

## ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

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### PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF CATAPULT VENTURES PTE. LTD.

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#### 1 INTRODUCTION

- 1.1. The board of directors of the Company ("**Board**" and "**Directors**" respectively) of Asia-Pacific Strategic Investments Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made on 18 March 2022, 18 April 2022, 18 June 2022 and 24 August 2022 (together, the "**Previous Announcements**") and wishes to announce that the Company had on 31 October 2022 entered into a conditional share purchase agreement (the "**SPA**") with all of the shareholders ("**Sellers**") of Catapult Ventures Pte. Ltd. ("**Target Company**", together with its subsidiaries, the "**Target Group**", and "**Target Group Company**" means each of them) in relation to the proposed acquisition ("**Proposed Acquisition**") by the Company of 100% of the issued and paid-up share capital of the Target Company ("**Sale Shares**") from the Sellers. The Company and the Sellers shall collectively be referred to as the "**Parties**".
- 1.2. The Proposed Acquisition, if undertaken and completed, will result in a reverse takeover of the Company as defined by Rule 1015 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and is subject to, amongst other things, the approval of the SGX-ST and the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened.
- 1.3. Further information on, *inter alia*, the Proposed Acquisition will be provided in a circular containing further information on the Proposed Acquisition and such other transactions as contemplated in the SPA to be despatched to Shareholders in due course ("**Circular**").

#### 2 INFORMATION RELATING TO THE SELLERS AND THE TARGET GROUP

- 2.1 The information on the Sellers in this announcement ("**Announcement**") was provided by each of the Sellers in respect of itself, and the information on the Target Group was provided by Vinod Nair, being one of the Sellers (the "**Sellers' Representative**") and the Chief Executive Officer of the Target Group. In respect of such information, the Company and the Board have not independently verified the accuracy and correctness of the same. The responsibility of the Company and the Directors in this regard is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

##### 2.2 The Sellers

As at the date of this Announcement, the Sellers, are the legal and beneficial owners of the Sale Shares, and their respective shareholdings in the Target Company are as set out in **Appendix F** to this Announcement.

##### Substantial Shareholders of the Target Company

Details of the substantial shareholders<sup>1</sup> of the Target Company are set out below.

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<sup>1</sup> A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act 2001 of Singapore.

	Name of Sellers	Number of Sale Shares Held by the Sellers	% Ownership of Target Company
1.	Vinod Nair (" <b>Founder</b> ") <sup>(1)</sup>	6,561,601	26.16%
2.	Kakaku.com, Inc. <sup>(2)</sup>	6,109,515	24.36%
3.	Straits Capital Investments Pte. Ltd. <sup>(3)</sup>	3,700,343	14.75%
5.	Golden Gate Ventures Group <sup>(4)</sup>	2,144,412	8.54%
4.	Jo Hirao <sup>(5)</sup>	1,492,537	5.95%

**Notes:**

- (1) Vinod Nair is the founder and chief executive officer of the Target Group.
- (2) Kakaku.com, Inc. is a public company listed on the Tokyo Stock Exchange Prime Market (code: 2371).
- (3) Straits Capital Investments Pte. Ltd. (formerly SPH Ventures Pte. Ltd.) is a venture capital fund management firm established in Singapore focused in the business of investing in consumer internet, digital media, and fintech.
- (4) The Golden Gate Ventures Group comprises Golden Gate Ventures Fund ESFV Pte. Ltd., Golden Gate Ventures Fund II L.P., Golden Gate Ventures Pte. Ltd., and Golden Gate Ventures Incubator Annex Pte. Ltd. Golden Gate Ventures is a venture capital fund management firm in Southeast Asia investing in consumer-driven opportunities. Since 2011, the firm has launched four funds and more than sixty companies across all major economies in Southeast Asia.
- (5) Jo Hirao is an individual investor.

2.3 None of the Sellers are related to any of the Company's Directors, controlling Shareholders, chief executive officer and/or their respective associates. As at the date of this Announcement, none of the Sellers holds shares in the Company ("**Shares**").

**2.4 The Target Group**

- (a) The Target Company is a private company limited by shares incorporated in Singapore on 16 October 2009. As at the date of this Announcement, the directors of the Target Company are Mr. Chua Boon Ping, Mr. Robert Edward Bier, Mr. Vinod Nair and Mr. Okada Joi.
- (b) The Target Group structure is set out in **Appendix A** of this Announcement.
- (c) The business of the Target Group comprises:
  - (i) the business of operating "MoneySmart", an online digital platform to help consumers with their personal financial decisions by providing financial related content and an easy way to compare banking, insurance and investment products such as credit cards, mortgages, travel insurance and investment brokerage accounts; and
  - (ii) the operation of "Bubblegum", a digital insurance platform that provides a fast, simple, and fully digital journey to getting insured.

(collectively, the "**Target Business**").
- (d) "MoneySmart" was founded by the Target Group in 2009 with the aim to provide financial content and comparison platforms to help customers make better financial decisions. Through aggregation and comparison services for financial products, "MoneySmart" empowers customers to make optimal decisions with their money.
- (e) As a financial marketplace in the region, "MoneySmart" provides a personalised customer experience and drive cross-sales across other financial products. This customer-centric model has also allowed "MoneySmart" to launch its proprietary insurance brand called "Bubblegum" by targeting digital natives through its ownership of first-party data.

- (f) “Bubblegum” provides value for money insurance products in easy-to-understand way through its app and website, giving customers both speed and simplicity in transactions ranging from purchases to claims.
- (g) Further information on the Target Business Group will be set out in the Circular.

## 2.5 Historical Financial Information of the Target Group and Pro-Forma Financial Information of the Enlarged Group

- (a) A summary of the audited consolidated profit and loss statement and balance sheet of the Target Group for the financial years ended 31 December 2020 and 31 December 2021 is set out in **Appendix B** to this Announcement.
- (b) The net book value and the net tangible asset value of the Target Group were approximately S\$5,514,000 as at 31 December 2021.
- (c) The Target Group recorded a net loss attributable to equity owners of approximately S\$10,838,000 for the financial year ended 31 December 2021.
- (d) For illustrative purposes only, the unaudited pro-forma combined profit and loss statement and unaudited pro-forma combined balance sheet of the enlarged group comprising the Group and Target Group (collectively, the “**Enlarged Group**”) for the financial year ended 30 June 2022 is set out in **Appendix E** to this Announcement.

## 3 RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1 The Group’s business operations in China have experienced significant disruptions caused by the COVID-19 pandemic which resulted in net losses. The Board has been looking to explore new investments and strategic acquisitions to improve the quality of its business operations and enhance its financial performance.
- 3.2 According to McKinsey<sup>2</sup> in 2021, consumers are already conditioned to shop around for financial services products and are drawn to solutions that help them find the best deal among loans, credit cards, investments, and non-banking products such as insurance and utility providers. Approximately 50 percent of the consumers consistently use comparison websites, a share that goes up to 70 percent in certain segments, such as tech-savvy professionals. The Board believes that the Proposed Acquisition would allow the Company to enter the financial services industry in Singapore and in the region, and will also enable the Company to transform its business.
- 3.3 The implied valuation of S\$55,438,000 ascribed by the Sellers as set out in paragraph 1.1 of **Appendix C** represents a premium of approximately 100% and 211% respectively to the Group’s net asset value of S\$27,723,000 as at 30 June 2022 and market capitalisation of S\$17,825,747 of the Company as at 28 October 2022. The Board believes that the Proposed Acquisition will therefore present shareholders the opportunity to realise a higher valuation of the Company.
- 3.4 The Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and its Shareholders through, *amongst others*, an increase in revenue of the Company by leveraging on the Target Business and that the Proposed Acquisition presents an opportunity for the Company to acquire a business with the potential for growth and to significantly increase the market capitalisation of the Company, with the added benefit of allowing the Company to access better analyst coverage and increased investor interest.

<sup>2</sup> The above information is extracted from <https://www.mckinsey.com/industries/financial-services/our-insights/financial-services-unchained-the-ongoing-rise-of-open-financial-data>. The information has not been verified by the Company or the Board. McKinsey & Company has not consented to the inclusion of the information for the purposes of Section 249 of the Securities and Futures Act 2001 of Singapore (“SFA”) and is not liable under sections 253 and 254 of the SFA.

