



**KITCHEN CULTURE HOLDINGS LTD.**

(Company Registration No: 201107179D)

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

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**PROPOSED JOINT VENTURE**

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**1. INTRODUCTION**

The Board of Directors (the "**Board**") of Kitchen Culture Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, KHL Marketing Asia-Pacific Pte Ltd ("**KHLM**"), has on 25 June 2013 entered into a joint venture agreement (the "**JV Agreement**") with Ng Yeong Pang ("**NYP**") and Eclat Office Club Pte. Ltd. ("**Eclat**") (each a "**Party**" and collectively, the "**Parties**") to jointly undertake the business of managing a serviced office (the "**Business**") to be managed by, Eclat, the joint venture company (the "**Proposed Joint Venture**").

The serviced office will be situated at the Group's rented premises at 55 Mohamed Sultan Road, #01-03 Sultan-Link Building, Singapore 238995 (the "**Premises**"). The Group proposes to enter into the Proposed Joint Venture to better utilise the Premises, which has been vacant since August 2012 and to also generate additional revenue stream for the Group.

**2. INFORMATION ON ECLAT**

Eclat was incorporated on 18 February 2013 in Singapore with an initial issued and paid up share capital of S\$100 comprising 100 ordinary shares wholly owned by NYP who is unrelated to any of the Company's directors or controlling shareholders. Eclat has not commenced business since its incorporation and its unaudited net liability value was estimated to be S\$710 as at 31 May 2013.

**3. PRINCIPAL TERMS OF THE PROPOSED JOINT VENTURE**

**3.1 Capital Contribution towards Eclat**

Pursuant to the JV Agreement, the issued and paid up share capital of Eclat will be increased from S\$100 to S\$10,000 comprising 10,000 ordinary shares, by way of an allotment and issue of 8,000 new ordinary shares to KHLM for a cash consideration of S\$8,000 and an allotment and issue of 1,900 new ordinary shares to NYP for a cash consideration of S\$1,900. KHLM and NYP shall hold 80% and 20% of the resultant share capital of Eclat respectively. The Group will finance the subscription of shares in Eclat by internal sources.

### 3.2 Conditions Precedent

The completion of the JV Agreement is conditional upon the fulfilment of the following conditions precedent:

- (a) all the necessary licences, consents and approvals as may be necessary to be obtained for and in connection with the Proposed Joint Venture and Business having been obtained by the Parties;
- (b) all representations, warranties and undertakings under the JV Agreement being complied with, and being true, accurate and correct in all respects; and
- (c) none of the Parties having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the JV Agreement, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened.

Pursuant to the JV Agreement, if any of the conditions precedent has not been fulfilled within three (3) months from the date of the JV Agreement or by such later date as may be agreed in writing between the Parties, the JV Agreement shall become null and void.

### 3.3 Non-competition

NYP is a director and shareholder of SNK Investments Pte. Ltd. ("**SNK Investments**"), a company engaged in the business of sub-letting of industrial buildings (the "**Disclosed Fact**"). Save for the Disclosed Fact, each of the Parties undertakes that while the JV Agreement is in force, they will not, either directly or indirectly, be involved in any jurisdiction in any business which is likely to be in competition with or which is the same or similar to the Business, without the consent of the other Party.

### 3.4 Other Salient Terms

Other salient terms of the JV Agreement are, *inter alia*:

- (a) KHLM shall provide an advance to Eclat for the payment of initial renovation, office equipment and designer fees, subject to a maximum amount of S\$250,000;
- (b) KHLM shall be entitled to appoint two (2) directors to the board of Eclat, in addition to NYP, who is currently its sole director;
- (c) NYP shall be responsible for the day-to-day management and operations of Eclat, including the provision and management of staff resources;
- (d) None of the Parties shall dispose of any shares in Eclat unless such Party shall have first offered those shares in writing to the other Party; and
- (e) If any of the Parties wishes to sell any of his shares in Eclat to any *bona fide* third party ("**Acquirer**"), he shall procure the Acquirer to offer to purchase the shares of the other Party and the other Party shall have the right to require the Acquirer to buy all the shares held by him for the same consideration per share as the selling Party.

## 4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Joint Venture, Eclat or SNK Investments, other than through their shareholdings in the Company.

## 5. FINANCIAL EFFECTS

The Proposed Joint Venture is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2013.

## 6. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the JV Agreement is available for inspection at the Company's registered office at 25 New Industrial Road, #02-01 KHL Industrial Building Singapore 536211 during normal business hours for a period of three (3) months from the date of this announcement.

## 7. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in dealing with the shares of the Company as there is no certainty or assurance that the Proposed Joint Venture and/or Business will materialise. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitors or other professional advisers.

By Order of the Board

Lim Wee Li  
Executive Chairman and Chief Executive Officer  
25 June 2013

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*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**"). Canaccord Genuity Singapore Pte. Ltd. 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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