Planner” and “Smart Health Management Specialist” services.

Further details in relation to the OOWAY Group and its products and services can be found in the Company’s announcement dated 18 August 2020.

The co-founders of the Target Group include Professor Peter Grindrod (Chief Scientist), Mr Rogers JR James Beeland (a.k.a. Mr Jim Rogers) (Chief Strategy Architect), Dr George Lim Lip Khoo (Investment Director), Mr Bruce Lau Kin Wai (Chief Data Director), Dr Eve Yang Liaoyuan (Strategy Director), and Mr Lincoln Teo Choong Han (Risk Control Director). The profiles of the founding team of OOWAY can be found on the Target Group’s website: <https://www.ooway.com>.

2.3 Material Terms of the Proposed Acquisition

2.3.1 Purchase Consideration

The Purchase Consideration of S\$23,922,000 was arrived at on a willing buyer and willing seller basis, taking into account the preliminary independent valuation of the OOWAY Group and the prospect and growth potential of the OOWAY Group and the Big Data Analytics and AI sector. The Board is of the view that the bMARS platform developed by the OOWAY Group, which utilises machine learning and AI, is unique and well-placed to generate growth and enhance Shareholders’ value for the Company. Based on the preliminary valuation conducted by the Valuer, the bMARS platform has been tested and services have been marketed since. The OOWAY Group has also secured order book of RMB 3.0 million as of 30 April 2020 and entered into strategic collaboration contracts with relevant enterprises and associations to reach out to more potential clients. Further details on the preliminary valuation are set out in Section 3 of this Circular.

The Purchase Consideration will be satisfied by the Company by way of the allotment and issue of 90,000,000 Consideration Shares to the Vendor at the Issue Price of S\$0.2658 per Consideration Share, within 2 business days after the Completion Date.

The Issue Price represents (i) a discount of 17.25% to the VWAP of the Shares of S\$0.3212 on 11 August 2020, which is the last full market day on which the Shares were traded prior to the date of the SPA and the trading halt requested by the Company with effect from 9.00 a.m. on 12 August 2020; and (ii) a premium of 133.36% to the VWAP of the Shares of S\$0.1139 on the Latest Practicable Date. The Issue Price was arrived at after arm’s length negotiations between the Company and the Vendor based on VWAP of the Shares in July 2020. Such decision takes into consideration the prevailing share price of the Company at the date of entry into the non-binding memorandum of understanding in relation to the Proposed Acquisition, the share price movements of the Shares since the announcement of the non-binding memorandum of understanding, the VWAP of the Shares in July 2020, and that the allotment and issue of Consideration Shares would help in conserving cash for the Group for working capital purposes and for future acquisition opportunities and allow the Vendor to take part in the equity of the Company, thereby aligning the interests of the Vendor and the Company moving forward. Taking into consideration the significant increase in the Company’s share price, the Board is of the view that the VWAP of the Shares for the month of July 2020 forms a fairer basis in determining the Issue Price of the Consideration Shares.

LETTER TO SHAREHOLDERS

The Consideration Shares shall be free from all claims and encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the Consideration Shares with effect from such date of issue.

The Consideration Shares represent approximately 27.26% of the existing Share Capital of 330,165,283 Shares (excluding treasury shares and subsidiary holdings) and approximately 21.19% of the enlarged Share Capital of 424,665,283 Shares (excluding treasury shares and subsidiary holdings) following the completion of the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares.

2.3.2 Conditions Precedent

Completion is conditional upon, *inter alia*, the fulfilment (or otherwise waiver at the sole and absolute discretion of the Company, if capable of being waived) of the following conditions precedent:

- (i) the Company being satisfied with the results of the due diligence investigations (whether legal, financial, contractual, tax or otherwise) carried out by the Company in respect of the Target, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of the Target;
- (ii) all consents, approvals and authorisations of the bankers, financial institutions, landlords of leases, any other relevant third parties, government or regulatory authorities which are necessary in connection with the transfer of the Sale Shares from the Vendor to the Company and the Company obtaining legal and beneficial title to the Sale Shares and other transactions contemplated under the SPA, and if subject to conditions, on such conditions acceptable to the Company, and such consents, approvals and authorisation remaining in full force and effect and not being revoked prior to the Completion Date;
- (iii) the approval of the Shareholders at the EGM being obtained for the transactions contemplated in the SPA upon the terms and conditions set out in the SPA, including, *inter alia*, the acquisition of the Sale Shares and the allotment and issue of the Consideration Shares (if required), and the approval and such other compliance requirements of the relevant authorities in Singapore (including but not limited to the listing and quotation notice from the SGX-ST for the admission to and listing and quotation of the Consideration Shares on the Catalist); and
- (iv) there being no material adverse change (as reasonably determined by the Company in its absolute discretion) in the corporate structure, management team, principal activities, prospects, operations, assets, business, profits, financial condition of the Target occurring on or before the Completion Date.

If any of the conditions precedent set out in the SPA is not fulfilled by the respective party, or otherwise waived by the Company at its sole and absolute discretion, within 3 months after the date of the SPA, the SPA shall cease and determine at the sole option of the Company.

2.3.3 Completion

Subject to the satisfaction or waiver (as the case may be) of the conditions precedent set out above, the Completion shall take place at such time on the Completion Date as the Company and the Vendor may mutually agree, to be scheduled by the parties within 3 months from the date of the SPA.

If Completion does not take place due to failure to satisfy any or all of the conditions precedent set out above (unless otherwise waived) or the occurrence of any event which is beyond the reasonable control of the Company or the Vendor, the SPA shall cease and determine at the sole option of the Company and the parties shall have no claims against each other save for antecedent breaches of the terms in the SPA and the Company's rights under the SPA.

LETTER TO SHAREHOLDERS

2.3.4 Long-stop date

The long-stop date for the fulfilment of the conditions precedent set out above is 3 months after the date of the SPA.

2.3.5 Further undertaking from the Vendor

The Vendor agrees and undertakes not to directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose or sell or agree to sell any of the Consideration Shares for a period of 12 months from the date of allotment and issue of the Consideration Shares to the Vendor, unless agreed otherwise by the Company in writing.

2.4 **Financing for the Proposed Acquisition**

The Purchase Consideration will be fully funded by the allotment and issue of the Consideration Shares.

2.5 **Rationale for the Proposed Acquisition**

As part of the strategic business review conducted by the Group with a view to strengthen the core business of the Group whilst maximising potential value for all stakeholders, as set out in the Company's announcement dated 31 March 2020, the Proposed Acquisition provides an opportunity for the Group to explore new areas of business opportunities and expand its footprint into other sectors.

The Proposed Acquisition will allow the Group to explore new areas of opportunities and alternate businesses, including the areas of AI, machine learning and data science, whilst offering an opportunity for the Group to leverage on the networks and capabilities of the Target Group. The Proposed Acquisition may provide the Group with increased revenue streams and increased business opportunities and improve the growth and prospects of the Group, so as to enhance Shareholders' value for the Company.

For the avoidance of doubt, the Proposed Acquisition does not affect the Group's focus in growing its existing core business in the sale and distribution of premium imported kitchen systems and appliances and household furniture, as well as the provision of kitchen solutions.

Please refer to Section 12 of this Circular for further details in relation to the Proposed Diversification.

3. **VALUE OF THE SALE SHARES AND THE TARGET**

The unaudited *pro forma* NTA of the Target Group (assuming that the Restructuring Exercise has been completed) as at 30 April 2020 was RMB 0.8 million (or equivalent to S\$0.2 million). The unaudited *pro forma* loss before tax of the Target Group (assuming that the Restructuring Exercise has been completed) for the financial year ended 31 December 2019 was RMB 22.1 million (or equivalent to S\$4.4 million) and for the latest 4-month period ended 30 April 2020 was RMB 3.7 million (or equivalent to S\$0.7 million).

The Company has engaged AVA Associates Limited as an independent professional valuer to carry out a valuation on the OOWAY Group as at 30 April 2020 in accordance with the International Valuation Standards (2017 edition) as published by the International Valuation Standard Committee. The valuation of the OOWAY Group is representative of the value of the Target Group as the Target and OOWAY Beijing are only investment holding companies while the OOWAY Group holds the active business operations under the Target Group.

The valuation on the OOWAY Group was performed by Mr Thomas Chua Boon Shyan and Mr Jack Li Wen Jie of the Valuer. Please refer to Appendix A to this Circular for the profiles of Mr Thomas Chua Boon Shyan and Mr Jack Li Wen Jie. They are supported by a senior valuation analyst who was a consultant to the development of a fintech mobile payment services company in the PRC over a period of 6 years. The Valuer largely provides independent valuation services for merger and acquisition and financial reporting purposes, for clients ranging from

LETTER TO SHAREHOLDERS

publicly-listed companies to privately-owned small and medium enterprises in Hong Kong and Singapore, whose businesses span the regions in Asia. The Company took into consideration the Valuer's prior experience in the fintech sector and its reputation in the market for the provision of independent valuation services, in deciding to appoint the Valuer for the purposes of the Proposed Acquisition.

Based on a preliminary valuation conducted by the Valuer as disclosed in the Company's announcement dated 13 August 2020, the indicative market value of the 100% equity interest in OOWAY PRC is ranging from S\$74 million to S\$90 million as at 30 April 2020. The Purchase Consideration was thus derived based on 30% of the approximate valuation of OOWAY PRC of S\$79.7 million which is within the range of preliminary valuation.

Based on the Valuation Summary Letter set out in Appendix A to this Circular, the market value of the 100% equity interest in OOWAY PRC ranges from S\$74 million to S\$90 million. The Valuer is of the opinion that the OOWAY Group is a late stage start-up company as at the Valuation Date, and hence, it has employed the market approach as its first approach. The Valuer has selected the price of recent investment method under the market approach which uses the price paid for a recent investment into a subject business as a basis to determine the value of the subject business as a whole. On 15 September 2019, OOWAY PRC entered into an investment agreement to raise RMB45 million by issuing new shares equivalent to 15% direct/indirect equity stake in the company. Even though this agreement has lapsed and the transaction did not proceed to complete as at Valuation Date, this implied a post-money valuation of RMB300 million or about S\$58 million, based on an exchange rate of S\$0.193/RMB. Subsequently, there were 3 separate minority stake transactions in July 2020 involving shares in the Vendor, the holding company of OOWAY PRC, which implied a valuation of S\$60 million for a 100% stake in the Vendor. In compliance with the valuation standards, the Valuer has considered these transactions in its work. The transactions were for minority stakes and the prices paid are deemed to have reflected discounts for lack of control and marketability. Along with that consideration, the Valuer gathered information on investments into comparable companies at various stages of their development. The valuation of the OOWAY Group is thus derived by inferring from valuation metrics of investments made into these comparable companies when they were at a similar stage of development and benchmarked against the recent investments into OOWAY PRC and the Vendor. To enhance its valuation opinion, the Valuer has also proceeded to apply the income approach, employing a discounted cash flow analysis of the financial projections for the OOWAY Group. The basis for selecting the above approaches was due to the availability of relevant data. Based on the Valuation Report dated 31 August 2020 issued by the Valuer, the market value of the 100% equity interest in OOWAY PRC remains the same as the preliminary valuation, ranging from S\$74 million to S\$90 million as at 30 April 2020. As such, the market value of the Sale Shares is ranging from was approximately S\$22.2 million to S\$27 million as at 30 April 2020.

4. SHAREHOLDERS' AGREEMENT

- 4.1 Pursuant to the SPA, the Company, the Vendor and the Target have on 13 August 2020 entered into the SHA to regulate the parties' relationship as shareholders of the Target with effect from the Completion Date.
- 4.2 Under the SHA, the Company will be entitled to appoint 1 director in the Target, while the Vendor will be entitled to appoint 4 directors in the Target. For the avoidance of doubt, as a minority shareholder, the Company will not be involved in the direct running, management and strategic direction of the Target.
- 4.3 Under the SHA, the Vendor further grants the Company the Option to require the Vendor to sell such number of Target Shares held by the Vendor (the "**Option Shares**") to the Company resulting in the Company holding an aggregate of more than 50% of the total number of Target Shares in the Target as at the relevant date of exercise of the Option, on terms and conditions to be mutually agreed between the Company and the Vendor, free from all claims and encumbrances and with all rights, dividends, benefits and entitlements attaching to such Option Shares. The Option may be exercised by the Company within 3 years commencing from the Completion Date by serving a duly signed written notice on the Vendor.

LETTER TO SHAREHOLDERS

5. INTRODUCER ARRANGEMENT

5.1 Information on the Introducer

Shareholders should note that the information relating to the Introducer in this section and elsewhere in this Circular was based on information provided by the Introducer. The Company and the Directors have not independently verified the accuracy and correctness of such information.

The Company was introduced to the Vendor by Precious Glory Enterprises Limited in connection with the Proposed Acquisition.

The Introducer is a company incorporated in Hong Kong and carries on the business of investments and provision of business advisory and consultancy services. The directors and shareholders of the Introducer are Mr Tan Chin Tuan and Ms Li Jingjing. Both Mr Tan Chin Tuan and Ms Li Jingjing are not related to the Directors and Controlling Shareholders, and their respective associates. As at the Latest Practicable Date, both Mr Tan Chin Tuan and Ms Li Jingjing do not hold any Shares.

5.2 Introducer Services

Pursuant to the letter agreement between the Company and the Introducer dated 16 February 2020, the Company has appointed the Introducer to, *inter alia*, source for and introduce the Company to suitable vendors of shares in the target business, OOWAY PRC (“**OOWAY Acquisition**”), assist the Company to explore the suitability and feasibility for the Company to acquire such target and assess the pricing and value in light of the target’s business and industry sector, assist the Company to co-ordinate with the vendors of the target and assist with negotiation in respect of the OOWAY Acquisition to reach the best commercial terms for the Company, and facilitate communication between the Company and owners of the target.

5.3 Introducer Fee

In consideration of the services provided by the Introducer to the Company as aforesaid, the Company has agreed to pay the Introducer a fee of 5% of the aggregate purchase consideration for the OOWAY Acquisition, to be payable by way of cash or shares (as the case may be) based on the mode of settlement of such purchase consideration. Where the OOWAY Acquisition is completed in stages, such introducer fee will be paid in stages for each and every stage.