## 4 KEY TERMS OF THE PROPOSED ACQUISITION

### 4.1 Purchase Consideration

- (a) The consideration for the Sale Shares payable by the Company to the Sellers is S\$221,529,000, subject to the adjustment mechanism as set out in paragraph 4.1(e) below ("**Consideration**"). For the purpose of assisting the Board in its analysis of the possible values of the Target Group, the Company has commissioned an independent valuer to conduct a desktop valuation. The indicative value of the Target Group, based primarily on the market approach, ranges between US\$130 million to US\$180 million as at 31 August 2022.
- (b) The Consideration was arrived after negotiations which were conducted on an arm's length basis and after agreeing to take into account, *inter alia*, an independent valuation of the Target Group to be conducted ("**Valuation**") before Completion.
- (c) The Consideration shall be satisfied by the Company by way of the allotment and/or issuance of the following to the Sellers:
  - (i) on Completion Date (as defined below), 356,517,051 new ordinary shares in the share capital of the Company ("**Consideration Shares**") at an issue price of S\$0.62137<sup>3</sup> per Consideration Share (post-Proposed Share Consolidation as defined in paragraph 4.9 and the adjustment mechanism as set out in paragraph 4.1(e) below) ("**Issue Price**"); and
  - (ii) within one (1) month following the Completion Date, the Anti-Dilutive Warrants as defined and set out in details in the adjustment mechanism set out in **Appendix C** to this Announcement ("**Adjustment Mechanism**").
- (d) In the event that the outstanding warrants issued by the Company in relation to the Shares ("**Outstanding Warrants**<sup>4</sup>") are exercised or any number of new Shares are issued prior to or on Completion Date, the Issue Price and number of Consideration Shares shall be adjusted in accordance with the Adjustment Mechanism.
- (e) Unless otherwise mutually agreed in writing between the Parties, where the premium of the Consideration over the Valuation exceeds by more than ten percent (10%) (i.e. the Valuation being lower than S\$199.38 million), the condition precedent as set out in paragraph C(e) of **Appendix D** to this Announcement would not be fulfilled and the SPA may be terminated by the Group. If the premium of the Valuation over the Consideration exceeds by more than ten percent (10%) (i.e. the Valuation being higher than S\$243.68 million), the Consideration shall be adjusted in accordance with the formula below:

$$\begin{array}{rcccl} \text{Adjusted} & & & & \\ \text{Consideration} & = & \text{Consideration} & + & \text{excess of appraised} \\ & & & & \text{value above} \\ & & & & \text{Consideration} \end{array}$$

provided that there shall be **no** adjustment to the Consideration if the Valuation falls within the range of S\$199.38 million to S\$243.68 million.

### 4.2 Conditions

Completion is conditional upon, *inter alia*, the conditions set out in **Appendix D** to this Announcement (the "**Conditions**", each a "**Condition**") being satisfied or waived in

<sup>3</sup> The issue price of S\$0.62137 per Consideration Share (post-Proposed Share Consolidation) represents a premium of 211% over volume weighted average market price on 28 October 2022 per Share (post-Proposed Share Consolidation) of S\$0.20.

<sup>4</sup> Consisting of "2018 Warrants A" with an exercise price of S\$0.002 with expiry on 30<sup>th</sup> January 2023 and "2018 Warrants B" with an exercise price of S\$0.002 with expiry on 26<sup>th</sup> July 2023. As at the date of this Announcement, the warrant exercise price (pre-Proposed Share Consolidation) are out-of-the-money when compared to the volume weighted average market price on 28 October 2022 of S\$0.001 but are in-the-money when compared to Issue Price on a post-Proposed Share Consolidation basis.

accordance with the terms of the SPA. Other than the Proposed Acquisition, the SPA does not contain any provisions in relation to any put or call options to acquire or dispose any assets.

#### 4.3 Completion

- (a) Completion is expected to take place on the date no later than ten (10) business days after the date on which all the Conditions (other than Conditions to be fulfilled on the Completion Date) are satisfied or waived by the Company or the Sellers (as the case may be) in accordance with the terms of the SPA, or such other date as may be mutually agreed in writing by the Parties ("**Completion Date**").
- (b) If the Conditions are not satisfied or waived by the Company or the Sellers (as the case may be) by 28 February 2023, being the expiry of four (4) months from the date of the SPA, or such other date as may be mutually agreed in writing between the Parties ("**Longstop Date**"), the SPA shall terminate automatically and no party shall have any claim against any other party with respect to any fact, matter or circumstance that gave rise to such non-satisfaction of such Condition save for antecedent breaches and claims for costs and expenses pursuant to paragraph 4.12 below, provided that such other party had used reasonable endeavours to achieve satisfaction of each Condition.

#### 4.4 Moratorium Undertakings

- (a) On Completion, the Target Group Companies will become wholly-owned subsidiaries of the Company and the relevant persons entitled to receive Consideration Shares under the SPA ("**Relevant Allottees**") shall hold approximately 75.8% of the enlarged share capital of the Company after Completion, subject to the assumptions set out in paragraph 7.
- (b) As a completion deliverable, each of the Founder, Robert Edward Bier, Kakaku.com Inc., Golden Gate Ventures Fund ESFV Pte. Ltd., Golden Gate Ventures Fund II L.P., Golden Gate Ventures Pte. Ltd., Golden Gate Ventures Incubator Annex Pte. Ltd. and Straits Capital Investments Pte. Ltd. (or, if any of the foregoing Sellers transfers any of its Sale Shares to any other person between the date of the SPA and the Completion Date, such transferee) shall provide their written undertakings, in a form to be mutually agreed in writing between the Sellers and the Company, in relation to compliance with the moratorium requirements on the transfer or disposal of their shareholding interests in the Company following Completion, in accordance with the Catalist Rules or as prescribed by the SGX-ST.

#### 4.5 Subsidiaries Disposal

- (a) The Company undertakes to complete the disposal of all of the equity interests held by the Company in its subsidiaries to any third party buyer, on an "as is where is" basis, as soon as possible after Completion and in any event no later than the expiry of ninety (90) days from the Completion Date ("**Subsidiaries Disposal**").
- (b) The Company shall engage an independent valuer to conduct a valuation on the Company's subsidiaries for the purpose of the Subsidiaries Disposal, which valuation shall reflect a value of the Company's subsidiaries of not less than S\$10 million.
- (c) If the Company fails to complete the Subsidiaries Disposal in accordance with paragraph 4.5(a), the Company shall allot and issue to the Relevant Allottees (as defined below) such number of Shares, credited as fully paid up, such that the Relevant Allottees and Sansa Advisors Pte. Ltd. ("**SAPL**") shall hold in aggregate ninety (90%) of the share capital of the Company at the time of issue.
- (d) If the Company completes the Subsidiaries Disposal in accordance with paragraph 4.5(a) but the proceeds received from the Subsidiaries Disposal (net of any costs and expenses) ("**Sale Proceeds**") is less than S\$10 million, the Company shall allot and

issue to the Relevant Allottees such number of Shares, credited as fully paid up, calculated as follows:

$$\begin{array}{l} \text{Number of Shares} \\ \text{(rounded up to the} \\ \text{nearest whole share)} \end{array} = \frac{\text{S\$10 million – Sale Proceeds}}{\text{Price per Consolidated Share}}$$

- (e) Any Shares issued pursuant to paragraphs 4.5(c) and/or 4.5(d) shall be referred to as the “**Additional Consideration Shares**”.

