



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

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

APPLICATION FOR AN EXTENSION OF TIME TO HOLD THE ANNUAL GENERAL MEETING FOR FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. GRANT OF EXTENSION OF TIME

The board of directors (the "**Board**" or "**Board of Directors**") of Kitchen Culture Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that on 24 March 2016, an application was made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for a waiver from compliance with Rule 707(1) of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "**Catalist Rules**") and an extension of time for the Company to convene its annual general meeting ("**AGM**") in respect of its financial year ended 31 December 2015 ("**FY2015**") from the current deadline of 30 April 2016 to 31 July 2016.

The SGX-ST had on 5 April 2016 informed that based on the information provided to the SGX-ST, it has no objection to granting a 3-month extension (i.e. till 31 July 2016) for the Company to hold its AGM, subject to:

- (a) The Company making an immediate announcement of the extension granted, disclosing the reasons for seeking the extension, and that the Company and/or any of its Board of Directors are not aware of any other material information (including but not limited to financial information) with respect to the Group that was not formally disclosed to the investors;
- (b) Disclosure of a confirmation by the Board of Directors that the Company will be able to meet the extended deadline;
- (c) Despatch of its annual report to shareholders and the SGX-ST at least 14 days before the date of the AGM; and
- (d) Approval from the Accounting and Corporate Regulatory Authority ("**ACRA**") for the same extension of time under Section 201(1) of the Companies Act, Chapter 50.

2. REASONS FOR SEEKING THE EXTENSION OF TIME

The Company had sought an extension of time for the convening of the AGM for the following reasons:

- (i) As mentioned in the full year unaudited financial statements of the Group for FY2015, the Group has breached certain bank covenants in relation to bank facilities from a bank ("**Breach**") as at 31 December 2015 and the amount outstanding for the bank facilities (classified under current liabilities) was approximately S\$0.7 million. In this regard, the Group did not fulfill the bank's requirements to maintain the prescribed gearing ratio and tangible net worth. The bank is contractually entitled to, *inter alia*, request immediate repayment of the outstanding facility amount.

Further, the Breach may trigger the cross-default clauses of loans and facilities from other banks and financial institutions. Consequent to the potential cross-default of other loans and facilities, approximately S\$1.3 million of non-current bank borrowings were classified as current borrowings as at 31 December 2015.

The Breach and the potential cross-default of the other loans and facilities, *inter alia*, could potentially have a material impact on the going concern assumption used in the preparation of the Group's consolidated financial statements for FY2015.

In light of the above, the Group needs more time to work with the bank concerned to, *inter alia*, obtain a waiver letter in relation to the Breach. Audit of the consolidated financial statements of the Group is still ongoing and have not been completed and finalised as of to-date.

- (ii) The Group is also considering various funding options to strengthen its financial position. It requires time to execute and complete such fund raising exercise once a decision has been reached by the Board of Directors.
- (iii) The Company's finance department has recently undergone a change of personnel. The Chief Financial Officer resigned on 16 January 2016. The Finance Manager had also tendered his resignation and his last day of service with the Company is around end April 2016. One of the responsibilities of the Chief Financial Officer/Finance Manager is to assist the Group to liaise and co-ordinate with the external auditor on the audit and its finalisation. The Company is currently searching for a suitable replacement and the new person needs time to orientate and familiarise himself with the financial policies of the Group as well as review the audit supporting documents.

3. CONFIRMATION BY THE COMPANY AND/OR THE BOARD

The Company and/or any of its Board of Directors are not aware of any other material information (including but not limited to financial information) with respect to the Group that was not formally disclosed to the investors.

The Board confirms that the Company will be able to meet the extended deadline.

4. APPLICATION TO ACRA

The Board wishes to inform the shareholders that the Company has submitted an application to the ACRA for an extension of time till 31 July 2016 to hold its AGM. The Company will make an announcement of the results of the application to ACRA in due course.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer
5 April 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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