The Introducer Fee for the Proposed Acquisition, amounting to S\$1,196,100, shall be fully settled by way of the allotment and issue of 4,500,000 Introducer Shares to the Introducer at the Issue Price per Introducer Share. The Company shall allot and issue to the Introducer the Introducer Shares subject to and after the Completion. However, in the event the Ordinary Resolution 4 relating to the Proposed Issue of Introducer Shares is not approved by the Shareholders at the EGM and/or the listing and quotation notice for the listing of and quotation for the Introducer Shares on the Catalist is not granted by the SGX-ST, the Company will make full settlement of the Introducer Fee in cash using the proceeds raised from the recent secondary fundraising exercises.

The Introducer Shares represent approximately 1.36% of the existing Share Capital of 330,165,283 Shares (excluding treasury shares and subsidiary holdings) and approximately 1.06% of the enlarged Share Capital of 424,665,283 Shares (excluding treasury shares and subsidiary holdings) following the completion of the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares.

The Introducer Shares will, when allotted and issued, be credited as fully-paid Shares free from any and all encumbrances and rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of the Introducer Shares.

The Introducer Fee was arrived at following arm’s length negotiations between the Company and the Introducer, taking into account the contacts and network of the Introducer and the scope of services to be provided by the Introducer to facilitate the transactions contemplated in connection with the Proposed Acquisition.

LETTER TO SHAREHOLDERS

6. PROPOSED ISSUE OF CONSIDERATION SHARES AND INTRODUCER SHARES PURSUANT TO CHAPTER 8 OF THE CATALIST RULES

6.1 Rule 803 of the Catalist Rules

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

As the allotment and issue of the Consideration Shares to the Vendor pursuant to the Proposed Acquisition will result in the Vendor's aggregate voting rights crossing 15.0% in the enlarged Share Capital and hence, specific approval of the Shareholders for the Proposed Transfer of Controlling Interest is required under Rule 803 of the Catalist Rules.

The Ordinary Resolution to seek Shareholders' approval for the Proposed Transfer of Controlling Interest is set out as Ordinary Resolution 3.

6.2 Rule 805(1) of the Catalist Rules

Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The allotment and issue of the Consideration Shares and the Introducer Shares respectively will be made pursuant to a specific mandate and the Company is seeking specific Shareholders' approval for the allotment and issue of the Consideration Shares and the Introducer Shares respectively in accordance with Rule 805(1) of the Catalist Rules.

Both the Consideration Shares and the Introducer Shares will not be issued pursuant to the general mandate granted by Shareholders during the extraordinary general meeting of the Company held on 29 June 2020.

7. LISTING AND QUOTATION NOTICE

The Company has, through the Sponsor, made an application to the SGX-ST for the listing of and quotation for the Consideration Shares and the Introducer Shares respectively on Catalist. The Company will make the necessary announcement(s) to notify the Shareholders when the listing and quotation notice from the SGX-ST for the listing of and quotation for the Consideration Shares and the Introducer Shares respectively on Catalist, is obtained.

It should be noted that the listing and quotation notice to be issued by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Introducer Shares, the SPA, the SHA, the Proposed Transfer of Controlling Interest, the Proposed Issue of Consideration Shares, the Proposed Issue of Introducer Shares, the Company, its subsidiaries and their securities.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition set out below are purely for illustrative purposes only and do not reflect the future financial position and performance of the Company or the Group. The tables illustrating the financial effects of the Proposed Acquisition, including the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares, have been prepared based on the Group's latest audited consolidated financial statements for FY2019 and the following principle assumptions:

- (i) the financial effects on the Group's NTL per Share and the gearing of the Group are computed based on the assumption that the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares had been completed on 30 June 2019;

LETTER TO SHAREHOLDERS

- (ii) the financial effect on the Group's LPS is computed based on the assumption that the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares had been completed on 1 July 2018; and
- (iii) other than the Introducer Fee, the expenses incurred for the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares are assumed to be insignificant and have been ignored for the purposes of computing the financial effects.

For the avoidance of doubt, these financial effects do not take into account (i) any other corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 July 2019.

8.1 Share Capital

For illustrative purposes only, the effects of the Proposed Acquisition (assuming (i) the Completion of the Proposed Acquisition and the completion of the Proposed Issue of Consideration Shares; and (ii) the completion of the Proposed Issue of Introducer Shares) on the Share Capital as at the Latest Practicable Date are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition and the Proposed Issue of Consideration Shares	After the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares
Share Capital (S\$)	34,198,903.33	58,120,903.33	59,317,003.33
Number of Shares	330,165,283	420,165,283	424,665,283

8.2 (NTL)/NTA of the Group

Assuming the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares had been completed on 30 June 2019, the financial effects on the NTL per Share of the Group as at 30 June 2019 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition and the Proposed Issue of Consideration Shares	After the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares
(NTL)/NTA attributable to equity holders of the Company (S\$)	(4,926,316)	18,995,684	18,995,684
Number of Shares	118,477,000	208,477,000	212,977,000
(NTL)/NTA per share (S\$ cents)	(4.16)	9.11	8.92

LETTER TO SHAREHOLDERS

8.3 LPS of the Group

Assuming the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares had been completed on 1 July 2018, the financial effects on the LPS of the Group for FY2019 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition and the Proposed Issue of Consideration Shares	After the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares
Net loss attributable to equity holders of the Company (S\$)	(3,874,348)	(3,874,348)	(5,070,448)
Weighted average number of Shares	118,477,000	208,477,000	212,977,000
LPS (S\$ cents)	(3.27)	(1.86)	(2.38)

8.4 Gearing of the Group

Assuming the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares had been completed on 30 June 2019, the financial effects on the gearing of the Group as at 30 June 2019 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition and the Proposed Issue of Consideration Shares	After the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares
Total borrowings (S\$) ⁽¹⁾	6,572,995	6,572,995	6,572,995
Net borrowings (S\$) ⁽²⁾	6,239,318	6,239,318	6,239,318
Total liabilities and equity (S\$)	13,785,898	37,707,898	37,707,898
Gearing ⁽³⁾	0.48	0.17	0.17
Net gearing ⁽⁴⁾	0.45	0.17	0.17

Notes:

- (1) Total borrowings is a summation of borrowings from financial and non-financial institutions, finance lease liabilities and loan from a director and a shareholder of a subsidiary as at 30 June 2019.
- (2) Net borrowings is total borrowings less cash and cash equivalents.
- (3) Gearing is computed using total borrowings divided by total liabilities and equity.
- (4) Net gearing is computed using net borrowings divided by total liabilities and equity.

LETTER TO SHAREHOLDERS

9. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition on the relevant bases set out in Rule 1006 of the Catalist Rules based on the latest unaudited consolidated financial statements of the Group for HY2020 prior to the date of the SPA are as follows:

Catalist Rule	Bases	Relative Figures
1006 (a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable to an acquisition of assets
1006 (b)	Net loss attributable to the assets acquired or disposed of, compared with the Group's net profits	58.9% ⁽¹⁾
1006 (c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation	27.3% ⁽²⁾⁽³⁾
1006 (d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	27.3% ⁽⁴⁾
1006 (e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil or gas company

Notes:

- (1) Based on the unaudited loss before income tax of RMB 4.8 million (or equivalent to approximately S\$0.9 million) attributable to the Sale Shares (assuming that the Restructuring Exercise has been completed) for HY2020, and the Group's unaudited loss before income tax of S\$1,603,939 for HY2020.
- (2) Pursuant to Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the NAV represented by such shares, whichever is higher. In this instance, (a) the Purchase Consideration in the SPA is S\$23,922,000; (b) the market value of the 90,000,000 Consideration Shares is S\$28,908,000 based on VWAP of S\$0.3212 on 11 August 2020, which is the last full market day on which the Shares were traded prior to the date of the SPA and the trading halt requested by the Company with effect from 9.00 a.m. on 12 August 2020; and (c) the NAV represented by such shares is not applicable as the Group was in net liabilities of S\$(6,835,502) as at 31 December 2019. Based on the above, the relative figure has been computed based on market value of S\$28,908,000, being the highest of (a) to (c).
- (3) The Company's market capitalisation of S\$106,049,089 is based on the Share Capital (excluding treasury shares and subsidiary holdings) of 330,165,283 Shares and VWAP of S\$0.3212 on 11 August 2020, which is the last full market day on which the Shares were traded prior to the date of the SPA and the trading halt requested by the Company with effect from 9.00 a.m. on 12 August 2020.
- (4) Based on 90,000,000 Consideration Shares and the Share Capital (excluding treasury shares and subsidiary holdings) of 330,165,283 Shares.

As the relative figure under Rule 1006(b) of the Catalist Rules is negative and exceeds 10%, the Proposed Acquisition does not fall within the relevant scenarios provided for in paragraphs 4.3(a) and 4.4(a) of Practice Note 10A of the Catalist Rules. Accordingly, pursuant to paragraph 4.6 of Practice Note 10A of the Catalist Rules, the Proposed Acquisition is subject to the approval of the Shareholders at the EGM.

10. SERVICE CONTRACT

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into in connection with the Proposed Acquisition.

LETTER TO SHAREHOLDERS

11. CHANGES IN SHAREHOLDINGS IN THE COMPANY

Based on the shareholdings of the Company as at the Latest Practicable Date, the effects of (i) the Proposed Issue of Consideration Shares, and (ii) the Proposed Issue of Consideration Shares and the Proposed Issue of Introductor Shares, on the shareholdings of the Directors, Substantial Shareholders and existing public Shareholders are as follows:

	As at the Latest Practicable Date		After the Proposed Acquisition and the Proposed Issue of Consideration Shares		After the Proposed Acquisition, the Proposed Issue of Consideration Shares and the Proposed Issue of Introductor Shares	
	Direct Interest Number of Shares	Deemed Interest Number of Shares	Direct Interest Number of Shares	Deemed Interest Number of Shares	Direct Interest Number of Shares	Deemed Interest Number of Shares
Directors						
Lim Wee Li	92,325,657	27.96	92,325,657	21.97	92,325,657	21.74
Loy Soo Toon	-	-	-	-	-	-
William Teo Choon Kow	-	-	-	-	-	-
Kesavan Nair	-	-	-	-	-	-
Lau Kay Heng	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
Chee Tuck Hong	23,859,060	7.23	23,859,060	5.68	23,859,060	5.62
Vendor	-	-	90,000,000	21.42	90,000,000	21.19
OOWAY Holding Ltd ⁽⁴⁾	-	-	-	-	-	-
Hao Dongting ⁽⁴⁾	-	-	-	-	-	-
Existing Public Shareholders	213,980,566	64.81	213,980,566	50.93	218,480,566	51.45
Total	<u>330,165,283</u>	<u>100.00</u>	<u>420,165,283</u>	<u>100.00</u>	<u>424,665,283</u>	<u>100.00</u>

Notes:

- (1) Based on the total number of existing Shares of 330,165,283 as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares of 420,165,283 after the Proposed Issue of Consideration Shares.
- (3) Based on the total enlarged number of Shares of 424,665,283 after (i) the Proposed Issue of Consideration Shares; and (ii) the Proposed Issue of Introductor Shares.
- (4) OOWAY Holding Ltd is deemed to be interested in all the Shares held by the Vendor under Section 7 of the Companies Act and Section 4 of the SFA as it holds 47% shareholding in the Vendor. Hao Dongting is also deemed to be interested in all the Shares held by the Vendor under Section 7 of the Companies Act and Section 4 of the SFA as he holds 100% shareholding in OOWAY Holding Ltd.

LETTER TO SHAREHOLDERS

Assuming (a) no change in the number of Shares in the existing Share Capital; and (b) no change in the number of Shares held by non-public Shareholders from the Latest Practicable Date up to the date of completion of the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares, approximately 50.93% and 51.45% of the Shares will be held in the hands of the public based on the enlarged Share Capital following (i) the Proposed Issue of Consideration Shares; and (ii) the Proposed Issue of Consideration Shares and the Proposed Issue of Introducer Shares, respectively. Accordingly, the Company would be in compliance with Rule 723 of the Catalist Rules.

As at the Latest Practicable Date, the Company has not granted any options or issued any rights, warrants or other securities convertible into, exercisable for or redeemable into any Shares.

None of the Directors or Controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Transactions, other than through their respective shareholdings (if any) in the Company.

12. PROPOSED DIVERSIFICATION OF BUSINESS

12.1 Background

On 31 March 2020, the Company announced its intention to conduct a strategic business review of the Group's business segments, to evaluate opportunities and positioning, with a view to strengthening the core business of the Group whilst maximising potential value for all stakeholders. The Company had also announced that the Group intends to explore new areas of opportunities and alternate businesses, including areas of healthcare and medical supplies solutions, AI, machine learning and data science.

On 17 April 2020, the Company entered into a non-binding memorandum of understanding in relation to the Company's proposed acquisition of such number of ordinary shares in OOWAY PRC, a Big Data Analytics and AI business operating in the PRC. Following negotiations between the parties, the Company on 13 August 2020 entered into the SPA and the SHA with the Vendor in relation to the Proposed Acquisition.

Further details on the Proposed Acquisition are set out in Sections 2, 3 and 4 of this Circular.

12.2 Existing Business of the Group

The Group specialises in the sale and distribution of a wide range of premium imported kitchen systems, kitchen appliances, wardrobe systems, bathroom furniture, household furniture and kitchen accessories mainly from Europe, catering to the high-end markets under the "Kitchen Culture" brand.

The Group's existing business is organised into the following business segments:

(a) Residential Projects

The Group provides kitchen and household solutions for luxury residential projects, and its customers in this segment are predominantly construction companies who are the main contractors of property developers. The Group's residential projects are awarded either directly by developers or through invitation to tender from developers, architects and quantity surveyors.

The Group has also in 2018 relaunched its own in-house artisan brand, Pureform, for kitchen and wardrobe systems. This enabled the Group to expand its residential project portfolio to cover both high-end and mid-level developments.