#### 4.6 Indemnity

- (a) Each Seller covenants with the Company to indemnify and hold harmless the Company or at its option, the Target Group, from and against any and all losses which the Company or Target Group (as the case may be) may at any time and from time to time sustain, incur or suffer (including any enforcement costs, charges and expenses that may be incurred by the Company or the Target Group in taking reasonable rectification action or defence costs) by reason of, arising from or otherwise connected with:
- (i) any breach of the Sellers’ Warranties; or
  - (ii) any default by the Sellers of their obligations under the SPA.
- (b) The Company covenants with the Sellers to indemnify and hold harmless the Sellers from and against any and all losses which the Sellers may at any time and from time to time sustain, incur or suffer (including any enforcement costs, charges and expenses that may be incurred by the Sellers in taking reasonable rectification action or defence costs) by reason of, arising from or otherwise connected with:
- (i) any breach of any of the Company’s warranties under the SPA;
  - (ii) in relation to or arising from any transaction effected or deemed to have been effected on or before the Completion Date;
  - (iii) any liability incurred by the Company in connection with the Subsidiaries Disposal; or
  - (iv) any default by the Company of its obligations under the SPA.
- (c) Where a Seller is liable under paragraph 4.6(a) (“**Breaching Seller**”), the Company shall repurchase at zero consideration such number of Consideration Shares received by the Breaching Seller calculated as follows (“**Share Buyback**”):

$$\begin{array}{l} \text{Number of Shares} \\ \text{(rounded up to the} \\ \text{nearest whole share)} \end{array} = \frac{\text{Amount of losses for which the Breaching Seller} \\ \text{is liable}}{\text{Price per Consolidated Share}}$$

Any Consideration Shares repurchased pursuant to the Share Buyback shall be held by the Company as treasury shares.

- (d) Where the Company is liable under paragraph 4.6(b), the Company shall allot and issue to the Relevant Allottees (in each case, who are at such time Shareholders) an aggregate number of Shares, credited as fully paid up (“**Indemnification Shares**”) calculated as follows:

$$\begin{array}{l} \text{Number of Shares} \\ \text{(rounded up to the} \\ \text{nearest whole share)} \end{array} = \frac{\text{Amount of losses for which the Company is liable}}{\text{Price per Consolidated Share}}$$

#### 4.7 **Maximum Liability of the Company**

The aggregate liability of the Company for all claims under the SPA (other than claims relating to the Subsidiaries' Disposal pursuant to paragraphs 4.5(c), 4.5(d) and 4.6(b)(iii)) shall not in aggregate exceed an amount of S\$5 million.

#### 4.8 **Time limits**

No party shall be liable in respect of a claim under the SPA unless such party has given notice in writing of such claim to the other party:

- (a) within the period of eighteen (18) months after the Completion Date if such claim is in respect of a breach of the Sellers' fundamental warranties, the Company's fundamental warranties, the warranties relating to taxation, or in relation to paragraph 4.6(b)(iii); or
- (b) within the period of twelve (12) months after the Completion Date if such claim is in respect of any other provision of the SPA.

#### 4.9 **Proposed Share Consolidation**

- (a) The Company may, in connection with the Proposed Acquisition, propose the consolidation of two hundred (200) Shares of the Company into one (1) consolidated share (the "**Consolidated Share**", and such ratio shall be defined as the "**Share Consolidation Ratio**"), to take effect on or before Completion ("**Proposed Share Consolidation**"), so as to satisfy Catalist Rule 1015(3)(c) relating to the minimum issue price of the Consideration Shares.
- (b) In the event any number of new Shares are issued (whether due to Outstanding Warrants being exercised or otherwise) prior to or on Completion Date, the Share Consolidation Ratio shall be adjusted in accordance with the Adjustment Mechanism.
- (c) The Proposed Share Consolidation will be subject to the approval of the Shareholders and will be effected prior to the issue and allotment of the Consideration Shares. In such an event, the Consideration Shares to be issued and allotted to the Relevant Allottees, and SAPL will comprise the Consolidated Shares and the number of Consideration Shares to be issued will be adjusted according to the Proposed Share Consolidation.

#### 4.10 **Proposed Whitewash Resolution**

- (a) Upon the issue of the Consideration Shares to the Sellers and SAPL, the Relevant Allottees will consequently own approximately 75.8% of the enlarged share capital of the Company upon Completion, subject to the assumptions set out in paragraph 7. The Sellers and parties acting or presumed to be acting in concert with the Sellers ("**Concert Group**") will therefore be required under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") to make a general offer for the remaining Shares of the Company not owned or controlled by the Sellers and their Concert Group at the highest price paid or agreed to be paid by any of them for the Shares in the preceding six (6) months.
- (b) Accordingly, it is a condition precedent to the Proposed Acquisition that the Securities Industry Council ("**SIC**") grants the Sellers and their Concert Group (and not having been withdrawn, suspended, amended or revoked such grant) a waiver of their obligation to make a mandatory general offer (arising from or in connection with the

acquisition of the Consideration Shares) under Rule 14 of the Code to the independent Shareholders and from having to comply with the requirements of Rule 14 of the Code, and where any waiver is subject to conditions, such conditions being reasonably satisfactory to the Sellers and their Concert Group and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect ("**Whitewash Waiver**"), and that independent Shareholders of the Company approve at the EGM to be convened, an ordinary resolution on a poll taken, for the waiver of their rights to receive a mandatory general offer under Rule 14 of the Code from the Sellers and their Concert Group for all Shares not already owned by the Sellers and their Concert Group, in connection with the issue of the Consideration Shares to the Sellers at Completion ("**Proposed Whitewash Resolution**").

#### 4.11 Other Proposed Corporate Actions

In connection with the Proposed Acquisition and in addition to the abovementioned transactions (being the Proposed Share Consolidation and the Proposed Whitewash Resolution), the Company will also be seeking approval from its Shareholders for *inter alia*:

- (a) the change in core business of the Company to include the Target Business;
- (b) the appointment of new Directors;
- (c) the change of name of the Company;
- (d) the allotment and issuance of PPCF Shares (as defined in paragraph 4.14);
- (e) the allotment, issuance and subscription of Compliance Placement Shares (as defined in Appendix D), if required;
- (f) the issue of the Anti-Dilutive Warrants; and
- (g) the adoption of a new constitution of the Company.

Please refer to paragraph B(a) of Appendix D for the exhaustive list of proposed corporate actions which the Company will be seeking approval of its Shareholders at the EGM to be convened.

#### 4.12 Deposit

- (a) Each of the Company and the Sellers' Representative (on behalf of the Sellers) has paid a deposit of S\$250,000 (each a "**Company's Deposit**" or "**Sellers' Deposit**" (as the case may be) and together, the "**Deposit**") to the Company on the date of the SPA to secure the Company's and Sellers' obligations under the SPA respectively.
- (b) In the event that the SPA is terminated prior to Completion pursuant to the Company exercising its termination right under the SPA, the Company shall be entitled to retain an amount equivalent to the costs and expenses in connection with the Proposed Acquisition and all other transactions under the SPA ("**RTO and Compliance Costs and Expenses**") reasonably incurred by the Company up to the date on which the SPA is terminated and thereafter, refund any remaining amount (without any interest thereon) from the Sellers' Deposit to the Sellers' account as soon as practicable and in any event within thirty (30) days from the date on which the SPA is terminated.
- (c) In the event that the SPA is terminated prior to Completion pursuant to the Sellers' Representative exercising its termination right under the SPA, the Company shall refund an amount equivalent to (i) the Sellers' Deposit plus (ii) the RTO and Compliance Costs and Expenses reasonably incurred by or on behalf of the Sellers up to the date on which the SPA is terminated to the Sellers' account as soon as practicable and in any event within thirty (30) days from the date on which the SPA is terminated.



- (d) If Completion occurs, the Company shall refund the Sellers' Deposit (without any interest thereon) to the Sellers' account.

#### 4.13 Costs and Expenses

- (a) In the event the requisite approvals for the Proposed Acquisition (including the approval of the SGX-ST, the Whitewash Waiver and the approval of the Shareholders) are not obtained due to the fault of either the Sellers or the Company (as the case may be), the defaulting party shall bear the RTO and Compliance Costs and Expenses of the non-defaulting party up to a maximum amount of S\$500,000.
- (b) In the event the approval of the SGX-ST for the Proposed Acquisition or the Whitewash Waiver is not obtained through no fault of either the Sellers or the Company, or the Parties mutually agree to terminate the SPA for whatever reason (other than as set out above), the RTO and Compliance Costs and Expenses shall be shared equally between the Company and the Sellers, in an amount of up to S\$250,000 each.
- (c) The Company shall bear the stamp duty payable on the transfer of the Sale Shares from the Sellers to the Company ("**Stamp Duty**"). Save for the Stamp Duty, each party shall bear its own relevant taxes payable under or in connection with the Proposed Acquisition.

