



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

(the “Company”, and together with its subsidiaries, the “Group”)

**ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES –
ADJUSTMENTS TO PRELIMINARY FULL YEAR RESULTS ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“**Sponsor**”), SAC Advisors Private Limited (formerly known as 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.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6854 6160) at 77 Robinson Road #21-02 Singapore 068896.

The Board of Directors (the “**Board**”) of Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results announcement for the financial year ended 31 December (“**FY**”) 2015 dated 29 February 2016 (the “**Announcement**”). Pursuant to Rule 704(5) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), the Board wishes to announce the material variances between the audited financial statements of the Group for FY2015 (the “**Audited Results**”) and the Announcement following the finalisation of the audit.

Below are the details of the material variances between the Audited Results and the Announcement:

Consolidated Statement of Financial Position

	Per Announcement	Per Audited Results	Change	% Change	Explanation for the variances
	S\$	S\$	S\$		
Investment Property	276,883	276,883	-	0%	n.m.
Property, plant and equipment	1,687,517	1,687,517	-	0%	n.m.
Deferred tax assets	-	350,582	350,582	100%	Refer to A
Trade and other receivables	10,804,923	13,656,036	2,851,113	26.39%	Refer to B, C
Inventories	13,931,731	10,760,610	(3,171,121)	-22.76%	Refer to B, D
Cash and cash equivalents	3,257,939	3,257,939	-	0%	n.m.
Finance lease liabilities	69,659	172,621	102,962	147.81%	Refer to E
Borrowings	12,619,075	12,664,731	45,656	0.36%	n.m.
Trade and other payables	10,182,303	10,000,016	(182,287)	-1.79%	n.m.
Income tax payable	4,647	4,429	(218)	-4.69%	n.m.
Share capital	6,231,259	6,231,259	-	0%	n.m.
Retained earnings	1,165,262	734,090	(431,172)	-37.00%	Refer to loss for the year and H
Translation reserve	165,197	374,915	209,718	126.95%	Refer to F, G
Non-controlling interests	(478,409)	(192,494)	285,915	-59.76%	Refer to G, H

Consolidated Statement of Comprehensive Income

	Per Announcement	Per Audited Results	Change	% Change	Explanation for the variances
	S\$	S\$	S\$		
Revenue	26,852,591	26,609,899	(242,692)	-0.90%	n.m.
Cost of sales	(14,077,795)	(13,945,575)	132,220	-0.94%	n.m.
Other income	504,938	1,071,963	567,025	112.30%	Refer to I, J
Selling and distribution expenses	(9,169,297)	(9,143,014)	26,283	-0.29%	n.m.
Other operating expenses	(4,289,065)	(5,098,375)	(809,310)	18.87%	Refer to C, D, I
General and administrative expenses	(5,159,140)	(5,159,140)	-	0%	n.m.
Finance costs	(822,129)	(835,220)	(13,091)	1.59%	n.m.
Loss before tax	(6,159,897)	(6,499,462)	(339,565)	5.51%	
Tax credit	303,306	452,433	149,127	49.17%	Refer to A, K
Loss for the year	(5,856,591)	(6,047,029)	(190,438)	3.25%	
Other comprehensive income for the year, net of tax	52,691	305,795	253,104	480.36%	Refer to F, G, H
Total comprehensive income for the year	(5,803,900)	(5,741,234)	62,666	-1.08%	

Consolidated Statement of Cash Flows

	Per Announcement	Per Audited Results	Change	% Change	Explanation for the variances
	S\$	S\$	S\$		
Net cash used in operating activities	(1,498,167)	(1,681,462)	(183,295)	12.23%	Refer to L, M, N
Net cash used in investing activities	(1,218,097)	(1,104,945)	113,152	-9.29%	Refer to L
Net cash from financing activities	2,938,421	2,980,672	42,251	1.44%	Refer to M

n.m. – not material

Explanatory notes:

- A. Recognition of deferred tax assets of S\$0.35 million arising from unused tax losses and tax offsets.
- B. Reclassification of amount due from construction contract customers of S\$2.84 million from inventories to trade and other receivables.
- C. Adjustments resulted from additional allowance for doubtful receivables of S\$0.09 million.
- D. Adjustments resulted from additional provision for inventories of S\$0.23 million.
- E. Reclassification of finance lease liabilities of S\$0.1 million under trade and other payables to finance lease liabilities.
- F. Adjustments to currency translation differences of S\$0.23 million arising from the acquisition and consolidation of the Hong Kong operations.
- G. Adjustment for non-controlling interests' share of translation reserve of S\$0.04 million in FY2015.
- H. Adjustment for non-controlling interests' share of profit or loss for the financial year ended 31 December 2015 of S\$0.24 million.
- I. Reclassification of the loss on settlement of pre-existing relationship as a result of the business combination of S\$0.45 million from other income to other operating expenses.
- J. Income of S\$0.14 million arising from the discounting of deferred consideration on acquisition of the Hong Kong operations and the amount due to the third parties to net present value.
- K. Reversal of the deferred tax on intangible assets of S\$0.28 million previously recognised in profit or loss.

- L. Reclassification of property, plant and equipment acquired under finance lease of S\$ 0.1 million from operating activities to investing activities.
- M. Adjustment for the term loan principal amount and accrued interest of S\$0.05 million as at 31 December 2015.
- N. Adjustment for the effects of foreign exchange rate changes on the balance of working capital held in foreign currencies previously recorded under cash of S\$0.03 million.

On behalf of the Board of Directors

Lim Wee Li
Executive Chairman and CEO

Date: 7 July 2016