



**ASIAN MICRO HOLDINGS LIMITED**  
Company Registration No.: 199701052K  
(Incorporated in the Republic of Singapore)

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**PROPOSED ACQUISITION OF UP TO 40% OF THE TOTAL ISSUED SHARE CAPITAL OF ASIAN MICRO REALTY DEVELOPMENT, INC.**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**”) of Asian Micro Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:
- (a) its announcement dated 21 September 2021 in respect of the conditional sale and purchase agreement (“**Previous Agreement**”) entered into by the Company with Mr Lim Kee Liew @ Victor Lim (“**Mr Lim**”), Mdm Leong Lai Heng (“**Mdm Leong**”) and Ms Lin Meijuan Sophia (“**Ms Sophia Lin**”) pursuant to which the Company proposed to acquire ordinary shares representing 40.0% of the total issued share capital of of Asian Micro Realty Development, Inc. (“**Target Company**”); and
  - (b) its announcement dated 30 June 2022 notifying shareholders that the Previous Agreement had lapsed due to the non-fulfilment of the conditions precedent set out in the Previous Agreement (“**June Announcement**”).
- 1.2 As announced in the June Announcement, the Company has been reviewing the conditions precedent and was considering if it was feasible for the parties to enter into new agreement for the acquisition of shares in the Target Company.
- 1.3 Since the lapse of the Previous Agreement, Mr Lim and Mdm Leong had undertaken and procured the restructuring of the Target Company to ensure that the sale of any shares in the Target Company to the Company will be compliant with Philippines laws.
- 1.4 The Board wishes to announce that following the aforesaid restructuring, the Company has on 31 August 2022 entered into a conditional sale and purchase agreement (“**SPA**”) with Mr Lim and Mdm Leong (collectively, the “**Vendors**”) to acquire 7,500 ordinary shares of the Target Company representing 30.0% of the total issued share capital of the Target Company (“**Sale Shares**”), on the terms and conditions of the SPA (“**Proposed Acquisition**”).

- 1.5 In connection with the Proposed Acquisition, Mdm Leong has granted the Company an option (“**Option**”) to acquire an additional 2,500 ordinary shares in the Target Company (“**Option Shares**”) registered in the name of Ms Sophia Lin and held by Ms Sophia Lin as bare trustee of Mdm Leong (“**Proposed Option Acquisition**”).

## 2. INFORMATION ON THE TARGET COMPANY AND THE VENDORS

- 2.1 The Target Company is a company incorporated in the Philippines and is engaged in the development and leasing of real estate. As at the date of this announcement, the Target Company owns three parcels of land with a total land area of approximately 12,017 square meters (“**Target Company Land**”), three warehouses aggregating approximately 7,755 square meters are situated on the Target Company Land, are currently leased out at an aggregate monthly rental of approximately US\$30,500.

- 2.2 As at the date of this announcement, the Target Company has an issued and paid-up share capital of Php2,500,000, comprising of 25,000 ordinary shares. As at the date of this announcement, the shareholders of the Target Company comprise the following persons:

		<b>No. of ordinary shares held</b>	<b>% of issued share capital of Target Company</b>
(a)	Mr Lim	5,000	20.000
(b)	Mdm Leong	2,500	10.000
(c)	Ms Sophia Lin <sup>(1)</sup>	2,500	10.000
(d)	Angel G. Ragadio (“ <b>Mr Ragadio</b> ”) <sup>(2)</sup>	14,998	59.992
(e)	Agnes S. Garcia (“ <b>Ms Garcia</b> ”) <sup>(3)</sup>	1	0.004
(f)	Roselyn C. Pimentel (“ <b>Ms Pimentel</b> ”) <sup>(4)</sup>	1	0.004
	<b>TOTAL</b>	<b>25,000</b>	<b>100.000</b>

### Notes:

- (1) Ms Sophia Lin is holding the 2,500 ordinary shares in the Target Company as a bare trustee for and on behalf of Mdm Leong.
- (2) Mr Ragadio is holding 7,499 ordinary shares in the Target Company as bare trustee for and on behalf of Mr Lim, and 7,499 ordinary shares in the Target Company as bare trustee for and on behalf of Mdm Leong.
- (3) Ms Garcia is holding one (1) ordinary share in the Target Company as bare trustee for and on behalf of Mr Lim.
- (4) Ms Pimentel is holding one (1) ordinary share in the Target Company as bare trustee for and on behalf of Mdm Leong.