#### 4.14 PPCF Shares

The professional fees in respect of the financial advisory services rendered by PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") to the Company in connection to the Proposed Acquisition, payable upon Completion, shall be satisfied partially by the allotment and issuance of 402,337 Consolidated Shares at the Issue Price ("**PPCF Shares**"), or such number as determined in accordance with the Adjustment Mechanism, subject to the assumptions set out in paragraph 7. Please refer to paragraph 7 for an illustration of the number of PPCF Shares to be issued upon Completion.

#### 4.15 SAPL Shares

The Company shall allocate, from the pool of Consideration Shares, 18,505,836 Consideration Shares issued at the Issue Price as adjusted in accordance with the Adjustment Mechanism, subject to the assumptions set out in paragraph 7, in satisfaction of the success fees of S\$11,498,971 payable to SAPL as the Target Company's financial adviser ("**SAPL Shares**"). Please refer to paragraph 7 for an illustration of the number of SAPL Shares to be issued upon Completion.

#### 4.16 Representations and Warranties

The Proposed Acquisition is subject to such further undertakings and warranties from the Company and the Sellers ("**Sellers' Warranties**") as are customary for transactions of similar nature and as provided in the SPA. The Sellers' Warranties are given by the Sellers on a several basis.

### 5 THE PROPOSED ACQUISITION AS A REVERSE TAKEOVER

- 5.1 The relative figures of the Proposed Acquisition computed on the bases set out in Catalyst Rules 1006(a) to 1006(e) are as follows:

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable <sup>(1)</sup>

<b>1006(b)</b>	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. <sup>(2)</sup>	61% <sup>(3)</sup>
<b>1006(c)</b>	The aggregate value of the consideration given or received, compared with the Group's market capitalisation based on the total number of issued shares excluding treasury shares.	1,243% <sup>(4)</sup>
<b>1006(d)</b>	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	400% <sup>(5)</sup>
<b>1006(e)</b>	The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(6)</sup>

**Notes:**

- (1) Rule 1006(a) of the Catalyst Rules is not applicable to an acquisition of assets.
- (2) Under Rule 1002(3)(b) of the Catalyst Rules, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) The net loss attributable to the Target Group based on the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2021 was S\$10,838,000. The Group's net loss in the computation of the relative figure under Rule 1006(b) was based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2022, being S\$17,721,000.
- (4) Under Rule 1003(3) of the Catalyst 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 net asset value represented by such shares, whichever is higher. As such, for the purpose of Rule 1006(c) of the Catalyst Rules, the consideration for the Proposed Acquisition is deemed to be S\$221,529,000 (being the Consideration). The Company's market capitalisation of S\$17,825,747 is determined by multiplying the ordinary issued share capital of the Company of 17,825,747,028 Shares with the volume weighted average price of S\$0.001 (*Source: Bloomberg L.P.*) on the last full market day on which the Company's Shares were transacted on the SGX-ST on 28 October 2022. In the event that the Company fails to complete the Subsidiaries Disposal in accordance to paragraph 4.5(a) and where the Company is liable under paragraph 4.6(b), the Consideration may potentially increase by up to S\$15 million after Completion and the 1006(c) ratio shall be 1,327%.
- (5) The number of Consideration Shares to be issued by the Company as consideration for the Proposed Acquisition and SAPL Shares are 356,517,051 Shares, subject to the Adjustment Mechanism. The number of Shares in issue as at the date of this Announcement is 17,825,747,028 Shares and the number of Shares post-Proposed Share Consolidation is envisaged to be 89,128,732. In the event that the Company fails to complete the Subsidiaries Disposal in accordance to paragraph 4.5(a) and where the Company is liable under paragraph 4.6(b), the number of Shares may potentially increase depending on the increase in the Consideration of up to S\$15 million after Completion and the 1006(d) ratio shall be 427%.
- (6) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

5.2 Notwithstanding the negative relative figure computed under Catalyst Rule 1006(b), the relative figures under Catalyst Rules 1006(c) and 1006(d) exceed 100% and the Proposed Acquisition will result in a change in control of the Company as the Relevant Allottees are envisaged to hold approximately 75.8% of the enlarged share capital of the Company upon Completion. Accordingly, the Proposed Acquisition constitutes a "Reverse Take-over" transaction as defined under Chapter 10 of the Catalyst Rules and will be subject to, *inter alia*, the approval of the Shareholders at an EGM to be convened. Further information on, *inter alia*, the Proposed Acquisition will be provided in the Circular.

## 6 PRO-FORMA FINANCIAL EFFECTS

The pro-forma financial effects of the Proposed Acquisition are set out in **Appendix E** to this

Announcement.

## 7 SHAREHOLDING EFFECTS

For illustrative purposes only and based on the shareholding structure of the Company as at the date of this Announcement, it is envisaged that upon Completion and based on the following assumptions:

- (a) no Outstanding Warrant is exercised prior to 5.00 pm (Singapore time) on Completion Date;
- (b) the Share Consolidation Ratio shall be 200 and the price per Consolidated Share post completion of the Proposed Share Consolidation shall be S\$0.62137;
- (c) the completion of the Proposed Share Consolidation, the Proposed Acquisition, the issuance of PPCF Shares and the Compliance Share Placement (if required) has taken place,

the shareholding structure of the Company before and after the completion of the Proposed Acquisition and Proposed Share Consolidation are as set out below. For the avoidance of doubt, the shareholding effects as shown below have not taken into account any issuance of shares pursuant to paragraph 4.1(e) or paragraph C(g) of **Appendix D** or Additional Consideration Shares or Indemnification Shares, or any repurchase of Shares pursuant to the Share Buyback post Completion Date.

Shareholders	Before the Proposed Acquisition				After the Proposed Acquisition and Proposed Share Consolidation			
	No. of Shares (direct)	(%) <sup>(1)</sup>	No. of Shares (deemed)	(%) <sup>(1)</sup>	No. of Consolidated Shares (direct)	(%) <sup>(2)</sup>	No. of Consolidated Shares (deemed)	(%) <sup>(2)</sup>
Relevant Allottees	-	-	-	-	338,011,215	75.8%	-	-
Oei Hong Leong	6,374,454,821	35.8%	-	-	31,872,274	7.2%	-	-
Toh Soon Huat	1,421,805,700	8.0%	-	-	7,109,028	1.6%	-	-
Dato' Dr Choo Yeow Ming	824,969,332	4.6%	352,479,500	2.0%	4,124,846	0.9%	1,762,397	0.4%
Hung Ying-Zhen @ Amy Ying-Fen Hung	954,300,000	5.3%	-	-	4,771,500	1.1%	-	-
Chew Soo Lin	32,400,036	0.2%	-	-	162,000	n.m. <sup>(5)</sup>	-	-
Lien Kait Long	34,501,500	0.2%	-	-	172,507	n.m. <sup>(5)</sup>	-	-
PPCF	-	-	-	-	402,337 <sup>(3)</sup>	0.1%	-	-
SAPL	-	-	-	-	18,505,836 <sup>(4)</sup>	4.1%	-	-
Other shareholders	7,830,836,139	43.9%	-	-	39,154,180	8.8%	-	-
<b>Total</b>	<b>17,473,267,528</b>	<b>98.0%</b>	<b>352,479,500</b>	<b>2.0%</b>	<b>444,285,723</b>	<b>99.6%</b>	<b>1,762,397</b>	<b>0.4%</b>

### Notes:

- (1) Percentage computed is based on 17,825,747,028 Shares in issue as at the date of this Announcement and is rounded off to the nearest one (1) decimal place.
- (2) Percentage computed is based on 446,048,120 Consolidated Shares after the completion of the Proposed Acquisition and the Proposed Share Consolidation, and is rounded off to the nearest one (1) decimal place. For the avoidance of doubt, all the figures stated herein after the Proposed Acquisition and the Proposed Share Consolidation are computed on a consolidated basis.
- (3) These Shares refer to the PPCF Shares, details of which are set out in paragraph 4.14.
- (4) These Shares refer to the SAPL Shares, details of which are set out in paragraph 4.15.
- (5) n.m. denotes not material.