LETTER TO SHAREHOLDERS

(b) Distribution and Retail

Under the Group's "Kitchen Culture" brand, the Group brand manages, sells and distributes its premium imported kitchen systems, kitchen appliances, wardrobe systems, bathroom furniture, household furniture and kitchen accessories through a network of authorised dealers and retailers operating mainly in Singapore and Malaysia. Retail customers may purchase the Group's products directly through its retail showrooms and "Kitchen Culture" stores located in Singapore, Malaysia, Hong Kong and the PRC, where the Group displays a variety of its kitchen systems, kitchen appliances, wardrobe systems, household furniture and accessories.

In addition, the Group provides value-added services to both its (i) Residential Projects and (ii) Distribution and Retail customers such as installation services for its kitchen systems and wardrobe systems as well as additional carpentry works (where required). The Group also provides its customers with maintenance services in connection with the products it supplies.

For completeness, the Group has obtained Shareholders' approval, at the extraordinary general meeting of the Company held on 27 July 2020, for the proposed diversification of the Group's core business to include the business comprising the trading of medical and related supplies, which includes activities such as sourcing, manufacturing, formulating, branding, selling, distribution, wholesale and/or retail of medical, healthcare and related supplies. Further details are set out in Section 11 of the Company's circular dated 10 July 2020. For the avoidance of doubt, as at the Latest Practicable Date, the Group has yet to commence business activities relating to the aforementioned trading of medical and related supplies.

12.3 Information regarding the Proposed New Business

Subject to the approval of Shareholders for the Proposed Diversification being obtained at the EGM, the Company intends to diversify the Group's core business to include the Proposed New Business, briefly comprising AI, machine learning and data science, which includes, *inter alia*, the following activities:

- (a) the Target Group's principal business comprising the establishment of the Credit 3.0 platform, bMARS, in the PRC, which utilises machine learning and AI to quantify corporate behaviour into credit value, via which the OOWAY Group provides (i) credit rating services and credit management services, and (ii) other technical services in credit loan and other fields, credit report inquiry services, customer intelligent matching services, customised solutions such as big data platform building, and credit data API interfaces call services; and
- (b) the application of big data, machine learning and AI towards providing solutions for other industries and sectors, such as the tourism industry and the medical and healthcare sector.

The Company also proposes, as part of the Proposed New Business, to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Proposed New Business.

12.4 Organisation of the Proposed New Business

The Proposed Acquisition will allow the Group to undertake the Proposed New Business and explore new areas of opportunities, whilst offering an opportunity for the Group, being a new entrant to the Proposed New Business, to leverage on the expertise, resources, networks and capabilities of the Target Group.

Building on its initial foray into the Proposed New Business, the Group will then consider undertaking the Proposed New Business independently when it has built its expertise and experience in this field over time. The Company may also opt to exercise the Option under the SHA to acquire further Target Shares resulting in the Company holding an aggregate of more than 50% of the total number of Target Shares in the Target. The decision on whether a project

LETTER TO SHAREHOLDERS

should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and market conditions of the Proposed New Business, taking into account the opportunities available.

Where there are suitable opportunities available, the Group will also take into account, amongst other factors, the working capital requirements and financial condition of the Group. The Group will initially focus on establishing the Proposed New Business mainly in the PRC via the OOWAY Group, and may extend beyond to other jurisdictions as and when any suitable opportunity arises. Accordingly, the Group does not plan to restrict the Proposed New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits.

The Proposed New Business will become a new segment of the Group's business.

12.5 Management and Manpower required for the Proposed New Business

Under the SHA, the Company will be entitled to appoint 1 director on the board of the Target ("**Target Board**"). The Company intends to appoint Mr Loy Soo Toon, the Executive Director, Business Development of the Company, as its representative on the Target Board. Mr Loy Soo Toon was appointed to the Board on 11 February 2020 to spearhead the search for new customers and businesses for the Group. He is a qualified chartered accountant and has more than 25 years' experience in accounting, auditing, business development, corporate advisory, mergers and acquisitions. Mr Loy Soo Toon started the Masters of Science in Analytics programme in Nanyang Technological University in 2014 and was the Programme Manager who oversaw the successful roll out and running of the programme until July 2018, and hence, has the relevant exposure in the Big Data Analytics and AI sector to represent the Company on the Target Board.

As a minority shareholder of the Target, the Company will not be involved in the direct running, management and strategic direction of the Target Group. During the initial stage of the Group's foray into the Proposed New Business through its partnership fostered with the Target Group, the Group will be able to leverage on the expertise, resources and manpower of the Target Group to assist it in undertaking the Proposed New Business more effectively and efficiently as the Group seeks to build its expertise and experience in this field.

The Board will continue to evaluate the manpower and expertise required for the Proposed New Business and the Group will consider increasing its manpower as and when required in connection with the Proposed New Business, including hiring additional staff or in-house or external consultants and professional advisers to assist with spearheading the Group's growth in the Proposed New Business and searching for new business opportunities for the Proposed New Business. Where necessary, work may be outsourced to third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the partners concerned.

12.6 Funding for the Proposed New Business

The Company intends to fund the Proposed New Business through internal resources (including proceeds raised from recent secondary fundraising exercises), bank borrowings, and may explore additional secondary fundraising exercises by tapping the capital markets (including but not limited to rights issues, share placements and/or issuance of debt instruments) as and when more funds are needed to fuel growth and expansion of the Proposed New Business. For avoidance of doubt, the Target Group has not approached the Company to request for funding as at the Latest Practicable Date. Under the SHA, the Company as a shareholder of the Target will have pre-emptive right for future fundraising exercises by the Target Group. The Company will evaluate each fundraising exercise request when it comes.

LETTER TO SHAREHOLDERS

12.7 Internal Controls and Risk Management of the Proposed New Business

The Board recognises the importance of internal control and risk assessment for the smooth running of the Proposed New Business. The external and internal risks presented by the Proposed New Business to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Board may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures.

Where necessary, the Audit Committee and the Board will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Proposed New Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

12.8 Conflict of Interest

When the Company identifies a potential opportunity in respect of the Proposed New Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (i) vote in respect of matters in relation to the Proposed New Business; (ii) will not, directly or indirectly, make any executive decisions in respect of the Proposed New Business; and (iii) will not, directly or indirectly influence or participate in the operations and management of the Proposed New Business.

12.9 Prospects and Future Plans for the Proposed New Business

(a) Prospects

Our Directors believe that the outlook and prospects for the Proposed New Business will likely be positive in view of the following trends and developments:

Increased reliance on technology, particularly the field of AI, machine learning and data science

The prevalence of technology in society has sparked a digital shift and an increased reliance on technology. Across various sectors, a growing number of businesses are leveraging on AI and machine learning to mine and refine data culled from all areas of operation to transform their processes, improve customer experiences and create new competitive advantage.

Governments have also recognised digital innovation as a force multiplier to meet national priorities and enhance productivity. The Singapore Government has committed more than S\$500 million to fund AI activities under the Research, Innovation and Enterprise 2020 (RIE2020) Plan ⁽¹⁾. The Singapore Government also made public its "National Artificial Intelligence Strategy" in November 2019, reflecting its plans to expand the usage of AI technologies to transform Singapore's economy, fundamentally rethink business models and effect substantial changes to increase productivity and generate new areas of growth⁽²⁾. In particular, the Singapore Government identified 5 national AI projects in transport and logistics, smart cities and estates, healthcare, education, and safety and security, where AI technologies will be used to address key challenges and deliver strong social and/or economic impact for Singapore and Singaporeans⁽³⁾.

LETTER TO SHAREHOLDERS

China is one of the leading global hubs of AI, machine learning and data science development

China is poised to become an AI superpower, with the application of AI gradually permeating across various industries and sectors. The development of the AI sector has been earmarked in China as a national priority. In July 2017, The State Council of China released its “Next Generation Artificial Intelligence Development Plan” (新一代人工智能发展规划), which outlined China’s strategy to build a domestic AI industry worth nearly US\$150 billion, and to ultimately become the world leader in artificial intelligence by 2030⁽⁴⁾. The aforementioned AI plan will be coordinated by the Ministry of Science and Technology (中华人民共和国科学技术部) alongside an office named the AI Plan Promotion Office (新一代人工智能发展规划推进办公室)⁽⁵⁾, which are responsible for the implementation and coordination of the emergent AI-related projects. Local governments throughout China have also issued various AI policy initiatives, such as the Shanghai government’s implementation plan for new generation AI announced in November 2017⁽⁶⁾, the Guangzhou International Institute of Artificial Intelligence (广州国际人工智能产业研究院) launched in the Nansha Free Trade Zone in December 2017⁽⁷⁾, and the AI development park announced in 2018 to be constructed in Beijing’s Mentougou District⁽⁸⁾.

China’s stronghold in the AI sector goes beyond government commitment, and can also be attributed to other factors such as the sheer size of its population and its vibrant e-commerce and social network systems. China’s dense population of approximately 1.4 billion⁽⁹⁾ allows Chinese businesses to amass extensive volumes of data, arguably one of the most valuable commodity in this digital age and the lifeblood of the AI and machine learning systems.

Notes:

- (1) This information was extracted from the article titled “Singapore rolls out national strategy on artificial intelligence for ‘impactful’ social, economic benefits” published by ChannelNewsAsia on 13 November 2019. (<https://www.channelnewsasia.com/news/singapore/singapore-national-strategy-ai-economic-benefits-heng-swee-keat-12089082>)
- (2) This information was extracted from the report titled “National Artificial Intelligence Strategy” published by the Smart Nation Digital Government Office of Singapore in November 2019. (https://www.smartnation.gov.sg/docs/default-source/default-document-library/national-ai-strategy.pdf?sfvrsn=2c3bd8e9_4)
- (3) This information was extracted from the internet website of Smart Nation Singapore for the National Artificial intelligence Strategy which was last updated on 20 April 2020. (<https://www.smartnation.gov.sg/why-Smart-Nation/NationalAIStrategy>)
- (4) This information was extracted from the “Notice of the State Council on Issuing the Next Generation Artificial Intelligence Development Plan” (国务院关于印发新一代人工智能发展规划通知) published by the State Council of the People’s Republic of China, dated 8 July 2017. (http://www.gov.cn/zhengce/content/2017-07/20/content_5211996.htm)
- (5) This information was extracted from the internet website of the Ministry of Science and Technology of the People’s Republic of China (中华人民共和国科学技术部) dated 20 November 2017. (http://www.most.gov.cn/kjbgz/201711/t20171120_136303.htm)
- (6) This information was extracted from the internet website of The State Council Information Office of the People’s Republic of China dated 14 November 2017. (<http://www.scio.gov.cn/xwfbh/gssxwfbh/xwfbh/shanghai/Document/1606039/1606039.htm>)
- (7) This information was extracted from the article titled “广州国际人工智能产业研究院南沙挂牌” published by the People’s Government of Nansha District, Guangzhou (广州市南沙区人民政府) on 12 December 2017. (http://www.gzns.gov.cn/tzns/tzdt/nsdt/content/post_3867581.html)
- (8) This information was extracted from the news article titled “\$2.8b artificial intelligence park planned in Beijing” published by The Straits Times on 4 January 2018. (<https://www.straitstimes.com/asia/east-asia/28b-artificial-intelligence-park-planned-in-beijing>)
- (9) This information was extracted from the internet website of the United Nations. (<http://data.un.org/en/iso/cn.html>)

LETTER TO SHAREHOLDERS

Each of the above organisations or corporations (as the case may be) has not consented to the inclusion of the above information in this Circular and is therefore not liable for the relevant information. While the Directors have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information.

(b) **Future Plans**

In respect of the Group's existing core business, the Group intends to maintain its focus on its core strength of being a kitchen solutions provider, and continue growing its core business in the sale and distribution of premium imported kitchen systems, appliances and household furniture and the provision of kitchen solutions. To this end, the Group will continue to source for suitable opportunities to expand its geographical coverage and its brand and product range to target broader market segments, and enter into acquisitions, joint ventures and/or strategic alliances to grow its existing core business.

While the Company is committed to grow its core business, which is in the sale and distribution of premium imported kitchen systems and appliances and household furniture, the Company is simultaneously exploring new areas of opportunities and alternate businesses to increase the revenue streams of the Group.

As at the Latest Practicable Date, the Group has yet to commence business activities relating to the trading of medical and related supplies. However, the Company is in the process of actively evaluating possible investments/acquisitions in the business comprising the trading of medical and related supplies.

In respect of the Proposed New Business, the Group will initially focus on establishing the Proposed New Business mainly in the PRC through its partnership fostered with the Target Group, during the initial stage of the Group's foray into the Proposed New Business.

The Group may explore new areas of opportunities, including joint ventures, partnerships and/or strategic alliances to carry out the Proposed New Business, and expand into overseas markets should appropriate opportunities arise in future.

12.10 Rationale for the Proposed New Business

The Group intends to diversify its business to include the Proposed New Business due to the following reasons:

(a) **Potential in the Proposed New Business**

The Board has identified the potential in the Proposed New Business as a business activity which could provide the Group with sustainable and long-term prospects of profitability and growth for the Group. The process of digitisation in societies and industries globally has fuelled an increasing reliance on technology, and redefined traditional paradigms in the way people live, work and play. In particular, data is at the heart of this digital transformation, and a growing number of businesses are leveraging on data to transform their processes and streamline operations, improve customer experiences, open new markets and opportunities, and generate new sources of competitive advantage.

With the digital shift, the Proposed New Business thus promises potential to create interdependencies with various industries to ensure its continued relevance in the market, as well as a degree of flexibility to cater to different market segments.

The expertise and experience in the field of AI, machine learning and data science gleaned from the Proposed New Business will also allow the Group to create new synergies with its existing businesses, to open new opportunities and create competitive advantages

LETTER TO SHAREHOLDERS

(b) **The Proposed New Business can become a new engine of growth**

Barring unforeseen circumstances, the Directors are of the view that the Proposed Diversification fits well into the objectives of the Company as it can become a new engine of earnings growth for the Group given the potential of the AI, machine learning and data science industry globally.

The Directors are of the view that the Proposed Diversification may offer new business opportunities, provide the Group with increased revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(c) **Reducing reliance on the existing core business of the Group**

The Proposed Diversification is in line with the Group's strategy to diversify the Group's revenue sources to reduce the Group's dependency on its existing core business in the sale and distribution of premium imported kitchen systems, kitchen appliances, wardrobe systems, bathroom furniture, household furniture and kitchen accessories. This would allow the Group to have better prospects of profitability and long-term growth.