- 2.3 Mr Lim is the Group's Chief Executive Officer and Group Managing Director. Mdm Leong is Mr Lim's spouse, and Ms Sophia Lin is Mr Lim's and Mdm Leong's daughter.

Mr Lim holds direct interest in 576,451,068 ordinary shares in the issued share capital of the Company ("**Shares**"), representing approximately 36.99% of the total issued share capital of the Company. Mdm Leong holds direct interest in 319,387,674 Shares, representing approximately 20.50% of the total issued share capital of the Company. Mr Lim and Mdm Leong are deemed interested in each other's direct shareholding in the Company, and together, they jointly hold direct and deemed interest in 895,838,823 Shares<sup>1</sup> representing approximately 57.49% of the total issued share capital of the Company. Accordingly, each of them is deemed a controlling shareholder of the Company.

- 2.4 The ordinary shares in the Target Company as set out in paragraph 2.2 above are held by Ms Garcia, Mr Ragadio and Ms Pimentel for compliance with requirements under Philippines laws.

- 2.5 Based on the audited financial statements of the Target Company for the financial year ended 31 December 2021 ("**FY2021**"), the profit before tax and profit after tax of the Target Company for FY2021 were Php7,723,600 (S\$204,000) and Php7,060,300 (S\$186,400) respectively and the net tangible asset value and net asset value of the Target Company as at 31 December 2021 were both Php78,149,700 (S\$2,063,700).

- 2.6 The shareholding of the Target Company upon completion of the Proposed Acquisition and the Proposed Option Acquisition (if the Option is exercised) (collectively, "**Completion**"), will be as follows:

		Upon completion of the Proposed Acquisition only		Upon completion of the Proposed Acquisition and the Proposed Option Acquisition	
		No. of ordinary shares in the Target Company held	% of issued share capital of Target Company	No. of ordinary shares in the Target Company held	% of issued share capital of Target Company
(a)	The Company	7,500	30.000	10,000	40.000
(b)	Ms Sophia Lin	2,500	10.000	-	-
(c)	Mr Ragadio	14,998	59.992	14,998	59.992
(d)	Ms Garcia	1	0.004	1	0.004
(e)	Ms Pimentel	1	0.004	1	0.004
	<b>TOTAL</b>	<b>25,000</b>	<b>100.000</b>	<b>25,000</b>	<b>100.000</b>

<sup>1</sup> Including 5 Shares held by Ultraline Technology (S) Pte Ltd ("**Ultraline**") and 76 Shares held by American Converters Industries Pte Ltd ("**American Converters**"). Mr Lim and Mdm Leong each hold 50% of the issued share capital of Ultraline and American Convertors, and are deemed interested in the Shares held by Ultraline and American Converters.

### 3. RATIONALE FOR THE PROPOSED ACQUISITION AND PROPOSED OPTION ACQUISITION

In 2015, the Group diversified its existing core business to include the investment in, trading of, and development of residential, commercial, retail and industrial properties within Singapore and overseas. The Proposed Acquisition and Proposed Option Acquisition would improve the profitability of the Company through sharing of profits from the Target Company and improve the cashflow position of the Company when the Target Company declares dividends. The Board believes that the Proposed Acquisition and Proposed Option Acquisition will enhance the long-term interests of the Company and enhance Shareholders' value.

### 4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION AND PROPOSED OPTION ACQUISITION

#### 4.1 Sale and Purchase of the Sale Shares and the Option Shares

- (a) Pursuant to the terms of the SPA, the Vendors shall sell to the Company, and the Company shall acquire from the Vendors, the Sale Shares free from all encumbrances and with all rights attached thereto for an aggregate purchase consideration of S\$2,400,000 ("**Purchase Price**").
- (b) In consideration of the the Company agreeing to purchase the Sale Shares from Mdm Leong, Mdm Leong granted the Company the Option to acquire the 2,500 Option Shares registered in the name of Ms Sophia Lin, for an aggregate purchase consideration of S\$800,000 ("**Option Price**"). The Option shall be exercisable by written notice issued to Mdm Leong by the Company at anytime during the period commencing from the date of the SPA and ending on the date falling five (5) business days prior to the date of Completion (both dates inclusive).
- (c) The Purchase Price and the Option Price was arrived at on a willing-buyer, willing-seller basis, after negotiations which were conducted at arm's length between the Company and the Vendors and taking into consideration factors such as the net profits/earnings of the Target Company, the historical financial performance of the Target Company, and the potential benefits that may accrue to the Group.
- (d) The Purchase Price shall be payable by the issue of an aggregate 342,857,142 new Shares ("**Consideration Shares**") at an issue price of S\$0.007 ("**Issue Price**") per Consideration Share to the Vendors (and/or their nominees). The Option Price shall be payable by the issue of an aggregate 114,285,714 new Shares ("**Option Consideration Shares**") at the Issue Price per Option Consideration Share to Mdm Leong (and/or her nominee).