## 8 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, and to the best of the Directors' knowledge, none of the controlling

Shareholders of the Company, and their respective associates, has any interest, direct or indirect, in the Proposed Acquisition other than through their directorships, or direct or indirect shareholdings in the Company, if any.

## **9 FINANCIAL ADVISER AND PLACEMENT AGENT**

The Company has appointed PrimePartners Corporate Finance Pte. Ltd., as the financial adviser and placement agent to the Company in respect of the Proposed Acquisition.

## **10 SERVICE CONTRACTS**

As at the date of this Announcement, the Company has not entered into any service contract with any person proposed to be appointed as a Director in connection with the Proposed Acquisition.

It is envisaged that the Company will, on or prior to Completion, enter into service contracts with certain directors and/or key executives of the Target Company to be appointed to the Board. It is also envisaged that the Company shall, upon Completion, effect changes to the composition of the Board and key management. The details of such appointments, service contracts (if any) and changes to the composition of the Board and key management will be set out in the Circular.

## **11 INDEPENDENT FINANCIAL ADVISER**

The Company will appoint an independent financial adviser (“IFA”) to advise the Directors of the Company on the Proposed Whitewash Resolution. The Directors of the Company will form its view on the Proposed Whitewash Resolution after taking into account the opinion of the IFA which will be set out in the Circular.

## **12 FURTHER INFORMATION AND DOCUMENTS AVAILABLE FOR INSPECTION**

- 12.1 The Circular setting out amongst others, the terms of the Proposed Acquisition, the Proposed Share Consolidation, Proposed Whitewash Resolution, together with a notice of EGM, will be despatched by the Company to Shareholders in due course.
- 12.2 A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 for three (3) months from the date of this Announcement.
- 12.3 The Company will update Shareholders on any material developments and will make such announcements as and when appropriate.

## **13 RESPONSIBILITY STATEMENT**

- 13.1 The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries (and such other transactions as contemplated in the SPA), and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement 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 Announcement in its proper form and context.
- 13.2 Each of the Sellers accept full responsibility for the accuracy of the information given in this Announcement in respect of itself, and confirms after making all reasonable enquiries, that to the best of its knowledge and belief, the facts stated and opinions expressed by it in this

Announcement in respect of itself are fair and accurate in all material respects as at the date hereof, and such Seller is not aware of any material facts in respect of itself the omission of which would make any statement in respect of itself in this Announcement misleading.

- 13.3 Vinod Nair, as one of the Sellers and Chief Executive Officer of the Target Group, accepts full responsibility for the accuracy of the information given in this Announcement in respect of the Target Group, and confirms after making all reasonable enquiries, that to the best of his knowledge and belief, the facts stated and opinions expressed by him in this Announcement in respect of the Target Group are fair and accurate in all material respects as at the date hereof, and he is not aware of any material facts in respect of the Target Group the omission of which would make any statement in respect of the Target Group in this Announcement misleading.

#### **14 CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to the Conditions and Due Diligence Investigations. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this Announcement. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the shares of the Company. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

#### **BY ORDER OF THE BOARD**

Dato' Dr. Choo Yeow Ming  
Chairman and Chief Executive Officer  
4 November 2022

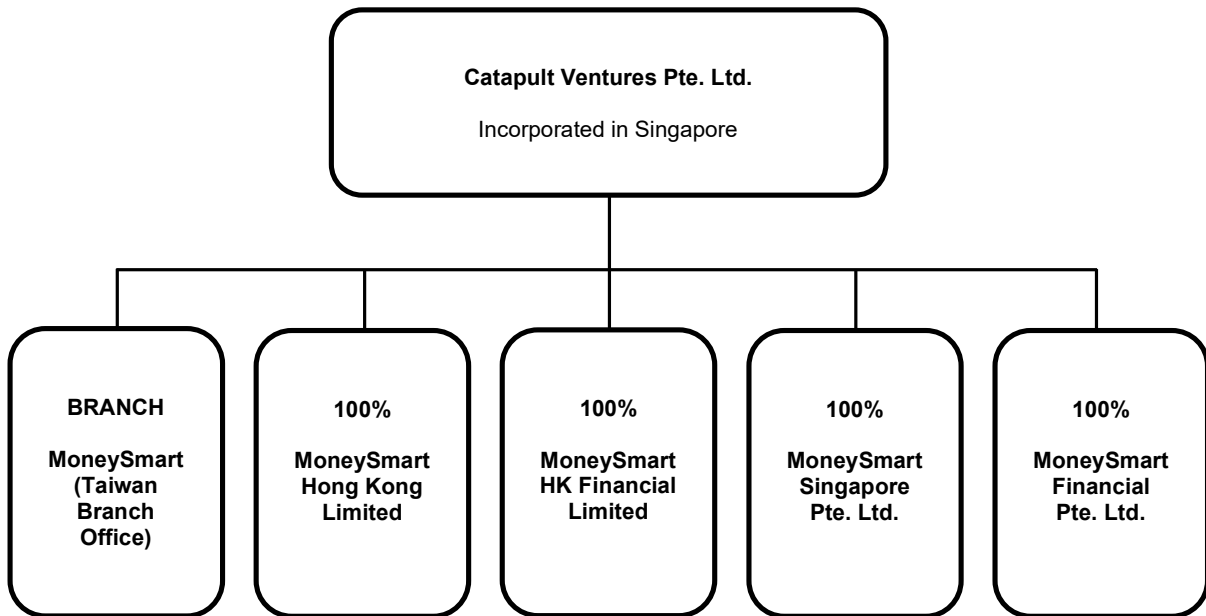
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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

## APPENDIX A

### Target Group Structure



## **APPENDIX B**

### **HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF THE TARGET GROUP**

The audited consolidated financial statements of the Target Group for the financial years ended 31 December ("FY") 2020 and 2021 are set out below.

#### **Consolidated Statements of Financial Position**

<b>(S\$'000)</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2021</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Deferred tax assets	10	-
Plant and equipment	204	21
Rights-of-use assets	1,489	1,094
Goodwill	-	-
Other assets	35	-
<b>Total non-current assets</b>	<b>1,738</b>	<b>1,115</b>
<b>Current assets</b>		
Trade and other receivables	8,003	9,824
Other assets	640	300
Cash and cash equivalents	4,910	4,586
<b>Total current assets</b>	<b>13,553</b>	<b>14,710</b>
<b>Total assets</b>	<b>15,291</b>	<b>15,825</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	31,451	39,045
Share options reserve	430	961
Translation reserve	103	(44)
Accumulated losses	(25,103)	(34,448)
<b>Total equity</b>	<b>6,881</b>	<b>5,514</b>
<b>Non-current liability</b>		
Lease liabilities	996	621
<b>Total non-current liability</b>	<b>996</b>	<b>621</b>
<b>Current liabilities</b>		
Provision	102	102
Trade and other payables	6,665	8,686
Lease liabilities	531	566
Other liabilities	116	336
<b>Total current liabilities</b>	<b>7,414</b>	<b>9,690</b>
<b>Total liabilities</b>	<b>8,410</b>	<b>10,311</b>
<b>Total equity and liabilities</b>	<b>15,291</b>	<b>15,825</b>

# **Consolidated Statements of Comprehensive Income**

<b>(S\$'000)</b>	<b>FY2020</b>	<b>FY2021</b>
<b>Revenue</b>	23,375	31,593
Cost of sales	(14,142)	(21,365)
<b>Gross profit</b>	9,233	10,228
Other income and gains	1,454	1,388
Administrative expenses	(12,058)	(22,311)
Other losses	(213)	(28)
Finance costs	(80)	(115)
<b>Loss before income tax</b>	(1,664)	(10,838)
Income tax expense	-	-
<b>Loss, net of income tax</b>	(1,664)	(10,838)
<b>Other comprehensive income/(loss)</b>		
Exchange differences on translating foreign operations, net of tax	12	(146)
<b>Total comprehensive loss</b>	(1,652)	(10,984)



## **APPENDIX C**

### **ADJUSTMENT MECHANISM**

#### **1. Issue Price and Share Consolidation Ratio**

In the event any number of new Shares are issued (whether due to Outstanding Warrant(s) being exercised or otherwise) prior to or on the Completion Date, the Issue Price and Share Consolidation Ratio as at Completion Date shall be adjusted in the order and manner set out below.