12.11 Risk Factors Relating to the Proposed New Business

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the Proposed New Business as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Board to predict all risk factors, nor can the Board assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with entry into the Proposed Diversification which are not presently known to the Company, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

The Proposed New Business may be adversely affected if the Group is unable to innovate or adapt to new changes in the intensely competitive AI, machine learning and data science industry

The information technology sector, including the AI, machine learning and data science industry, is characterised by rapidly changing technologies, evolving industry standards, new solutions and services and ever-changing demands from businesses and end-users. Other market competitors may be able to adapt more quickly to new technologies and develop newer and more innovative products and solutions to remain competitive, and may be able to allocate more resources to the promotion of their products and solutions. If the Group fails to innovate and develop effective products and solutions ahead of its competitors, the Group's ability to retain existing customers and attract new customers and partners may be impaired, and its future financial and operating results may be adversely affected.

Increased competition and new market entrants may also result in a reduced pricing for platform services or a decrease in the Group's market share. If the Group is unable to offer services under the Proposed New Business at a competitive price, its ability to retain existing customers and attract new customers may be negatively affected and this may adversely affect its future financial and operating results.

LETTER TO SHAREHOLDERS

The Group may not be able to identify and develop new solutions to cater to evolving market needs and industry practices in a timely and cost-effective manner. The Group's offerings and services may become obsolete as other market competitors develop more innovative products which may be better able to serve consumers' needs.

The Group has no prior track record in the Proposed New Business

As the Group does not have a prior track record in the Proposed New Business, it will face the usual risks, uncertainties and problems associated with the entry into any new business which it has no prior track record in.

While it intends to undertake the Proposed New Business in joint venture(s) or collaboration(s) via the Target Group which has the relevant expertise and resources, as a start, there is no certainty that the Group will be able to consistently secure suitable opportunities in relation to the Proposed New Business and in such event, the Group will not be able to successfully penetrate into the AI, machine learning and data science industry. In addition, there is no assurance that the Group's foray into the Proposed New Business will achieve the expected level of revenue and margins or be commercially successful. If the Group or its partners fail to manage costs effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group's future plans with regard to the Proposed New Business may not be profitable, may not achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The Proposed New Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Proposed New Business is subject to risks associated with acquisitions, joint ventures, partnerships or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Business may involve acquisitions, joint ventures, partnerships and/or strategic alliances with third parties, in Singapore as well as overseas markets that the Group intends to focus on. Such third parties may be individuals or economic entities with their own assets and liabilities beyond the scope of the Group's knowledge. In the event any of the Group's partners is unable to fulfil their respective contractual obligations or commitments, the Group's business operations may be materially adversely affected and this might adversely affect the Group's financial performance.

Additionally, in the Group's participation in joint ventures, the Group may make investments in entities that are not the Group's subsidiary and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Proposed New Business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

LETTER TO SHAREHOLDERS

The Proposed New Business is dependent on the performance and reputation of the Target Group and/or any future partners, and negative publicity about the Target Group and/or any future partners and their products or the AI, machine learning and data science industry in general may have a material adverse effect on the business and reputation of the Group

The success of the Proposed New Business is dependent on the performance and reputation of the Target Group and/or any future partners. Although the Group will evaluate the projects and the expertise, competencies, historical track record and financial standing of the partners concerned in considering the projects or selecting partners to work with, there is no assurance that such efforts will be successful or will not have any material adverse effect on the financial condition, results of operations and prospects of the Proposed New Business and the Group.

In addition, any negative publicity regarding the Target Group, any future partners and their products, or the AI, machine learning and data science industry in general may arise from time to time, and there is no assurance that such negative publicity or other allegations or a more serious nature will not arise in future. Products and solutions offered by the Target Group and/or such future partners may not always be satisfactory and compliant with industry standards and requirements, and may attract consumers' complaints and other negative publicity. Any such negative publicity, regardless of veracity, may have a material adverse effect on the reputation, financial condition, results of operations and prospects of the Proposed New Business and the Group.

The Proposed New Business may face intense competition from existing competitors and new market entrants

The Proposed New Business is competitive, with strong competition from existing as well as new entrants to the Proposed New Business. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and/or stronger track records. There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

The Group may not have the ability or sufficient expertise to execute and grow the Proposed New Business

The Group's ability to successfully expand into the Proposed New Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed New Business. There is no assurance that the Group will be able to retain its existing employees or hire new employees with the relevant experience and knowledge as the Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to undertake the projects coming within the Proposed New Business. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the Proposed New Business more effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the Proposed New Business and this may adversely affect the Group's financial performance and profitability.

The Group may be highly dependent on information technology in the administration of the Proposed New Business

The digital nature of the Proposed New Business inherently requires a high dependency on technology in the administration of AI, machine learning and data science processes. Any damage, malfunction, breakdowns or interruption of the information technology systems, software or networks either as a one-off event or repeatedly could result in delays in service delivery or project timelines and consequently may result in reputational damage to the Group or material breach of contracts with suppliers and clients. The Group may also have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown or interruption which will directly impact the Group's profits.

LETTER TO SHAREHOLDERS

The Proposed New Business may be adversely affected by various laws and government regulations and subsequent changes thereto

The Proposed New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its clients operate. There is no assurance that any changes in the applicable laws and regulations will not have an adverse effect on the financial performance of the Group.

The Proposed New Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Proposed New Business and/or in the interruption of its operations and may have a material adverse effect on its business.

The Group must also comply with the applicable laws and regulations in the Proposed New Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, lose its right to own or manage its projects under the Proposed New Business or lose its right to carry on any aspect of the Proposed New Business in any country or jurisdiction in which the Group operates, which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

The Proposed New Business is exposed to risks associated with the Company's counterparties

The Company faces the risk that its counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Company. This may result in the Group facing stress on its cash flow and a material increase in bad debts. The non-execution of contracts by counterparties may also lead to the Company in turn not being able to honour its contractual obligations to third parties. This may subject the Group to, among others, legal claims and penalties. As a result, the Group's business, results of operations and financial position may be adversely affected.

The Group may not be able to provide the capital investments needed to undertake the Proposed New Business

The Proposed New Business may require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

LETTER TO SHAREHOLDERS

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

The Proposed New Business is subject to general risks associated with operating businesses outside Singapore

The Company does not plan to restrict the Proposed New Business to any specific geographical market. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

In addition, if the governments of countries in which the Group operates tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

Improper use or disclosure of data and breach of security could harm the Group's reputation

The Group's business may involve the processing of a large quantity of personal, transaction, demographic and behavioural data via platforms or other services. The Group will face inherent risks and challenges in the handling of such quantity of data, including but not limited to (i) the use, privacy and sharing of data from customers, transactions or other platform activities, (ii) data security and protection of data against external attacks or fraudulent behaviour by employees, and (iii) compliance with the applicable laws, rules and regulations of the relevant jurisdictions relating to the collection, use, disclosure or security of data.

Any improper use or disclosure of data or security breaches may lead to penalties, criminal sanctions or damage to the Group's reputation. In addition, it may materially and adversely affect the Group's business should partners or customers cease to work with the Group, leading to a decrease in operations and consequently, the business, financial performance, financial condition and operating cash flow of the Group.

The Proposed New Business may be subject to exposure to claims of infringement of intellectual property rights of third parties as well as litigation associated with such claims

The technology sector, including the AI, machine learning and data science industry, is subject to the inherent risk of exposure to claims and legal proceedings relating to the infringement of the intellectual property rights of others. Third parties may claim that the technology or content used in the operations and products of the Proposed New Business, the Target Group or any future partners infringe upon their intellectual property rights. Such risk of intellectual property claims will increase as the Proposed New Business expands its products and offerings and to new geographies. While the Group will attempt to protect itself from such claims and exposures, the Group cannot assure that its efforts in this regard will ultimately protect it from any such claims.

Such disputes and claims, with or without merit, may result in legal proceedings which may result in substantial costs and the diversion of financial and management resources. Additionally, if these disputes or claims are not concluded in the Group's favour, the Group will be liable to pay for the claims and/or damages in addition to any legal or other professional fees incurred and its business reputation and results of operations will be adversely affected. Any such claim or litigation could also damage the Group's reputation or result in the termination of agreements by the Group's partners. Such events could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

LETTER TO SHAREHOLDERS

The Group may not be able to adequately protect its intellectual property rights, or may face difficulty obtaining rights to intellectual property developed by employees or third party contractors engaged by the Group

The Group may rely on certain intellectual property rights such as patents, trademarks and copyright in the Proposed New Business. There is no assurance that the Group will be able to effectively enforce its intellectual property rights against third parties who violate such intellectual property rights. In the event that the Group undertakes legal proceedings to enforce its intellectual property rights, such legal proceedings may result in substantial costs and the diversion of financial and management resources. Additionally, any such claim or litigation could damage the Group's reputation or result in the termination of agreements by the Group's partners. Such events could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

The Group may not be able to adequately protect its know-how and confidential information from unauthorised copying, use or disclosure

The Proposed New Business may rely on the value and secrecy of its expertise, know-how, confidential information, as well as ownership of intellectual property. If any security breach, cyber attack, malicious software or other reason results in the unauthorised disclosure of know-how or confidential information, external parties could gain knowledge of such know-how or confidential information. This could affect the competitiveness of the Proposed New Business and materially and adversely affect the business, financial condition and results of operations of the Group.

The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover product liability claims and other losses with respect to the Proposed New Business and its existing businesses, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's assets, including materials required for the Proposed New Business, which are not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

The Proposed New Business will be subject to exposure to macro-economic risks

The markets in which the Group will operate the Proposed New Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interest rates and foreign currency exchange rates; and
- (vii) concerns over inflation.

LETTER TO SHAREHOLDERS

The Proposed New Business may face disruptions, including health epidemics and other outbreaks of contagious diseases

The Proposed New Business could be adversely affected by unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, other calamities or events beyond the Group's control, and health epidemics or outbreaks of communicable diseases, such as COVID-19, avian flu, H1N1 influenza, SARS or other diseases. An outbreak of contagious diseases, and other adverse public health developments in the countries where the Group operates, could have a material adverse effect on its business operations. Any disruptions in the business operations in the respective countries, such as the temporary closure of workplaces or facilities, could disrupt the operations of the Proposed New Business. This would result in longer lead-time for production and delayed delivery to customers. Notwithstanding any measures and steps taken by the Group, there is no assurance that emergency crises would not cause disruptions in our operations. As a result of such disruptions, failure to meet customers' expectations and make deliveries as required by the Group's agreements with customers could damage the Group's reputation and/or expose it to legal claims and may, as a result, lead to loss of business and affect its ability to attract new business. In such events, the Group's business and financial performance may be adversely affected.

12.13 Application of Chapter 10 of the Catalist Rules

Upon Shareholders' approval of the Proposed Diversification having been obtained, any acquisition or disposal which is in, or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules.

Rule 1002(1) of the Catalist Rules provides that "transaction" generally refers to the acquisition or disposal of assets by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Catalist Rules do not apply to transactions which are within the Company's existing core business for so long as it is in the ordinary course of its business or of a revenue nature. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction defined in Rule 1014(1) of the Catalist Rules where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% in respect of an acquisition or 50% in respect of a disposal or the provision of financial assistance (a "**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where the transaction exceeds 5% but is less than 75% (for an acquisition) or 50% (for a disposal) of the relative figures, an announcement of the prescribed information pursuant to Rule 1010 of the Catalist Rules will also be required.

Pursuant to Practice Note 10A of the Catalist Rules, shareholders' approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10A of the Catalist Rules on the assessment of what consists of "existing principal business" and "change of risk profile". Further, Practice Note 10A of the Catalist Rules also states that a disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

The Proposed Diversification will thus allow the Company, in its normal course of business, to enter into transactions in furtherance of the Proposed New Business in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the Proposed New Business

LETTER TO SHAREHOLDERS

or are of a revenue nature, even where such transactions cross the thresholds of a Major Transaction. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding the Shareholders' approval for the Proposed Diversification, where:

- (a) in respect of an acquisition of assets or several acquisition of assets when aggregated under Rule 1005 of the Catalist Rules, any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or such acquisition will result in a change in control of the issuer, Chapter 10 of the Catalist Rules (including Rule 1015) will continue to apply to any such acquisition, which must be made conditional upon the approval of, *inter alia*, Shareholders;
- (b) a transaction constitutes an interested person transaction (as defined under the Catalist Rules), Chapter 9 of the Catalist Rules will continue to apply to any such transaction; and
- (c) in light of Practice Note 10A of the Catalist Rules, if a transaction is not within the existing principal business or changes the risk profile of the Company, Shareholders' approval may be required for such transaction.

13. DIRECTORS' RECOMMENDATIONS

- 13.1 Having considered and reviewed, *inter alia*, the rationale for, the terms and conditions of the Proposed Acquisition and all other relevant facts set out in this Circular, the Directors are collectively of the view that the Proposed Acquisition, Proposed Issue of Consideration Shares, Proposed Transfer of Controlling Interest and Proposed Issue of Introducer Shares are in the best interests of the Company, and therefore recommend that Shareholders vote in favour of the Ordinary Resolution 1 in relation to the Proposed Acquisition, Ordinary Resolution 2 in relation to the Proposed Issue of Consideration Shares, Ordinary Resolution 3 in relation to the Proposed Transfer of Controlling Interest and Ordinary Resolution 4 in relation to the Proposed Issue of Introducer Shares at the EGM to be convened.
- 13.2 The Directors have considered, *inter alia*, the rationale for the Proposed Diversification and all other relevant facts set out in this Circular. The Directors are collectively of the view that the Proposed Diversification is in the best interests of the Company, and therefore recommend that Shareholders vote in favour of the Ordinary Resolution 5 in relation to the Proposed Diversification at the EGM to be convened.