The Company will be making an application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its continuing sponsor for the dealing in, listing of and quotation for the Consideration Shares and the Option Consideration Shares on the Catalist Board of the SGX-ST.

- (e) Pursuant to the terms of the SPA, the Consideration Shares and the Option Consideration Shares (if the Option is exercised) will be allotted and issued to the Vendors as follows:

	Upon completion of Proposed Acquisition only		Upon completion of the Proposed Acquisition and the Proposed Option Acquisition	
	No. of Consideration Shares to be allotted and issued	% of enlarged share capital <sup>(1)</sup>	No. of Consideration Shares and Option Consideration Shares to be allotted and issued	% of enlarged share capital <sup>(2)</sup>
(a) Mr Lim	228,571,428	12.02	228,571,428	11.34
(b) Mdm Leong	114,285,714	6.01	228,571,428 <sup>(3)</sup>	11.34
<b>TOTAL</b>	<b>342,857,142</b>	<b>18.03</b>	<b>457,142,856</b>	<b>22.68</b>

**Notes:**

- (1) The enlarged share capital of the Company, assuming completion of the Proposed Acquisition only, will comprise 1,901,101,937 Shares.
- (2) The enlarged share capital of the Company, assuming completion of the Proposed Acquisition and the Proposed Option Acquisition, will comprise 2,015,387,651 Shares.
- (3) Comprises 114,285,714 Consideration Shares and 114,285,714 Option Consideration Shares.

- (f) Based on the shareholding of Mr Lim and Mdm Leong as at the date of this announcement:
- (i) upon completion of the Proposed Acquisition only, Mr Lim and Mdm Leong will hold direct interest in 805,022,496 Shares and 433,673,388 Shares, respectively, representing approximately 42.35% and 22.81% of the enlarged share capital comprising 1,901,101,937 Shares. Mr Lim and Mdm Leong are deemed interested in each other's direct shareholding in the Company, and upon completion of the Proposed Acquisition only, they will jointly hold direct and deemed interest in an aggregate 1,238,695,965 Shares<sup>2</sup> representing approximately 65.16% of the enlarged share capital immediately after completion of the Proposed Acquisition only; and

<sup>2</sup> Including 5 Shares held by Ultraline and 76 Shares held by American Converters. Mr Lim and Mdm Leong each hold 50% of the issued share capital of Ultraline and American Converters, and are deemed interested in the Shares held by Ultraline and American Converters.

- (ii) upon completion of the Proposed Acquisition and the Proposed Option Acquisition (if the Option is exercised), Mr Lim and Mdm Leong will hold direct interest in 805,022,496 Shares and 547,959,102 Shares, respectively, representing approximately 39.94% and 27.19% of the enlarged share capital comprising 2,015,387,651 Shares. Mr Lim and Mdm Leong are deemed interested in each other's direct shareholding in the Company, and upon completion of the Proposed Acquisition and Proposed Option Acquisition, they will jointly hold direct and deemed interest in an aggregate 1,352,981,679 Shares<sup>2</sup> representing approximately 67.13% of the enlarged share capital immediately after completion of the Proposed Acquisition and the Proposed Option Acquisition.
  
- (g) The Issue Price of S\$0.007 which represents the volume weighted average price for trades done on the Catalist Board of the SGX-ST on 30 August 2022, being the last full market day on which the Shares were traded immediately preceding the date of the SPA.

The Issue Price was arrived at after arm's length negotiations between the Vendors and the Company on a willing-buyer willing-seller basis, taking into account that the issuance of Consideration Shares and Option Consideration Shares would eliminate the need for the Purchase Price and the Option Price to be fulfilled in cash, thereby conserving cash for the Group for working capital purposes and for future acquisition opportunities.

- (h) The Consideration Shares and the Options Consideration Shares shall be issued and allotted as fully paid-up, and shall be free from any and all Encumbrances, and shall rank pari passu in all respects with the existing Shares in issue, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of the issue and allotment of the Consideration Shares and the Option Consideration Shares.