For the purposes of this Adjustment Mechanism, references to "Completion Date" shall refer to 5.00 pm (Singapore time) of the Completion Date.

##### **1.1 Issue Price**

The Issue Price as at the Completion Date (prior to the Proposed Share Consolidation) shall be calculated based on the formula below:

$$\text{Issue Price (rounded to 5 decimal places)} = \frac{\$55,438,000}{X}$$

where:

X = The number of Shares as at the Completion Date prior to the Proposed Share Consolidation and the Compliance Share Placement (if required) and excluding the PPCF Shares

\$55,438,000 = the implied valuation of the Company derived from the original Issue Price (being S\$0.00311) multiplied by the number of Shares in issue as at the date of the SPA (being 17,825,747,028 Shares).

##### **1.2 Share Consolidation Ratio**

Should the Price per Consolidated Share with a Share Consolidation Ratio of 200 be below S\$0.20, the Share Consolidation Ratio as at the Completion Date shall be adjusted upwards in multiples of 10 (and being no lower than 200), such that the Price per Consolidated Share will be no less than S\$0.20 in order to comply with Rule 1015(3)(c) of the Catalist Listing Rules.

##### **1.3 Price per Consolidated Share**

The Price per Consolidated Share as at the Completion Date shall be calculated based on the formula below:

Price per Consolidated Share = Issue Price (as computed in 1.1 above) x Share Consolidation Ratio

##### **1.4 Number of Consideration Shares**

The number of Consideration Shares as at the Completion Date shall be calculated based on the formula below:

$$\text{Number of Consideration Shares} = \frac{\text{Consideration}}{\text{Price per Consolidated Share as computed in 1.3 above}}$$

**2. Issuance of warrants to the Sellers**

- 2.1 Upon completion of the Proposed Share Consolidation, the Company, in consultation with the Company's financial adviser, shall adjust the exercise price and the number of Warrants in accordance with condition 5 of the terms and conditions of the relevant Deed Poll ("**Warrants Adjustments**"). The Warrants Adjustments shall be certified by the auditors of the Company.
- 2.2 Thereafter, in order to prevent any dilutive effects of an enlarged share capital of the Company due to the exercise of any Warrant(s) each of the Relevant Allottees shall be issued with four (4) non-transferable warrants for every one (1) Warrant held, post completion of the Warrants Adjustments, bearing the same expiry date and exercise price ("**Anti-Dilutive Warrants**").

## **APPENDIX D**

### **KEY CONDITIONS**

The obligation of the Parties under the SPA to complete the Proposed Acquisition are conditional upon, *inter alia*, the following salient conditions being satisfied, fulfilled or waived, as the case may be, before Completion:

#### **A. Conditions to be satisfied by the Seller**

- (a) the Target Group having obtained all applicable Authorisations<sup>5</sup> which are necessary under any applicable law to:
  - (i) enable the Company to be registered as holder of any and all of the Sale Shares;
  - (ii) to give effect to all transactions contemplated under the SPA;
  - (iii) carry on its business activities and operations in the usual way so as to undertake and maintain the Target Business as a going concern,such Authorisations not having been revoked, expired, amended or withdrawn on or before the Completion Date, and where any such Authorisation is subject to conditions, such conditions being acceptable to the Company in its reasonable discretion and opinion and if required to be fulfilled by a particular date, being so fulfilled, and such Authorisation remaining valid and in full force and effect, where applicable;
- (b) the results of a due diligence exercise (including legal, accounting, financial, technical, operational, business and tax due diligence, as would be required for transactions of such nature) ("**Due Diligence Investigations**") over the Target Group and investigations on its controlling shareholder(s) and their associates, and its executive director(s) and key executive officers, being reasonably satisfactory to the Company and the Company's financial adviser;
- (c) the rectification, or the procurement of such rectification, to the reasonable satisfaction of the Company and the Company's financial adviser, by the Sellers, of all material issues or irregularities uncovered by the Company and its Representatives during the Due Diligence Investigations on the Target Group;
- (d) there not having occurred any matter, fact or circumstance which would have a Material Adverse Effect<sup>6</sup> on the assets and liabilities, Target Business or financial condition of the Target Group (taken as a whole);
- (e) the Sellers not having breached any material provision of the SPA;
- (f) all such other necessary approvals, waivers and consents having been granted in connection with the SPA (and not having been withdrawn, suspended, amended or revoked) by any existing lenders of any Target Group Company or any third party who is a contracting party to any agreement that is material to the Target Business, and where any approvals, waivers or consents are subject to conditions, such conditions being reasonably satisfactory to the Company and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining

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<sup>5</sup> "**Authorisations**" is defined under the SPA to mean all licences, consents, approvals, permits, registrations, accreditations, certifications and other authorisations given and/or issued by any regulatory authority that are necessary or material to the Target Business.

<sup>6</sup> Defined under the SPA to mean any financial impact which would reduce the net profits or net asset value of any Target Group Company by more than 10% or S\$500,000 (whichever is the higher), by comparing the corresponding line items as set out in the management accounts against the unaudited accounts for the prior financial year.

valid and in full force and effect, where applicable;

**B. Conditions to be satisfied by the Company**

- (a) such necessary approval(s) in connection with the SPA having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, including the approval of the Board and the approval of the Shareholders in a general meeting for, amongst others:
  - (i) the Proposed Acquisition;
  - (ii) the Proposed Whitewash Resolution;
  - (iii) the Proposed Share Consolidation;
  - (iv) the appointment of such persons as the Sellers may nominate as directors of the Company in accordance with the SPA;
  - (v) the allotment and issuance of the Consideration Shares, Additional Consideration Shares and if and when applicable, the Indemnification Shares;
  - (vi) the allotment and issuance of the PPCF Shares;
  - (vii) the adoption of a new general mandate for the directors of the Company to issue and allot new Shares;
  - (viii) the change in the core business of the Company to include the Target Business;
  - (ix) the change of name of the Company;
  - (x) the allotment and issuance of the Compliance Placement Shares (if applicable) as soon as possible after the issuance of the Consideration Shares or any Additional Consideration Shares or Indemnification Shares (as the case may be) in each case in favour of the Relevant Allottees, in the event the percentage of the Shares of the Company that are held in public hands falls below the minimum distribution and shareholding spread requirements of 15 per cent (15%) under the Catalist Listing Rules to comply with the shareholding spread and distribution requirements set out in Rule 406 of the Catalist Listing Rules, if required (**"Compliance Share Placement"**);
  - (xi) the issuance of the Anti-Dilutive Warrants;
  - (xii) the issuance of the Adjusted Options<sup>7</sup>; and
  - (xiii) the adoption of a new constitution of the Company.
- (b) the allotment and issuance of the Consideration Shares, the Additional Consideration Shares and the Indemnification Shares (collectively, the **"Transaction Shares"**), the PPCF Shares, the Compliance Placement Shares and the Anti-Dilutive Warrants, as applicable, not being prohibited by any applicable law promulgated or issued after the date of the SPA by any Governmental Agency of Singapore or elsewhere, which is

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<sup>7</sup> Defined under the SPA to mean such number of restricted share units, options or other form of equity securities of the Company (such form as may be determined by the Company in its sole discretion) that are, or may become, convertible or exchangeable into or exercisable for Shares, to be issued to any current or former employee or contractor of the Target Group who is the holder of any unvested options pursuant to the equity incentive plan adopted by the Target Company on 25 May 2018.

applicable to the Target Group and/or the Company;