Shareholders are advised to read this Circular in its entirety, in particular the rationale for, and the financial effects of (as the case may be), the Proposed Transactions and for those who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 59 to 63 of this Circular, will be held by way of electronic means on Wednesday, 7 October 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions in relation to the Proposed Transactions set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

15. ABSTENTION FROM VOTING

As set out in Section 2.2.2(ii), for the purposes of good corporate governance, each of the beneficial owners of the Vendor, if they hold shares in the Company as at 48 hours before the time appointed for holding the EGM, will abstain from voting on the Ordinary Resolutions 1, 2 and 3 respectively, as set out in the Notice of EGM in relation to the Proposed Acquisition, Proposed Issue of Consideration Shares and Proposed Transfer of Controlling Interest respectively. Accordingly, the Company will disregard any votes cast on the Ordinary Resolutions 1, 2 and 3 (as the case may be) by such persons abstaining from voting in respect of the respective resolutions.

16. ACTIONS TO BE TAKEN BY SHAREHOLDERS

16.1 No Attendance at EGM in Person

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person.

16.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 (the “**Temporary Measures Act**”) which was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Meetings Orders**”). The Meetings Orders currently apply for the period starting on 27 March 2020 and ending on 30 September 2020. The Ministry of Law plans to extend the Meeting Orders to 30 June 2021. Amendments to the Temporary Measures Act were passed in Parliament on 4 September 2020 to permit the Minister of Law to do so. If the President assents to the amendments to the Temporary Measures Act, the amendments to extend the duration of the Meetings Orders will be gazetted, once the amendments to the Temporary Measures Act come into force. On 7 September 2020, the SGX-ST announced that it will amend the ACRA-SGX-MAS joint guidance to reflect the extended period once the legislative changes are in place.

(i) Live EGM Webcast and Live EGM Audio Feed

The proceedings of the EGM will be broadcast through live audio-visual webcast and live audio-only stream (“**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively) on Wednesday, 7 October 2020 at 10.00 a.m.

Shareholders will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device.

In order to do so, Shareholders must pre-register online at the URL <https://sg.conveneagm.com/kitchenculture> by 10.00 a.m. on 5 October 2020 (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the EGM, to enable the Company to verify their Shareholders’ status. Please refer to the Notice of EGM set out on pages 59 to 63 of this Circular for further details on the Live EGM Webcast and the Live EGM Audio Feed, including registration details.

(ii) Submission of Proxy Forms to Vote

Shareholders will not be able to vote through the Live EGM Webcast or the Live EGM Audio Feed on the Ordinary Resolutions to be tabled for approval at the EGM.

LETTER TO SHAREHOLDERS

A Shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the EGM must submit a Proxy Form to appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. Shareholders who wish to appoint the Chairman of the EGM as proxy to vote at the EGM on their behalf will find a Proxy Form attached to this Circular which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company by post, or submitted by email to EGM@kitchenculture.com, or submitted via the Shareholder's account following registration at the URL <https://sg.conveneagm.com/kitchenculture>, in each case not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.00 a.m. on 5 October 2020.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit the completed and signed Proxy Forms electronically via email.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies, who wish to exercise their votes by appointing the Chairman of the EGM as his/her/its proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares, to submit their votes at least 7 working days before the date of the EGM, i.e. by 10.00 a.m. on 28 September 2020.

(iii) Submission of Questions in Advance

To ensure orderly proceedings during the Live EGM Webcast and the Live EGM Audio Feed, Shareholders should submit questions relating to the resolutions set out in the Notice of the EGM in advance at (i) <https://sg.conveneagm.com/kitchenculture>, (ii) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086, or (iii) via email to EGM@kitchenculture.com by 4 October 2020, Sunday, at 10.00 a.m. (being 72 hours before the time appointed for the holding of the EGM). Please note that Shareholders will not be able to raise questions during the Live EGM Webcast and the Live EGM Audio Feed.

A shareholder who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided. The Company will endeavour to address the substantial and relevant questions before or during the EGM. The responses to questions from Shareholders will be posted on the SGXNET and the Company's website soonest possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within 1 month after the date of the EGM.

(iv) Notice of EGM and Circular

Printed copies of the Notice of EGM and the Circular (including Proxy Form) will not be despatched to Shareholders. Instead, these documents will be sent to members solely by electronic means via publication on the Company's website at the URL <https://kcholdings.com.sg/media-centre/announcements.php> and will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Shareholders are advised to check the SGXNET regularly for updates on the EGM.

LETTER TO SHAREHOLDERS

16.3 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

18. CONSENT FROM THE VALUER

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name herein and the Valuation Summary Letter set out in Appendix A of this Circular and all references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

19. DOCUMENTS FOR INSPECTION

The following documents are available for inspection by Shareholders at the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2019;
- (c) the SPA;
- (d) the Valuation Report; and
- (e) the consent letter from the Valuer.

Shareholders who wish to inspect the above documents shall make an appointment via the following email address EGM@kitchenculture.com, so that the relevant arrangements can be made in compliance with the Singapore Government's directives in relation to the ongoing COVID-19 outbreak.

Yours faithfully
For and on behalf of the Board
KITCHEN CULTURE HOLDINGS LTD.

Lim Wee Li
Executive Chairman and Chief Executive Officer

APPENDIX A
VALUATION SUMMARY LETTER

AVA Associates Limited

(Co. No. 1292515)

806 Empress Plaza
17-19 Chatham Road South
Tsim Sha Tsui, Hong Kong

31 August 2020

To
Board of Directors
Kitchen Culture Holdings Ltd.
2 Leng Kee Road,
#01-08 Thye Hong Centre,
Singapore 159086

Dear Sirs,

AVA Associates Limited (“**AVA**”) has been engaged to perform a valuation of the 100% equity interest (the “**Equity Interest**”) in OOWAY Technology Co., Ltd 大路网络科技有限公司 (“**OOWAY Technology**”) and its subsidiaries (together the “**OOWAY Group**”) as at 30 April 2020 (“**Valuation Date**”), for internal reference and in relation to a proposed investment by Kitchen Culture Holdings Ltd. (“**Kitchen Culture**” or the “**Client**”) and/or its subsidiaries. In the event Kitchen Culture were to proceed with the investment and a circular (“**Circular**”) is required to be released to its shareholders, AVA is agreeable to allow Kitchen Culture to make reference to this valuation report in all the related announcements made on the Singapore Exchange (“**SGX**”) and the Circular in connection to the proposed investment. In addition, AVA is also agreeable to the inclusion of our summarised valuation report in the Circular, if required. No other use, direct or indirect, of our analysis is intended or inferred or shall be relied upon by the Client other than explicitly specified in our engagement letter dated 5 May 2020.

Definition of Value

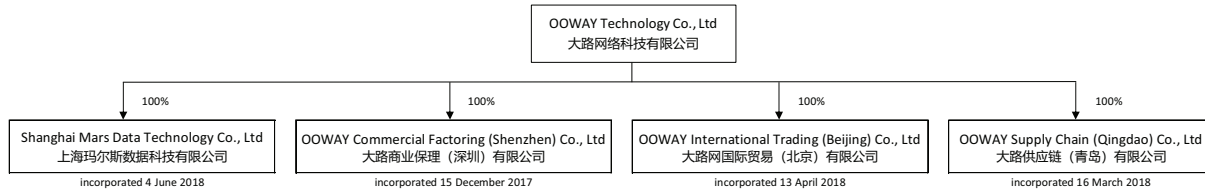
In estimating the value of the Equity Interest, our efforts were based on the following premise of value:

Market Value – *“The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”* Such value represents an estimate based on the economic theory of equilibrium price for an asset in a perfect market. Unless otherwise noted, in estimating the Market Value, we have assumed that the business and its assets will remain a going concern in accordance with the relevant literature.

APPENDIX A VALUATION SUMMARY LETTER

Overview of the OOWAY Group

OOWAY Technology is a company incorporated in the People’s Republic of China (“**PRC**”) on 18 September 2017. The corporate shareholding structure of the OOWAY Group as at Valuation Date is as follows.



OOWAY Technology is the main entity responsible for the development of the OOWAY Group’s business in PRC. Shanghai Mars Data Technology Co., Ltd 上海玛尔斯数据科技有限公司 (“**Shanghai Mars**”) owns and holds the technologies through its research and development (“**R&D**”) capabilities to support the OOWAY Group’s sales and marketing efforts for a suite of data technology products on a credit risk management platform known as “bMARS”. The other 3 subsidiaries are dormant as at Valuation Date.

The OOWAY Group is engaged in the business of big data integration solutions through the deployment of artificial intelligence (“**AI**”). It has developed an AI-based financial technology (“**Fintech**”) to deliver data analytics solutions on bMARS aimed at enhancing credit management and analysis for banks and financial institutions, small and medium enterprises and government entities. We understand that, as at Valuation Date, the development of bMARS has been completed. The platform has been tested and services have been marketed since.

As Fintech is in continuous evolutionary state, the OOWAY Group, like most technology companies, is constantly enhancing and upgrading its AI capabilities as new data are acquired, collected, processed, mined, stored and made available for its systems to develop new algorithms to enable new services and solutions. The OOWAY Group is also concurrently exploring the application of its AI-based solutions for the tourism and health industries through its “AI Trip Planner” and “Smart Health Management Specialist” services.

Scope of Work

On 17 April 2020, Kitchen Culture announced it has signed a non-binding memorandum of understanding in relation to its proposed acquisition of such number of ordinary shares in OOWAY Technology. Subsequently, on 13 August 2020, Kitchen Culture announced it has entered into a sale and purchase agreement and shareholders' agreement with OOWAY Group Ltd. (the “**Vendor**”) to acquire a 30% equity stake in OOWAY Technology Pte. Ltd. (the “**Target**”) which in turn holds 100% in the OOWAY Group through OOWAY Data Technology (Beijing) Co., Ltd. (“**OOWAY Beijing**”, together with the Target and the OOWAY Group, the “**Target Group**”) for a consideration of S\$23,922,000. The Client has engaged AVA to assist in the determination of the Market Value of the Equity Interest in the OOWAY Group, to be carried out as at Valuation Date, for internal reference and subsequent disclosure to Kitchen Culture’s shareholders in the event a Circular is required.

APPENDIX A

VALUATION SUMMARY LETTER

The OOWAY Group began its development in late 2017 as a start-up in the emerging field of Fintech, employing AI for big data analysis in the area of credit risk assessment, analysis and management. It currently has designed and created proprietary algorithms that enable its data technology products in the bMARS platform.

Given its current late stage start-up status, our approach sees us estimating the value of the OOWAY Group by benchmarking it to investments in selected comparable companies at the same stage of development. We also performed a discounted cash flow analysis of the OOWAY Group's financial projections as an additional valuation approach to strengthen our opinion on the value of the Equity Interest of the OOWAY Group.

Our valuation and report are prepared in accordance with the International Valuation Standards (2017 edition) as published by the International Valuation Standard Committee. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Preparation of an information checklist for information gathering;
- Discussion with the appropriate parties regarding the identified assets, proposed valuation methodologies, current/proposed operations and historical/forecast financials of the OOWAY Group, as well as its prospects, etc;
- Development of appropriate valuation models pertinent to the exercise;
- Preparation of draft reports for discussion with the Client; and
- Submission of the final report for the purpose of this exercise.

Sources of Information

As part of our due diligence, we relied upon documents supplied by Kitchen Culture and OOWAY Technology, including, but not limited to, the following:

- Corporate presentation deck on the OOWAY Group;
- Shareholding structure of the OOWAY Group as at Valuation Date;
- Organization chart and profile of key personnel of the OOWAY Group as at Valuation Date;
- List of staff at OOWAY Technology Co., Ltd and Shanghai Mars Data Technology Co., Ltd;
- Unaudited financials of OOWAY Technology Co., Ltd for 12-month ending 31 December 2019 and 4-month period ending 30 April 2020;
- Unaudited financials of Shanghai Mars Data Technology Co., Ltd for 12-month ending 31 December 2019 and 4-month period ending 30 April 2020;
- Business plan of the OOWAY Group;
- Detailed 5-year financial projections for OOWAY Technology Co. Ltd, and Shanghai Mars Data Technology Co., Ltd from 2020 to 2024;
- Sample of the OOWAY Group's Corporate Credit Risk Analysis Report 企业信用风险分析报告;
- List of intellectual properties of the OOWAY Group;
- Business registration certificates of the OOWAY Technology Co., Ltd and its subsidiaries;
- Financial due diligence report on OOWAY Technology Co., Ltd, dated 13 July 2020, prepared by Nexia TS Advisory Pte Ltd;
- Strategic cooperation agreement entered with China Association for Small and Medium-sized Commercial Enterprises (中国中小商业企业协会) dated August 2019;

APPENDIX A VALUATION SUMMARY LETTER

- Services Agreement with China Enterprise Credit Guarantee Co., Ltd (中国企业信用担保有限公司) dated April 2020;
- Strategic cooperation agreement entered with Industrial and Commercial Bank of China, Lingkong Branch, (中国工商银行股份有限公司上海市临空支行) dated May 2020;
- Investment agreement, dated 15 September 2019, between OOWAY Technology Co., Ltd and Ms. Ma Nan;
- Sale and purchase agreements, dated 20 July 2020, between TS Business Training Pte Ltd and Value Vision Investment Pte Ltd;
- Sale and purchase agreements, dated 21 July 2020, between TS Business Training Pte Ltd and Wellty Investments Pte Ltd;
- Sale and purchase agreements, dated 27 July 2020, between TS Business Training Pte Ltd and Oakhurst Energy Pte Ltd; and
- Other relevant documentations.

We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our valuation, we held discussions with the management of the OOWAY Group concerning the history and current conditions of the business, financial and general outlook of the OOWAY Group. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the companies are true and accurate. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the valuation procedures we employed provide a reasonable basis for our opinion.

Valuation Theory

Our approach in valuing the Equity Interest relied on using the appropriate techniques to arrive at our conclusion of value. We considered the three generally recognized approaches to value: the income, market and cost approaches.