#### 4.2 Conditions Precedent

- (a) Completion is subject to the satisfaction, at or prior to Completion, of each of the following conditions ("**Conditions**"):
  - (i) the Company being satisfied with, at its sole and absolute discretion, the results of the financial, operational and legal due diligence to be carried out on the Target Company;
  
  - (ii) all the warranties and representations given by the Vendors being true, accurate and not misleading as at the date of Completion ("**Completion Date**");
  
  - (iii) the Company and the shareholders of the Target Company entering into the shareholders' agreement in the form agreed upon in the SPA;

- (iv) no material adverse change in the existing or prospective legal, financial, operational, business and tax positions of the Target Company occurring on or before Completion;
  - (v) all obligations contemplated pursuant and/or in connection with the sale and purchase of the Sale Shares and Option Shares in accordance with the terms and conditions of the SPA, not being prohibited by any existing law, regulation, rule (including the Section B: Catalist Rules of the Listing Manual of the SGX-ST ("**Catalist Rules**")), judgement, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body (including the SGX-ST);
  - (vi) the listing and quotation notice for the listing and quotation of the Consideration Shares and Option Consideration Shares on the Catalist Board being issued by the SGX-ST on conditions (if any) acceptable to the parties;
  - (vii) all necessary consents and/or waivers being obtained in respect of the sale and purchase of the Sale Shares and Option Shares in accordance with the terms and conditions of the SPA, from all governmental, administrative, judicial or regulatory bodies, authorities and/or organisations by which the Company, the Vendors and/or the Target Company is, as or may be regulated pursuant to any applicable laws on terms and conditions reasonably satisfactory to the Company; and
  - (viii) the Company having obtained the necessary approvals from the Company's board of directors and shareholders and relevant authorities for the sale and purchase of the Sale Shares and Option Shares in accordance with the terms and conditions of the SPA.
- (b) If any of the Conditions is not satisfied on or before the 30 June 2023, the SPA shall terminate and no party shall have any claim against the other parties for costs, damages, compensation or otherwise, save for any claim by the innocent party against the defaulting party arising from an antecedent breach of the terms thereof.

#### 4.3 Pre-Completion Period

The Vendors undertake to procure and ensure that, between the date of the SPA and the Completion Date, the following are complied with by the Target Company:

- (a) the Target Company shall preserve and maintain in full force and effect its corporate existence;
- (b) the business of the Target Company shall be substantially carried on in compliance in all respects with all material applicable laws, rules, regulations and orders to which they are subject and as a going concern in the ordinary and usual course as carried on prior to the date of the SPA and in a manner consistent with past practices, save in so far as agreed in writing by the Company;

- (c) the Target Company shall maintain in force all existing insurance policies, licences and permits necessary for the carrying on of their business;
- (d) the Target Company shall not, except with the prior written consent of the Company:
  - (i) make any change in the nature, scope or manner of conducting or organisation of its business nor dispose of the whole of its undertaking or property or a substantial part thereof;
  - (ii) make any loans or grant any credit or enter into any guarantee, indemnity or surety or security or encumbrance other than in the ordinary course of business and in a manner consistent with past practice;
  - (iii) borrow or raise any money (whether by way of overdraft, financial leases, hire-purchase or otherwise) or grant or issue or agree to grant or issue any mortgage, charge, debenture or security for money secured over any of its assets or grant or issue or agree to grant or issue any guarantee or indemnity (otherwise than in the ordinary course of its business in order to cover daily cash needs and in a manner consistent with past practice);
  - (iv) grant or enter into any licence, franchise or other agreement or arrangement concerning any part of its name, intellectual property rights, trading names or know-how;
  - (v) permit or suffer any of its insurances to lapse or do anything which would make any policy of insurance void or voidable;
  - (vi) create or issue or agree to create or issue any shares or other securities or grant or agree to grant any option or other right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale or transfer of any share or loan capital or other securities (including conversion rights and rights of pre-emption) or reduce or otherwise vary its capital; and
  - (vii) sell, transfer, lease, assign, encumber, dispose of or part with control of any interest in all or any part of its undertaking, business, rights, property or assets (tangible or intangible) (whether by a single transaction or a series of transactions) or contract to do so or acquire or contract to acquire any business, property or assets (tangible or intangible) or any interest therein other than in the ordinary course of its business.