- (c) the Company not having received notice of any Claim<sup>8</sup> or Order<sup>9</sup> restraining or prohibiting the entering into or the consummation of the transactions contemplated under the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (d) there being no trading halt or suspension of the Shares (which for the avoidance of doubt, shall not include any trading halts of the Shares of the Company on the SGX-ST made at the request of the Company pending announcements by the Company) or the Shares being delisted or subject to any delisting procedures by the SGX-ST and there not having occurred any matter, fact or circumstance that would affect the continued listing of the Shares on the SGX-ST;
- (e) the Company having obtained all applicable Authorisations which are necessary to (i) enable the Relevant Allottees and SAPL to be registered as holders of the Transaction Shares and Anti-Dilutive Warrants accordingly; and (ii) to give effect to all transactions contemplated under the SPA, and such Authorisations not having been revoked, expired, amended or withdrawn on or before the Completion Date, and where any such Authorisation is subject to conditions, such conditions being acceptable to the Sellers in their reasonable discretion and opinion and if required to be fulfilled by a particular date, being so fulfilled, and such Authorisations remaining valid and in full force and effect, where applicable;
- (f) the results of a due diligence exercise (including legal, accounting, financial, technical, operational, business and tax due diligence, as would be required for transactions of such nature) ("**Sellers' Due Diligence Investigations**") over the Group and investigations on the Company's substantial shareholders and their associates, and its executive director(s) and key executive officers, being reasonably satisfactory to the Sellers;
- (g) the rectification, or the procurement of such rectification, to the reasonable satisfaction of the Sellers, by the Company, of all material issues or irregularities uncovered by the Sellers and their Representatives during the Sellers' Due Diligence Investigations on the Group;
- (h) there not having occurred any matter, fact or circumstance which would have a material adverse effect on the assets and liabilities, business or financial condition of the Group (taken as a whole);
- (i) the Company not having breached any material provision of the SPA;
- (j) all such other necessary approvals, waivers and consents having been granted in connection with the SPA (and not having been withdrawn, suspended, amended or revoked) by any existing lenders of any Group or any third party who is a contracting party to any agreement that is material to the business of the Company, and where any approvals, waivers or consents are subject to conditions, such conditions being reasonably satisfactory to the Sellers and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect, where applicable;
- (k) to the extent permitted by applicable law, the Company having obtained an irrevocable undertaking from each of the Company's substantial shareholder to (and procure the

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<sup>8</sup> As defined under the SPA to mean all claims, demands, actions, suits, proceedings, investigations, losses, damages (excluding any indirect, consequential, incidental, special, punitive or exemplary damages) and all other direct claims of any kinds or nature or description whatsoever and howsoever arising.

<sup>9</sup> As defined under the SPA to mean any applicable order, judgment, injunction, award, decree, writ or directive made under any applicable law.

voting of their respective associates to):

- (i) to vote in favour of the transactions contemplated under the SPA including the Whitewash Resolution;
  - (ii) not to dispose all or any part of their Shares until after the conclusion of the EGM to be convened in relation to the Proposed Acquisition and other transactions contemplated under the SPA; and
  - (iii) in the event any of the Company's substantial shareholders acquires Shares in the period between the date of the irrevocable undertaking and the EGM to be convened in relation to the Proposed Acquisition, whether in an on-market or off-market transaction, or by way of exercise of convertibles, such Shares acquired shall be subject to the terms of the irrevocable undertaking; and
- (l) the completion of the Proposed Share Consolidation.

**C. Other Conditions**

- (a) the Target Group and the Enlarged Group each having satisfied the listing criteria under the Catalist Listing Rules;
- (b) the approval of the SGX-ST (where applicable) for the transactions contemplated under the SPA, including, *inter alia*, the Proposed Acquisition, the Proposed Share Consolidation, and the listing of, and quotation for, the Transaction Shares, the Compliance Placement Shares, the PPCF Shares and any Shares to be listed pursuant to the exercise of the Anti-Dilutive Warrants on the Catalist Board, if required, having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and, where such approval is subject to any conditions, to the extent that such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (c) Whitewash Waiver;
- (d) an unqualified opinion from the IFA that the terms of the Proposed Acquisition are fair and reasonable and not prejudicial to the interests of the Independent Shareholders and to recommend to the Independent Shareholders of the Company to vote in support of the Proposed Whitewash Resolution;
- (e) the issue of a valuation report in a form satisfactory to the Company, reflecting an appraised value of not lower than S\$199.38 million in addition to satisfying the conditions in the SPA;
- (f) the approval of the Monetary Authority of Singapore under section 87(2) of the Insurance Act 1966 of Singapore and/or the licence condition of the key licences for the Proposed Acquisition having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and, where such approval is subject to any conditions, to the extent that such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled; and

- (g) On or prior to Completion, the Company shall have (i) unrestricted and unencumbered cash-on-hand in an aggregate amount of no less than S\$25 million (whether through the completion of a private placement of Shares that would raise no less than S\$25 million gross proceeds at a pre-money valuation of no less than S\$221,529,000 or otherwise) or (ii) received executed contractual commitments (in a form reasonably satisfactory to the Sellers' Representative) pursuant to which such persons have agreed to provide unrestricted and unencumbered cash in an aggregate amount of no less than S\$25 million to the Company immediately following Completion.

## **APPENDIX E**

### **ILLUSTRATIVE PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED SHARE CONSOLIDATION**

#### **BASES AND ASSUMPTIONS**

1. The pro-forma financial effects of the Proposed Acquisition and Proposed Share Consolidation on the Company as set out in this Appendix E are based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2022 and the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2021. The pro-forma financial summary below is presented in Singapore Dollars.
2. For the purposes of illustrating the financial effects of the Proposed Acquisition and Proposed Share Consolidation, the financial effects have been prepared based on, *inter alia*, the following basis and assumptions:
  - (a) the financial effects of the Proposed Acquisition and Proposed Share Consolidation on the earnings per Share (“**EPS**”) of the Company are computed assuming that the Proposed Acquisition and Proposed Share Consolidation is completed on 1 July 2021;
  - (b) the financial effects of the Proposed Acquisition and Proposed Share Consolidation on the net tangible assets (“**NTA**”) and gearing of the Company are computed assuming that the Proposed Acquisition and Proposed Share Consolidation is completed on 30 June 2022;
  - (c) no adjustments have been made to account for the different financial year ends and accounting standards of the Company with that of the Target Group;
  - (d) the analysis takes into account the financial effects from the allotment and issuance of the PPCF Shares;
  - (e) the analysis does not take into account any other transaction(s) completed by the Company subsequent to 30 June 2022 (including any issuance of shares pursuant to paragraph 4.1(e) or paragraph C(g) of **Appendix D** or Additional Consideration Shares or Indemnification Shares, or any repurchase of Shares pursuant to the Share Buyback post Completion Date); and
  - (f) the fair value adjustments on the net assets of the Company, goodwill and intangible asset(s) arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on or after the Completion Date (as the case may be) when the Sellers have effectively obtained control of the Company, subject to purchase price allocation exercise to be performed pursuant to FRS103 Business Combinations. As the goodwill, intangible asset(s) and fair value adjustments on the net assets will have to be determined at Completion of the Proposed Acquisition, the net assets of the Group could be materially different from the aforementioned assumption. Any goodwill, intangible asset(s) and fair value adjustments on the net assets arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company and the applicable Singapore Financial Reporting Standards.

**Shareholders should note that the pro-forma financial effects of the Proposed Acquisition and Proposed Share Consolidation as prepared by management has not been reviewed by auditors of the Company and are purely for illustrative purposes only. The illustrative financial effects should not be construed to mean that the Company’s actual results, performance or achievements will be as expected, expressed or implied in such financial effects.**



## PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED SHARE CONSOLIDATION

The effects of the Proposed Acquisition and Proposed Share Consolidation on the share capital, EPS, NTA and gearing of the Company for the financial year ended 30 June 2022 are as follows:

### 1. Share Capital

	<b>As at 30 June 2022</b>	
	<b>No. of shares</b>	<b>Issued and paid-up capital (S\$)</b>
Before the Proposed Acquisition and Proposed Share Consolidation	17,825,747,028	199,349,073
After the Proposed Share Consolidation	89,128,732	199,349,073
After the Proposed Share Consolidation and the Proposed Acquisition	446,048,120 <sup>(1)</sup>	421,128,073 <sup>(1)</sup>

**Note:**

- (1) Additional issued and paid-up capital of the Company amounting to S\$221,779,000 derived based on issuing 356,517,051 Consideration Shares and 402,337 PPCF Shares at S\$0.62317 each.