An overview of the three approaches considered is as follows:

- The Income Approach focuses on the income-producing capability of a business or asset. The income approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.
- The Market Approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. In estimating the value of a business under the market approach there are two methodologies: the publicly-traded guideline company methodology and the recent transaction methodology. The publicly traded guideline company methodology develops an indication of value for the subject company by calculating market pricing multiples for selected publicly-traded guideline companies and applying these multiples to the appropriate financial measures of the subject company. The recent transaction

APPENDIX A VALUATION SUMMARY LETTER

methodology develops an indication of value for the subject company by calculating market pricing multiples based on actual acquisitions of similar businesses and applying these multiples to the appropriate financial measures of the subject company. After deriving a value, adjustments are then made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

- The Cost Approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The cost approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Selected Approach

AVA is of the opinion that the OOWAY Group is a late stage start-up company as at Valuation Date. It has grown beyond a company with the idea or concept of providing credit assessment and management solutions using behavioral data analytics. Its bMARS product technology platform has tested solutions, is built on proprietary behavioral algorithms, that enable customers to perform credit risk assessment and management to predict an enterprise credit value actively and reliably.

Given the OOWAY Group is a late stage start-up company, we have employed the market approach as our first approach. It is based on the concept that the value of a business or asset can be measured via a comparison of the features of the business or asset with those of reasonably comparable business or assets. The public company guideline method is one such common method. A value is derived for the subject business by applying relevant multiples obtained from comparable companies that are publicly listed. However, in this case, we were unable to find any publicly listed companies that are sufficiently similar to the OOWAY Group.

Another method, under the market approach, is the price of recent investment method. This method uses the price paid for a recent investment into a subject business as a basis to determine the value of the subject business as a whole. On 15 September 2019, OOWAY Technology entered into an investment agreement to raise RMB45 million by issuing new shares equivalent to 15% direct/indirect equity stake in the company. Even though this agreement has lapsed and the transaction did not proceed to complete as at Valuation Date, this implied a post-money valuation of RMB300 million or about SGD58 million, based on an exchange rate of SGD0.193/RMB. Subsequently, there were 3 separate minority stake transactions in July 2020 involving shares in the Vendor, the holding company of OOWAY Technology, which implied a valuation of SGD60 million for a 100% stake in the Vendor. In compliance with the valuation standards, we have considered these transactions in our work. The transactions were for minority stakes and the prices paid are deemed to have reflected discounts for lack of control and marketability. Along with that consideration, we gathered information on investments into comparable companies at various stages of their development. The valuation of the OOWAY Group is thus derived by inferring from valuation metrics of investments made into these comparable companies when they were at a similar stage of development and benchmarked against the recent investments into OOWAY Technology and the Vendor.

APPENDIX A VALUATION SUMMARY LETTER

To enhance our valuation opinion, we proceeded to apply the income approach as well, employing a discounted cash flow (“DCF”) analysis of the financial projections for the OOWAY Group. The value of the Equity Interest is derived based on the following common formula:

$$\text{Equity Value} = \text{Enterprise Value} - \text{Debt} + \text{Cash} + \text{Non-Operating Assets}/(\text{Liabilities})$$

Our basis for selecting 2 approaches was due to the availability of relevant data. For the market approach, we were able to identify several comparable companies in the Fintech industry. These companies are exclusively private as at Valuation Date, given their development status, most of which are not ready for a public offering. We were able to obtain fund raising activities and valuation of these private companies, allowing us to evaluate a reasonableness conclusion of value for the OOWAY Group.

Our basis for selecting the income approach was due to the availability of relevant data, specifically the development plans and financial projections as provided by OOWAY Technology. Based on this information, we utilized a DCF methodology to estimate the cash that is available, either to invest in new or existing businesses or to distribute, to equity holders. This allowed us to estimate the value of the Equity Interest in the business under a set of reasonable assumptions for a late stage start-up.

The cost approach was also deemed inappropriate, as one of the significant assets of this business is the OOWAY Group’s patented and non-patented technologies, and its assembled workforce, and these would not be properly reflected using a cost approach methodology.

Valuation of the Equity Interest – Market Approach

Selected Comparable Fintech Companies

We identified the following companies, which the management of OOWAY Technology agreed as companies that are operating in the same space, specifically technologies/solutions related to the use of data analytics for the purpose of credit risk assessment and management. A description of each company is as follows.

China

Bairong Financial Information Service Co., Ltd (“**Bairong**”)

Developer of an integrated credit service and financial management platform. The company harnesses big data to provide a range of credit-related services, such as loan lifecycle management as well as product development and targeted marketing for financial industry by using artificial intelligence, risk control cloud and big data technology.

Beijing Geo Technology Co., Ltd (“**Beijing Geo Technology**”)

Provider of big data and artificial intelligence application platform. The company provides services in marketing and risk management, including user profiling, information check, and credit rating evaluation, enabling clients to operate more efficiently and effectively.

Hangzhou Bangsun Financial Information Technology Ltd (“**Hangzhou Bangsun**”)

APPENDIX A VALUATION SUMMARY LETTER

Developer of a real-time financial risk management platform created to provide risk management products for areas including ticketing, transport, telecom and public security. The company's financial risk management platform develops real-time risk control system for the financial sector and anti-fraud products, based on a number of core technologies including device fingerprint, proxy IP recognition, suspicious communication recognition, risk control engines, machine learning and workflow management. Its services include payment anti-fraud, application anti-fraud, Internet lending, data service, robot defense and anti-money, enabling businesses to get safe and secure financial transactions.

Hangzhou Tongdun Technology Co., Ltd (“Hangzhou Tongdun”)

Developer of anti-theft and fraud management software designed to provide security services in the financial sector. The company's fraud management software focus on providing financial and network risk control and antifraud services, enabling institutional clients in the banking, third party payment, credit dealers and gaming industries to forecast credit and fraud risk through intelligent big data analysis.

Shenzhen Qianhai 4Paradigm Data Technology Co., Ltd (“SZ Qianhai 4Paradigm”)

Provider of artificial intelligence technology and data science services. The company provides an artificial intelligence platform on which Chinese enterprises can develop smart applications, allowing clients to run algorithms on their data without a need for engineers.

Shulian Mingpin Technology Co., Ltd (“Shulian Mingpin”)

Provider of business data services intended to help companies improve efficiency of decision-making. The company's business data services help in retrieving effective information from heterogeneous data of multiple sources, enabling finance, business and related agencies to make decisions easily.

Ximu Financial Information Service (Shanghai) Co., Ltd (“Ximu”)

Provider of an innovative financial technology designed to enhance the efficiency of micro and financial resources allocation and understand consumer credit worthiness. The company's technology collects, integrates data to develop advanced risk measurement and pricing models to achieve a comprehensive mapping of small and micro enterprises and consumer credit characteristics, enabling customers to make loan decisions based on risk analysis and pricing models.

Ex-China

Aire Labs Limited (“Aire Labs”)

Provider of an algorithmic credit scoring platform intended to offer AI-powered credit scoring. The company's algorithmic credit scoring platform emulates the human intelligence of underwriters to help people qualify for essential financial products as well as deploys the existing web and mobile workflow of online credit applications, enabling companies to access new markets while optimizing acquisition costs.

C3.ai Inc. (“C3.ai”)

Provider of a PaaS enterprise software intended to rapidly deploy big data, AI and IoT applications. The company's cloud-based software uses machine learning to expedite the integration and analysis of disparate enterprise data into a unified cloud-based data image and provides predictive maintenance, fraud detection, energy management and sensor network health pre-built SaaS applications, enabling organizations to improve operational efficiencies, enhance customer engagement and differentiate products and services.

APPENDIX A VALUATION SUMMARY LETTER

dv01, Inc. (“**dv01**”)

Developer of a financial analytics platform designed to bring transparency and insight into lending markets. The company's platform replaces fragmented workflows and antiquated technologies with clean data, automated reporting and predictive analytics while normalizing data across online lenders, thereby enabling banks and institutional investors to get transparency to a rapidly evolving market.

Feedzai, Inc. (“**Feedzai**”)

Provider of machine learning platform designed to help processing large volumes of data with low latency producing actionable information in real time. The company's machine learning platform applies machine learning technology to large data sets to detect anomalies and highlight potential cases of fraud associated with banking and shopping, enabling users to prevent fraud.

Nav Technologies, Inc (“**Nav Technologies**”)

Provider of an online business lending platform intended to connect the small business ecosystem, powering transparency and efficiency for financial decision making. The company's platform offers free access to easy-to-read personal and business credit reports and monitoring all in one spot and offers tools to build business credit and a marketplace that matches users to lending options based on their approval odds, enabling businesses to manage their business credit and get streamlined access to financing.

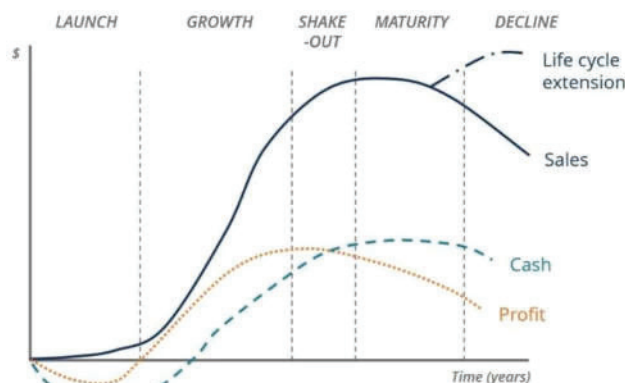
ZestFinance, Inc (“**ZestFinance**”)

Developer of a financial machine learning platform designed to improve credit underwriting. The company's services include developing big data underwriting technologies to give lenders a better understanding of risk, and by extension, offer their products and services to more people at lower prices, enabling clients to make proper credit decisions.

(together, the “**CompCos**”)

Development Stages of Selected Comparable Companies

The OOWAY Group, as with most start-up companies, has been incurring operating losses since formation. This is common among technology companies as time and capital are required to build its core competencies in their selected area of expertise. Such business typically progresses through 5 stages, as seen in the illustration below.



Source: Corporate Finance Institute <https://corporatefinanceinstitute.com>

APPENDIX A VALUATION SUMMARY LETTER

Based on our research, the OOWAY Group and the CompCos are in various start-up and growth phases of development. The start-up phases can be broken down to (1) launch (2) early stage and (3) late stage. We have classified the CompCos into the following start-up and growth phases of development at different points in time, based on the date of their funding rounds from launch through the first growth stage.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bairong						Early Stage		Late Stage		Growth		
Beijing Geo Technology				Early Stage		Late Stage					Growth	
Hangzhou Bangsun							Early Stage	Late Stage	Late Stage	Late Stage	Growth	
Hangzhou Tongdun					Early Stage	Early Stage	Late Stage	Late Stage	Growth		Growth	
SZ Qianhai 4Paradigm								Early Stage	Late Stage	Late Stage	Growth	Growth
Shulian Mingpin							Early Stage	Late Stage	Growth	Growth		
Ximu								Early Stage				
Aire Labs						Early Stage	Early Stage				Late Stage	
C3.ai	Early Stage	Late Stage			Growth			Growth	Growth	Growth	Growth	
dv01								Early Stage	Early Stage		Late Stage	
Feedzai			Early Stage		Early Stage		Late Stage	Late Stage	Growth			
Nav Technologies					Early Stage	Early Stage	Early Stage		Late Stage		Growth	
ZestFinance			Early Stage	Late Stage	Growth			Growth				
OOWAY Technology										Early Stage		Late Stage

Source: Based on data collated from online sources

Seeding of the company, in the form of seed capital and/or Series A funding, will typically follow its formation. The next phase of growth will see a company, still in the early stage of development, raise funding through issuance of Series A instruments to venture capitalists to continue financing its R&D. Once the product/service/technology under R&D passed the conceptual stage, with proof of concept, it moves the company into the late stage of the start-up phase, usually seen as Series B funding. As the company begins commercializing its product/service/technology, late stage and/or growth funding from venture capitalists will be required, usually seen as Series C funding.

Key observations from the table above:

- The comparable companies in China started in the period from 2012 to 2016, while those ex-China began earlier from 2009 to 2016.
- The comparable companies can also be classified into 2 groups. Bairong, Beijing Geo Technology and Hangzhou Tongdun make up the first group to launch this business in China (2012-2014), followed by Hangzhou Bangsun, SZ Qianhai 4Paradigm, Shulian Mingpin and Ximu (2015-2016). Same can be said of those companies ex-China. C3.ai, Feedzai and ZestFinance started from 2009 to 2011, while Aire Labs, dv01 and Nav Technologies began from 2013 to 2016.

APPENDIX A VALUATION SUMMARY LETTER

Against this backdrop of the CompCos, OOWAY Technology can be seen as the 3rd group of entrants into the business. This coincides with the continuous innovation as seen in most technology sectors. The OOWAY Group's service offerings are labelled by its management as "version 3.0" as its technologies, when compared to those of the CompCos, enable behavioral data analytics and use of AI algorithms for predictive behavior.

Funding of Selected Comparable Companies

The following table highlights the amount of funds raised at each stage from launch to April 2020 for each of the CompCos. Key takeaways from the table above are as follows:

- The CompCos are able to raise significantly more funds once they attain the growth stage, typically through Series C funding, with the exception of ZestFinance. Generally, the business is already successful and the additional funds are to be deployed for new products, new market penetrations and scaling the operation.
- For the CompCos in China, the leading players are Bairong, Hangzhou Tongdun and SZ Qianhai 4Paradigm, with SZ Qianhai 4Paradigm reportedly valued at around US\$2 billion post-money after the last US\$230 million funding round in April 2020. The last available estimate of the valuation of Hangzhou Tongdun is US\$642 million after their US\$73 million funding round in 2017. No information on the valuation of Bairong has been reported or available.
- Based on the available information, it is noted that the companies in China were able to raise up to US\$15 million at Early Stage and up to US\$66 million at Late Stage.