### 2. EPS

	<b>For the financial period ended 30 June 2022</b>	
	<b>Net Loss attributable to equity holders of the Company (S\$'000)</b>	<b>LPS (Singapore cents)<sup>(1)</sup></b>
Before the Proposed Acquisition and Proposed Share Consolidation	(13,945)	(0.08)
After the Proposed Share Consolidation and the Proposed Acquisition	(26,783) <sup>(2)</sup>	(6.00)

**Notes:**

- (1) Based on 17,825,747,028 Shares before the Proposed Acquisition and Proposed Share Consolidation and 446,048,120 Shares after the Proposed Acquisition and Proposed Share Consolidation .
- (2) The LPS of the Group after the Proposed Acquisition and Proposed Share Consolidation is derived after including the net loss attributable to the Target Group of approximately S\$10,838,000 and adding an estimated S\$2.0 million of associated costs involved for the Proposed Acquisition and Proposed Share Consolidation.

### 3. NTA <sup>(1)</sup>

	As at 30 June 2022	
	NTA of the Group <sup>(1)</sup> (S\$'000)	NTA per share <sup>(2)</sup> (Singapore cents)
Before the Proposed Acquisition and Proposed Share Consolidation	27,723	0.16
After the Proposed Share Consolidation and the Proposed Acquisition	31,487 <sup>(3)</sup>	7.06

**Notes:**

- (1) The NTA is inclusive of non-controlling interest but excluding deferred income tax liabilities.
- (2) Based on 17,825,747,028 Shares as at 30 June 2022 before the Proposed Acquisition and Proposed Share Consolidation and 446,048,120 Shares after the Proposed Share Consolidation and the Proposed Acquisition.
- (3) The NTA of the Group after the Proposed Acquisition and Proposed Share Consolidation is derived after including (i) the NTA of the Target Group which is approximately S\$5,514,000 as at 31 December 2021, (ii) the deduction of the estimated associated costs involved in the Proposed Acquisition and Proposed Share Consolidation payable in cash amounting to approximately S\$1.75 million.

### 4. Gearing

	As at 30 June 2022		
	Total Debt (S\$'000)	Total Equity (S\$'000)	Gearing Ratio <sup>(1)</sup> (times)
Before the Proposed Acquisition and Proposed Share Consolidation	9,836	27,723	0.35
After the Proposed Share Consolidation and the Proposed Acquisition	11,023 <sup>(2)</sup>	247,502 <sup>(3)</sup>	0.04

**Notes:**

- (1) The gearing ratio is derived by dividing total debt by total equity, including non-controlling interests.
- (2) The total debt of the Group after the Proposed Acquisition and Proposed Share Consolidation is derived after including borrowings of the Target Group of approximately S\$1,187,000.
- (3) The total equity of the Group after the Proposed Acquisition and Proposed Share Consolidation is derived after including the issue of Consideration Shares of S\$221,529,000 and PPCF Shares of S\$250,000, deducting the estimated associated costs involved in the Proposed Acquisition and Proposed Share Consolidation of S\$2.0 million.

**PRO-FORMA COMBINED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND PRO-FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP**

For illustrative purposes only, the pro-forma combined profit or loss and other comprehensive income and the pro-forma combined statement of financial position of the Enlarged Group (comprising the Group and Target Group) for the financial year ended 30 June 2022 (“**FYE2022**”) is set out below.

**1. Pro-Forma Combined Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2022**

	FYE2022
	S\$'000
<b>Revenue</b>	32,800
Cost of sales	<u>(21,606)</u>
<b>Gross profit</b>	11,194
Other gains/(losses), net	
- Interest income from bank deposits	1
- Others	(10,304)
Expenses	
- Distribution and marketing	(621)
- Administrative	(30,096)
- Finance	<u>(733)</u>
<b>Loss before income tax</b>	(30,559)
Income tax credit	<u>31</u>
<b>Net loss</b>	<u>(30,528)</u>
<b>Other comprehensive loss</b>	
<i><u>Items that may be reclassified subsequently to profit or loss:</u></i>	
Currency translation loss arising from consolidation	(168)
<i><u>Items that may not be reclassified subsequently to profit or loss:</u></i>	
Currency translation loss arising from consolidation	<u>(9)</u>
Other comprehensive loss, net of tax	<u>(177)</u>
<b>Total comprehensive loss</b>	<u><u>(30,705)</u></u>

	FYE2022
	S\$'000
<b>Net loss attributable to:</b>	
Equity holders of the Company	(26,783)
Non-controlling interests	(3,745)
	<u>(30,528)</u>
<b>Total comprehensive loss attributable to:</b>	
Equity holders of the Company	(26,951)
Non-controlling interests	(3,754)
	<u>(30,705)</u>
<b>Losses per share for loss attributable to equity holders of the Company (Singapore cents per share)</b>	
Basic and diluted loss per share	<u>(6.0)</u>

## 2. Pro-Forma Statements of Financial Position as at 30 June 2022

	As at 30 June 2022
	S\$'000
<b><u>ASSETS</u></b>	
<b>Current assets</b>	
Cash and cash equivalents	3,797
Trade and other receivables	11,221
Inventories	10
Other current assets	1,978
	<hr/>
	17,006
	<hr/>
<b>Non-current assets</b>	
Trade and other receivables	9,971
Development properties	14,843
Property, plant and equipment	18,217
Intangible assets	216,015
	<hr/>
	259,046
	<hr/>
<b>Total assets</b>	<hr/> <hr/> 276,052

	As at 30 June 2022
	S\$'000
<b><u>LIABILITIES</u></b>	
<b>Current liabilities</b>	
Trade and other payables	16,817
Borrowings	2,284
Provision for reinstatement costs	152
	<hr/>
	19,253
	<hr/>
<b>Non-current liabilities</b>	
Borrowings	8,739
Deferred income tax liabilities	558
	<hr/>
	9,297
	<hr/>
<b>Total liabilities</b>	<hr/> 28,550
	<hr/>
<b>Net assets</b>	<hr/> 247,502
	<hr/>
<b><u>EQUITY</u></b>	
<b>Capital and reserves attributable to equity holders of the Company</b>	
Share capital	417,517
Foreign currency translation reserve	(16,158)
Fair value reserve	(6,000)
Accumulated losses	(150,311)
	<hr/>
	245,048
<b>Non-controlling interests</b>	<hr/> 2,454
	<hr/>
<b>Total equity</b>	<hr/> 247,502
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## **APPENDIX F**

### List of Sellers

<b>S/N</b>	<b>Name of Seller</b>	<b>Percentage Shareholding</b>
1.	Vinod Nair	26.16%
2.	Kakaku.com, Inc.	24.36%
3.	Straits Capital Investments Pte. Ltd.	14.75%
4.	Jo Hirao	5.95%
5.	Kua Hua Hui Timothy	4.78%
6.	Golden Gate Ventures Pte. Ltd.	4.32%
7.	Robert Edward Bier	4.28%
8.	Daniel Mark Lynn	3.58%
9.	Golden Gate Ventures Fund ESVF Pte. Ltd.	2.09%
10.	SW3 Capital Ltd	1.33%
11.	Golden Gate Ventures Fund II L.P.	1.15%
12.	Golden Gate Ventures Incubator Annex Pte. Ltd.	0.98%
13.	Kwok Yang Bin	0.87%
14.	Runam Overseas Investment Inc.	0.83%
15.	Chia Chiow Kuan	0.82%
16.	Royston Tay Zhing Keak	0.76%
17.	Mohamed Ismail s/o Abdul Gafoore	0.66%
18.	Lim Tow Huat	0.66%
19.	Thomas Hunter Duncan	0.52%
20.	Andrew John Vranjes	0.30%
21.	Samuel Richard Bednall	0.22%
22.	Romnick Alegoza	0.20%
23.	Md Sajidur Rahman	0.11%
24.	Kelvin Teo Chee Keong	0.10%
25.	Janagyramen Jeganathan	0.07%
26.	Lim Sze Han	0.05%
27.	T3 Capital Limited	0.05%
28.	8Capita Partners Inc.	0.02%
29.	Jeanne Choo Yun Xian	0.00%
		(Not material)