****** The remainder of this page is intentionally left blank ******

APPENDIX A VALUATION SUMMARY LETTER

(figures in US\$ millions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bairong								Late Stage 41		Growth 159		
Beijing Geo Technology				Early Stage 15		Early Stage undisclosed Late Stage 62					Growth undisclosed	
Hangzhou Bangsun							Early Stage 3	Late Stage 19	Late Stage 23	Late Stage 24	Growth 50.93	
Hangzhou Tongdun					Early Stage 1.64	Early Stage 10	Late Stage 30	Late Stage 32	Growth 73		Growth 100	
SZ Qianhai 4Paradigm								Early Stage undisclosed	Late Stage undisclosed	Late Stage undisclosed	Growth 145	Growth 230
Shulian Mingpin							Early Stage 1.6	Late Stage 15.91	Growth undisclosed	Growth 87.6		
Ximu								Early Stage 15				
Aire Labs						Early Stage 0.29	Early Stage 1.2				Late Stage 20.83	
C3.ai	Early Stage 15.81	Late Stage 30.13			Growth 15			Growth 70	Growth 11.8	Growth 100	Growth 113	
dv01								Early Stage 7.5	Early Stage 5.5		Late Stage 15	
Feedzai			Early Stage 1.59		Early Stage 2.4		Late Stage 17.5	Late Stage 10.54	Growth 50			
Nav Technologies					Early Stage 0.8	Early Stage 12	Early Stage 8.37		Late Stage 37.7		Growth 44.9	
ZestFinance			Early Stage 9	Late Stage 73	Growth 20			Growth 30				

Source: Based on data collated from online sources

APPENDIX A VALUATION SUMMARY LETTER

Indicative Valuation of OOWAY Technology – Market Approach

As mentioned earlier, we benchmarked the value of the Equity Interest in the OOWAY Group using fund raising information on the CompCos. We have assumed the following for the purpose of this exercise:

- Data collated by us from various online sources are true and accurate; and
- Estimations by provided by the online service providers are technically sound.

Below is a summary of the fund raising data of the CompCos and funding information on startup companies in the USA.

Fund-Raising Information by Comparable Fintech Companies and the General Venture Capital Market in USA

(US\$ million)	Comparable Companies			USA	
	All	China	Ex-China	Overall	Overall
	2009 to 2019	2012 to 2018	2009 to 2019	2019	2020
Average amount raised at Series A	12.41	11.16	13.66	13.40	15.10
Average amount raised at Series B	38.89	49.38	30.15	32.00	
Average amount raised up to Series A	15.45	11.57	19.33		
Average amount raised up to Series B	60.06	77.36	45.65		
Average pre-money valuation at Series A	36.47	n/a	36.47		
Average pre-money valuation at Series B	90.71	75.00	93.86		
	<i>Source: Pitchbook</i>			<i>Source: Fundz</i>	

Source: Based on data collated from online sources

Key takeaways from the table above are as follows:

- The average amount of US\$12.41 million raised by the CompCos at Series A up to 2019 is close to the average US\$13.40 million raised in the USA in 2019, although that amount has increased to about US\$15.00 million in 2020, according to Fundz.
- The average amount of US\$38.89 million raised by the CompCos at Series B up to 2019 is higher than the average raised in the USA in 2019, US\$32.00 million. This may be a reflection of the higher valuation accorded to start-up companies in the Fintech industry generally, as the figures recorded by Fundz is for the general start-up market as a whole.
- As for the total amount raised by the CompCos up to 2019, comparable companies in China raised relatively lower average amount of US\$11.57 million at Series A as compared to US\$19.33 million raised by those ex-China. This may be explained by the relatively lower operating costs in China. Funding at Series A is usually used to finance the early development of a company and its ideas.
- Comparable companies in China raised an average of US\$77.36 million at Series B while those ex-China raised an average of US\$45.65 million. This can be interpreted as a higher valuation being ascribed to China-centric companies, whose products and/or services are ready, tested and viable, given the relatively larger addressable size and maturity of the China economy.
- Comparable companies ex-China were valued at a pre-money average of US\$36.47 million at Series A, an indication of what a company is worth right before a Series A funding round is executed. No data is available on the comparable companies in China.
- At Series B, comparable companies ex- China were valued at a pre-money average of US\$93.86 million as compared to US\$75.00 million for Hangzhou Tongdun in China. No information was available on the other comparable companies in China. It is reasonable to assume, if such information was available from the data collected, the average pre-money valuation of these companies in China can be expected to be higher than those of comparable companies ex-China.

APPENDIX A VALUATION SUMMARY LETTER

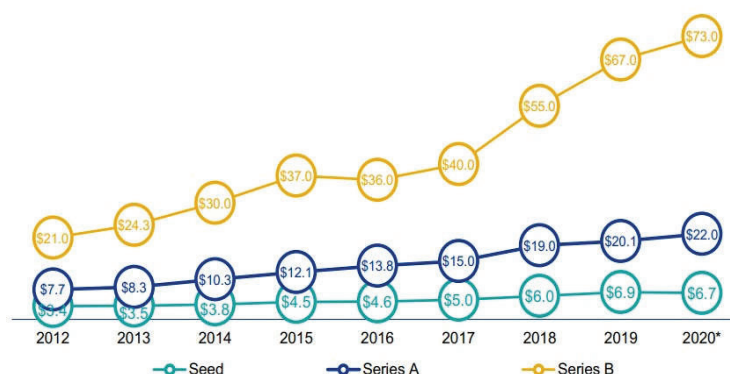
Valuation of 100% Interest in OOWAY Technology

Range	High	Low
Basis	Series B Pre-\$	Series A Pre-\$
Value (US\$ million)	90.71	36.47
Value (SGD million)	128.00	51.46
Value (RMB million)	641.74	258.01

Note: Exchange rates are RMB7.07462/US\$ and SGD1.41109/US\$ per XE Currency as at Valuation Date

We have summarized our indicative valuation of the Equity Interest in OOWAY Technology in the table above. The OOWAY Group, as classified by us to be in the early part of the late stage, should see its valuation falling in between US\$36.47 million and US\$90.71 million, with an average of US\$63.59 million, SGD89.73 million or RMB449.88 million. As seen in the illustration below, extracted from the article “Venture Pulse Q1 2020 – Global analysis of venture funding” prepared by KPMG Private Enterprise, the average pre-money valuation of startup companies in the general market at Series A is US\$22 million and US\$73 million at Series B as at 31 March 2020. The average between the 2 series is calculated as US\$44 million in 2019 and US\$48 million as at 31 March 2020.

Global median pre-money valuation (\$M) by series
2012–2020*



In the table below, we would like to show the indicative value we estimated for the OOWAY Group, US\$63.59 million or SGD89.7 million, when compared to the overall start-up market.

(US\$ million)	USA (Median)	CompCos (Average)	% Return Over	
			CompCos / USA	Fintech / Overall
Pre-money valuation at Series A	22.00	36.47	66%	38%
Pre-money valuation at Series B	73.00	90.71	24%	67%
Average	47.50	63.59	34%	47%

Source: Pitchbook and KPMG Private Enterprise

The indicative pre-money value of US\$63.59 million is 34% higher than the US\$47.5 million attributable to the average of overall start-up companies at Series A and Series B in USA as at 31 March 2020. Pitchbook presented the 2019 total return for venture capital investments in the overall market and the Fintech market. We selected the returns recorded by them for Series A and Series B. It shows Series A investment in the Fintech segment having a 38% premium over similar investment in the overall start-up market. The percentage is 67%, when an investment return on Series B for Fintech segment is compared

APPENDIX A VALUATION SUMMARY LETTER

to the overall investment return for the general start-up market. The average return for Series A and Series B for the Fintech segment is 47% higher than the general market. This does point to the reasonableness of the 34% premium in the valuation of the OOWAY Group as a Fintech company.

Valuation of the Equity Interest – Income Approach

Discounted Cash Flow Method

In line with our scope of work to derive the value of the Equity Interest in the OOWAY Group, we chose the DCF methodology as it enables us to view the entire portfolio of assets as an operating entity, with the principal focus of the analysis on the operating entity's ability to generate free cash flow in the future, based on assumptions provided by the company. Free cash flow to equity holders ("FCFE") is defined as cash that is available either to invest in new or existing businesses or to distribute to investors (equity holders). Reasonable projections of revenues, expenses, and reinvestment requirements (i.e. working capital and capital expenditures) form the basis for estimating the future free cash flows that a company will likely generate from its existing business.

The FCFE for each year of the projection period was calculated by adding non-cash expenses, such as depreciation and amortization, deferred rent, and stock option expense, to and deducting incremental investments in working capital, and capital expenditures ("CAPEX") from the net profit.

The projected free cash flows in each period were discounted to present value at an appropriate rate of return, or "discount rate." The sum of the discounted stream of future free cash flow, together with the value of non-operating assets, if any, reflects the value of the subject enterprise or portfolio of assets.

In addition to calculating the FCFE throughout the projection period, it may be necessary to calculate the terminal value of the subject business which reflects the value of the total capital at the end of the projection period. The terminal value was calculated by applying the Gordon Growth Model, a mathematical simplification to capitalize an earnings stream that is expected to grow at a long-term sustainable rate "g" and discount rate "k" into perpetuity. The formula is as follows:

$$\text{Terminal Value} = \frac{\text{Normalized Free Cash to Equity Holders} * (1 + \text{Constant Growth Rate})}{\text{Discount Rate} - \text{Growth Rate}}$$

The projected free cash flows were discounted to present value at an appropriate rate of return, or "discount rate." The sum of the discounted stream of future free cash flow, together with the value of non-operating assets, reflects the market value of the subject enterprise or portfolio of assets.

Key Valuation Assumptions

We have assumed the following for the purpose of this exercise:

- In the course of operating the business, it will compose of all necessary assets, both tangible and intangible, to continue operating as it has under its current owners; and

APPENDIX A VALUATION SUMMARY LETTER

- There are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

OOWAY Technology has provided us with guidance on historical revenue, expenses, and working capital requirements. We were also provided with a 5-year financial projection, accompanied by assumptions adopted by the OOWAY Group for its forecasted operation. We discussed the risks of achieving these projections and the overall reasonableness of the parameters used. We considered the impact of each valuation-related parameter individually, and the related impact on our overall valuation conclusions.

Although the information and assumptions used in the cash flow projections are a reasonable basis for valuation purposes, our analysis and use of them do not constitute an examination or compilation of prospective financial information in accordance with established standards.

AVA is unable to provide assurance on the achievability of the results forecasted by the OOWAY Group as events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of the management of the OOWAY Group. Except as disclosed in this report, neither AVA nor the OOWAY Group is aware of other liabilities, including any contingent liabilities or unusual contractual obligations or substantial commitments, which would have a material effect on the value of the OOWAY Group.

Indicative Valuation of OOWAY Technology – Income Approach

The projected FCFE in each year have to be discounted to a present value to reflect the time value of money. This rate, known as weighted cost of capital (“WACC”) must also reflect the risks associated with the cash flows, given our assessment of the current state and future of the OOWAY Group as at Valuation Date. As mentioned, we believe the OOWAY Group is appropriately classified as a start-up company that has moved beyond its early stage of development to the early part of its late stage of development. This stage can be said to be one between the Series A and Series B investment profile as generally classified by investors and/or venture capitalists. Below is an excerpt, taken from an article, “VC Returns by Series: Part II”, published by PitchBook on 30 January 2020, compiling the aggregate return on investment in various series of funding, from Series A to Series F as of 23 December 2009.

	Total Return	Annualized Return
Series A	364.1%	33.7%
Series B	172.6%	23.2%
Series C	140.2%	21.7%
Series D	108.5%	20.9%
Series E	78.4%	18.7%
Series F	54.6%	14.8%

We have selected 28.5% as the WACC of or required return on investment in the OOWAY Group. This percentage falls between the annualized return of 33.7% for Series A and 23.2% for Series B. The rates are based on the historical annualized return for Series A and Series B as seen in the illustration above.

Based on the forecast, the DCF calculations (based on a 5% terminal growth) with WACC of 23.2%, 28.5% and 33.7%, point to a range from RMB275.3 million to RMB536.0 million, or SGD54.9 million to SGD106.9 million. Adopting a WACC of 28.5% yields a value of RMB372.1 million or SGD74.2 million as the value of the Equity Interest in OOWAY Technology.

APPENDIX A VALUATION SUMMARY LETTER

Any deviation from the above key limitations and assumptions may significantly impact the valuation result.

Conclusion of Value – Equity Interest in the OOWAY Group

We applied equal weighting to the average value derived from the market approach and the income approach. The SGD89.7 million from the market approach represents a valuation inferred from how investors have been valuing startup Fintech companies at the early stages of development. The income approach, based on the DCF methodology, encapsulates the business plan of the OOWAY Group as they seek to grow their business in a segment of the Fintech market that has a large addressable market for the OOWAY Group's type of solutions.

It is thus our opinion that the Market Value of the Equity Interest in the OOWAY Group is reasonably stated from SGD74 million to SGD90 million, based on an exchange rate of SGD0.19946/RMB as at Valuation Date recorded by XE Currency.

The conclusion of value is based on the accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of AVA and the OOWAY Group.

Users of this valuation report should be mindful that value is time dependent. In estimating the value, AVA has taken into consideration the available information, all known factors and market environment of the subject of valuation as at Valuation Date. The Valuation Date is the specific point in time as of which our opinion of value applies. This fundamental principle forbids the application of hindsight and removes any use of retrospective evidence such as data or information in forming the assessment of value, unless these facts would reasonably have been known or knowable as at Valuation Date. Our valuation is strictly guided by this principle.

Respectfully submitted,

AVA Associates Limited

AVA Associates Limited, based in Hong Kong and Singapore, has been providing independent valuation services to clients in Asia since 2008. We provide transaction-based advisory services, primarily focusing on independent valuation services to assist its clients to comply with internal and external requirements. Our valuation team, made up of qualified professionals in their respective fields, has the expertise covering various classifications of tangible and intangible assets, focusing on four key competencies of business valuation, financial instrument valuation, intellectual property valuation and fixed asset valuation.

APPENDIX A VALUATION SUMMARY LETTER

Statement of General Assumption and Limiting Conditions

1. This analysis is subject to the following general assumptions and limiting conditions:
2. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements, encroachments, and other encumbrances unless otherwise stated.
3. Information furnished by others, upon which all or portions of this valuation is based, is believed to be reliable but has not been verified except as set forth in this report. No warranty is given as to the accuracy of such information.
4. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including, without limitations, any conclusions, the identity of AVA or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than the Company and its financial accounting firm, by any means without the prior written consent and approval of AVA.
5. This appraisal has been made in conformance with the International Valuation Standards issued by the International Valuation Standards Council.
6. Neither AVA nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.
7. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.
8. The date of value to which the estimate expressed in this report applies is set forth in the beginning of this report. This valuation is valid only for the valuation date indicated. Our analysis is based on the purchasing power of the Singapore Dollar as of that date.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can readily be obtained or renewed for any use on which the value estimate provided in this report is based.
10. Full compliance with all applicable federal, state, and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
11. Responsible ownership and competent management are assumed.
12. The value estimate is predicated on the financial structure prevailing as of the date of this analysis.
13. This report may not be included or referred to in any statutory filing or other public document.
14. This is a Summary Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the valuation professional's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the valuation professional's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The valuation professional is not responsible for unauthorized use of this report.

APPENDIX A VALUATION SUMMARY LETTER

Introduction to Valuers

Thomas Chua Boon Shyan - Director

Mr. Thomas Chua was previously a Senior Director at Kroll Inc, one of the world's leading risk consulting company and an operating unit of Marsh & McLennan Companies, Inc., the global professional services firm.

Thomas heads the Valuation Services practice for Greater China and South East Asia and has 17 years of experience in this business within the strict regime of China, Hong Kong, Singapore and Malaysia.

Thomas boasts of expertise in the valuation of various classes of tangible and intangible assets, including but not limited to, trademarks, customer relationships/contracts, technology, proprietary know-how, franchise agreements, mining reserves, backlog and non-compete agreements. He is also one of the leading authorities in South East Asia in valuing various classes of equity, options and debt for tax, financial reporting, restructuring, mergers & acquisitions and financing purposes for companies across varied industries.

Prior to joining Kroll Inc, Thomas was an Associate Director of Hong Kong-based business advisory and consulting firm, Sallmanns, where he spearheaded the Singapore operations. During his 6-year stint there, he led the firms' valuation engagements and was the key to the development of this business in South East Asia which involves, inter alia, mergers & acquisitions, financial reporting, tax compliance, insurance placements, restructuring and issuance of fairness opinions.

Thomas earned his Bachelor of Business Administration (Finance & Economics) from San Jose State University, USA and MBA from Hong Kong University of Science & Technology. He is a Chartered Valuer & Appraiser (CVA No. 100233).

Jack Li Wen Jie – Business & Property Valuer

Mr. Jack Li, previously a director of Hong Kong-based business advisory and consulting firm, Jones Lang LaSalle Sallmanns, has worked in the consulting and appraisal business for more than 10 years. He has been involved in various valuations for capital market transactions and financial reporting purposes. The scope includes appraisal of equity interest, intangible assets, mineral assets, biological assets and financial derivatives, for over 200 Hong Kong, US, Singapore and UK listed companies.

Jack led his teams in China and Hong Kong to execute a number of large investment projects involving state-owned enterprises in China and overseas. He has followed through most of the key phases of the investment process such as opportunities identification, deal structuring, feasibility study, financial and operational due diligence, business planning, asset and business valuation, reorganization, mergers & acquisitions.

Jack graduated from McGill University with a MBA and obtained his Royal Institute of Chartered Surveyors membership (MRICS 6519016). He is also a Chartered Financial Analyst (CFA No. 158328).

APPENDIX A VALUATION SUMMARY LETTER

Selected Valuation Experience

Merger & Acquisition and Public Disclosure for SGX-listed Companies

Client	Type	Project Description – 2019
800 Super Ltd <i>(listed in Singapore)</i>	Asset Valuation	<ul style="list-style-type: none"> Valuation of properties in Singapore for privatization exercise and public disclosure purposes.
Auric Pacific Group Ltd <i>(listed in Singapore)</i>	Business Valuation	<ul style="list-style-type: none"> Valuation of catering business in Hong Kong for a proposed transaction.
Imperium Crown Ltd <i>(listed in Singapore)</i>	Asset & Business Valuation	<ul style="list-style-type: none"> Valuation of property development right to a tourism asset in China for acquisition purposes.
KTL Global Ltd <i>(listed in Singapore)</i>	Asset & Business Valuation	<ul style="list-style-type: none"> Valuation of marine-related businesses in Singapore, Malaysia, Indonesia and UAE for a proposed disposal.
Star Pharmaceuticals Ltd <i>(listed in Singapore)</i>	Asset Valuation	<ul style="list-style-type: none"> Valuation of assets employed in China pharmaceuticals business for a privatization exercise and public disclosure purposes.
Tung Lok Restaurants Ltd <i>(listed in Singapore)</i>	Business Valuation	<ul style="list-style-type: none"> Valuation of packaged food manufacturer in Singapore for public disclosure purposes.

Client	Type	Project Description – 2018
China Hongxing Sports Ltd <i>(listed in Singapore)</i>	Asset & Business Valuation	<ul style="list-style-type: none"> Valuation of business and assets of sportswear companies in China for disposal and public disclosure purposes.
Infinio Group Ltd <i>(listed in Singapore)</i>	Asset Valuation	<ul style="list-style-type: none"> Valuation of real estate property in Singapore for a proposed acquisition.
SciGen Ltd <i>(listed in Australia)</i>	Asset Valuation	<ul style="list-style-type: none"> Valuation of licenses and trademarks in Asia, in relation to a delisting exercise, for public disclosure purposes.
Nobel Design Holdings Ltd <i>(listed in Singapore)</i>	Asset Valuation	<ul style="list-style-type: none"> Valuation of hotel and commercial properties in Singapore for a privatization exercise.
TSH Corporation Ltd <i>(listed in Singapore)</i>	Asset & Business Valuation	<ul style="list-style-type: none"> Valuation of food & beverage businesses in Singapore for a proposed acquisition.

NOTICE OF EXTRAORDINARY GENERAL MEETING

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Kitchen Culture Holdings Ltd. (the “**Company**”) will be held by way of electronic means on Wednesday, 7 October 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

All capitalised terms used in this notice which are not otherwise defined shall have the same meanings as ascribed to them in the Company’s circular to its shareholders dated 22 September 2020.

ORDINARY RESOLUTIONS

RESOLUTION 1: PROPOSED ACQUISITION OF 30% OF THE TOTAL ISSUED AND PAID-UP CAPITAL OF OOWAY TECHNOLOGY PTE. LTD. (THE “PROPOSED ACQUISITION”)

THAT, contingent upon the passing of Ordinary Resolutions 2, 3 and 5:

- (a) pursuant to Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), approval be and is hereby given for the Proposed Acquisition on the terms and subject to the conditions set out in the sale and purchase agreement dated 13 August 2020 entered into between the Company and OOWAY Group Ltd. in relation to the Proposed Acquisition (“**SPA**”), particulars of which are set out in the Circular;
- (b) the directors of the Company (“**Directors**”) and each of them be and are hereby authorised to take such steps, make such amendments to the terms and conditions of the SPA (provided that the amendments are not material) and exercise such discretion as they or he may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Acquisition and matters contemplated by this Ordinary Resolution 1.

RESOLUTION 2: PROPOSED ALLOTMENT AND ISSUE OF 90,000,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.2658 PER CONSIDERATION SHARE TO OOWAY GROUP LTD. (THE “VENDOR”), IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION

THAT, contingent upon the passing of Ordinary Resolutions 1, 3 and 5:

- (a) approval be given to the Directors for the purposes of Rule 805 of the Catalist Rules and Section 161 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) to allot and issue 90,000,000 new ordinary shares in the capital of the Company (“**Shares**”) (“**Consideration Shares**”) to the Vendor at the issue price of S\$0.2658 per Consideration Share in satisfaction of the Purchase Consideration for the Proposed Acquisition; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Issue of Consideration Shares and matters contemplated by this Ordinary Resolution 2.

RESOLUTION 3: PROPOSED TRANSFER OF CONTROLLING INTEREST TO THE VENDOR

THAT, contingent upon the passing of Ordinary Resolutions 1, 2 and 5:

- (a) approval be given under Rule 803 of the Catalist Rules for the Proposed Transfer of Controlling Interest to the Vendor; and
- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Transfer of Controlling Interest and matters contemplated by this Ordinary Resolution 3.

RESOLUTION 4: PROPOSED ALLOTMENT AND ISSUE OF 4,500,000 INTRODUCER SHARES AT THE ISSUE PRICE OF S\$0.2658 PER INTRODUCER SHARE TO PRECIOUS GLORY ENTERPRISES LIMITED (THE "INTRODUCER"), AS INTRODUCER FEE FOR THE PROPOSED ACQUISITION

THAT, contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 5:

- (a) approval be given to the Directors for the purposes of Rule 805 of the Catalist Rules and Section 161 of the Companies Act to allot and issue 4,500,000 new Shares ("**Introducer Shares**") to the Introducer at the issue price of S\$0.2658 per Introducer Share in satisfaction of the Introducer Fee for the Proposed Acquisition; and
- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Issue of Introducer Shares and matters contemplated by this Ordinary Resolution 4.

RESOLUTION 5: PROPOSED DIVERSIFICATION OF BUSINESS

THAT:

- (a) approval be given for the diversification by the Company and its subsidiaries of its core business to include business comprising artificial intelligence, machine learning and data science, particulars of which are set out in Section 12.3 of this Circular (the "**Proposed New Business**"), and any other activities related to the Proposed New Business;
- (b) the Company be authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Proposed New Business on such terms and conditions as the Directors deem fit, and such Directors be authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such to any such investment, purchase, acquisition or disposal; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Diversification and matters contemplated by this Ordinary Resolution 5.

By Order of the Board
KITCHEN CULTURE HOLDINGS LTD.

Lim Wee Li
Executive Chairman and Chief Executive Officer
22 September 2020

Notes:

On 3 April 2020, the Singapore Government announced the implementation of “circuit breaker” measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 (the “**Temporary Measures Act**”) was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Meetings Orders**”) was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company’s constitution). A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place.

The Meetings Orders currently apply for the period starting on 27 March 2020 and ending on 30 September 2020. The Ministry of Law plans to extend the Meeting Orders to 30 June 2021. Amendments to the Temporary Measures Act were passed in Parliament on 4 September 2020 to permit the Minister of Law to do so. If the President assents to the amendments to the Temporary Measures Act, the amendments to extend the duration of the Meetings Orders will be gazetted, once the amendments to the Temporary Measures Act come into force. On 7 September 2020, the SGX-ST announced that it will amend the ACRA-SGX-MAS joint guidance to reflect the extended period once the legislative changes are in place.

Printed copies of this notice and the accompanying Circular and Proxy Form will NOT be sent to members. Instead, these documents will be sent to members solely by electronic means via publication on the Company’s website at the URL <https://kcholdings.com.sg/media-centre/announcements.php> and will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members’ participation at the EGM are:

- (a) observing and/or listening to the EGM proceedings contemporaneously via a live webcast and live audio feed of the EGM proceedings (“**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the Notice of EGM; and
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Members will be able to participate in the EGM in following manner set out in the paragraphs below.

Live EGM Webcast and Live EGM Audio Feed:

In light of the above developments, the Company is arranging for the Live EGM Webcast and the Live EGM Audio Feed which will take place on Wednesday, 7 October 2020 at 10.00 a.m. in place of the physical EGM. Members will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the EGM physically in person will be turned away.

In order to do so, members must pre-register online at the URL <https://sg.conveneagm.com/kitchenculture> by 10.00 a.m. on 5 October 2020 (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the EGM, to enable the Company to verify their members’ status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live EGM Webcast and the Live EGM Audio Feed of the EGM proceedings by 10.00 a.m. on 6 October 2020 (being 24 hours before the time appointed for the holding of the EGM).

NOTICE OF EXTRAORDINARY GENERAL MEETING

Members are reminded that the EGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live EGM Webcast and the Live EGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.00 a.m. on 6 October 2020 may contact the Company's technical support by email at EGM@kitchenculture.com for assistance.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies ("**SRS Investors**"), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the EGM.

Members may submit questions relating to the items on the Ordinary Resolutions set out in the Notice of EGM in advance at (i) <https://sg.conveneagm.com/kitchenculture>, (ii) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086, or (iii) via email to EGM@kitchenculture.com. All questions must be submitted by 4 October 2020, Sunday, at 10.00 a.m. (being 72 hours before the time appointed for the holding of the EGM).

A member who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/ company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within 1 month after the date of the EGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Ordinary Resolutions to be tabled for approval at the EGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the EGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086;
- (b) by email to EGM@kitchenculture.com; or
- (c) via the Shareholder's account following registration at the URL <https://sg.conveneagm.com/kitchenculture>,

in each case, not less than 48 hours before the time appointed for holding the EGM, i.e. by 10.00 a.m. on 5 October 2020. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares in order to submit their voting instructions at least 7 working days before the EGM (i.e. by 10.00 a.m. on 28 September 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by 10.00 a.m. on 5 October 2020.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the EGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM via the Live EGM Webcast or the Live EGM Audio Feed, or (c) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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

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.

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

- (a) Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.
- (b) Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the EGM, addressing of substantial and relevant questions before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM dated 22 September 2020.
- (c) SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by 10.00 a.m. on 28 September 2020 (being 7 working days before the EGM).

I/We*, _____ (Name) (NRIC/Passport/Registration number* _____)

of _____ (Address)

being a member/members* of Kitchen Culture Holdings Ltd. (the “**Company**”), hereby appoint the Chairman of the Extraordinary General Meeting (“**EGM**”) of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the EGM of the Company to be held by electronic means on Wednesday, 7 October 2020 at 10.00 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the EGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolution	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
1.	Proposed acquisition of 30% of the total issued and paid-up capital of OOWAY Technology Pte. Ltd.			
2.	Proposed Issue of Consideration Shares to OOWAY Group Ltd.			
3.	Proposed Transfer of Controlling Interest to OOWAY Group Ltd.			
4.	Proposed Issue of Introducer Shares to Precious Glory Enterprises Limited			
5.	Proposed Diversification of Business			

* Delete where inapplicable.

**Please indicate your vote “For”, “Against” or “Abstain” with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2020

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the EGM, being a proxy, need not be a member of the Company.
4. This instrument appointing a proxy or proxies, duly executed, must be submitted (a) by post to at the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086; (b) by email to EGM@kitchenculture.com; or (c) via such member's account following registration at the URL <https://sg.conveneagm.com/kitchenculture>, not less than 48 hours before the time appointed for holding the EGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50) of Singapore, including investors under the Supplementary Retirement Scheme ("SRS Investors"), who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least 7 working days before the EGM (i.e. by 10.00 a.m. on 28 September 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of EGM of the Company dated 22 September 2020.