## **5. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION AND THE PROPOSED OPTION ACQUISITION**

Based on the unaudited consolidated financial statements of the Company for the financial year ended 30 June 2022 (“**FY2022**”) and the audited financial statements of the Target Company for FY2021, the relative figures of the Proposed Acquisition and the Proposed Option Acquisition on



the bases set out in Rule 1006 of the (“Catalist Rules”) are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Upon completion of Proposed Acquisition only Relative figure (%)</b>	<b>Upon completion of the Proposed Acquisition and the Proposed Option Acquisition Relative figure (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable	Not applicable
(b)	The net profits <sup>(1)</sup> attributable to the Sale Shares and Option Shares, compared with the Group’s net profits.	(37.87) <sup>(2)(4)</sup>	(50.50) <sup>(3)(4)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	22.00 <sup>(5)</sup>	29.34 <sup>(5)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	22.00 <sup>(6)</sup>	29.34 <sup>(6)</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	Not applicable

**Notes:**

- (1) “Net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (2) Based on the audited profits before tax of the Target Company of S\$204,000 for FY2021 and multiplied by 30.0%, and the unaudited loss before tax of the Group of S\$161,600 for FY2022.
- (3) Based on the audited profits before tax of the Target Company of S\$204,000 for FY2021 and multiplied by 40.0%, and the unaudited loss before tax of the Group of S\$161,600 for FY2022.
- (4) Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be

applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. Based on the relative figures above, pursuant to Practice Note 10A paragraph 4.4(b) of the Catalist Rules, immediate announcement in respect of the information required pursuant to Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, is required.

- (5) Based on the Purchase Price of S\$2,400,000 and Option Price of S\$800,000, and the Company's market capitalisation of approximately S\$10,907,700, which is determined by multiplying the number of Shares in issue (excluding treasury shares) of 1,558,244,795 by the volume weighted average price of S\$0.007 per Share on 30 August 2022, being the last market day immediately preceding the date of the SPA that the Shares were traded.
- (6) Computed based on 342,857,142 Consideration Shares and 114,285,714 Option Consideration Shares and the number of Shares in issue (excluding treasury shares) of 1,558,244,795.

As the relative figures computed on the bases set out in Rule 1006(c) and 1006 (d) exceeds 5.0% but does not exceed 75.0%, the Proposed Acquisition and the Proposed Option Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

## 6. PRO FORMA FINANCIAL EFFECTS

- 6.1 The financial effects of the Proposed Acquisition and the Proposed Option Acquisition on the Group are for illustrative purposes only and do not reflect either the actual financial effects of the Proposed Acquisition and/or the Proposed Option Acquisition on the Group or the future financial performance and/or position of the Group immediately following the completion of the Proposed Acquisition and the Proposed Option Acquisition.

For illustrative purposes only, the financial effects of the Proposed Acquisition and the Proposed Option Acquisition have been prepared based on the latest announced unaudited financial statements of the Group for FY2022 and the audited financial statements of the Target Company for FY2021, and based on the following assumptions:

- (a) the Proposed Acquisition and the Proposed Option Acquisition had been completed on 30 June 2022 for the purposes of illustrating the financial effects on net tangible assets ("**NTA**") per share of the Group;
- (b) the Proposed Acquisition and the Proposed Option Acquisition had been completed on 1 July 2021 for the purposes of illustrating the financial effects on the earnings per share ("**EPS**") of the Group; and
- (c) the NTA per Share and EPS per Share before and after the Proposed Acquisition and the Proposed Option Acquisition are computed based on Shares in issue of 1,558,244,795 Shares, and 1,901,101,937 Shares (after completion of the Proposed Acquisition only) and 2,015,387,651 Shares (after completion of the Proposed Acquisition and the Proposed Option Acquisition), as at the date of this announcement.

## 6.2 NTA

	<b>Before the Proposed Acquisition and the Proposed Option Acquisition</b>	<b>After the completion of Proposed Acquisition only</b>	<b>After the completion of the Proposed Acquisition and the Proposed Option Acquisition</b>
NTA (S\$'000)	2,325	4,725	5,525
NTA per Share (Singapore cents)	0.15	0.25	0.27

## 6.3 Loss Per Share

	<b>Before the Proposed Acquisition and the Proposed Option Acquisition</b>	<b>After the completion of Proposed Acquisition only</b>	<b>After the completion of the Proposed Acquisition and the Proposed Option Acquisition</b>
Loss after tax attributable to shareholders of the Company (S\$'000)	(173)	(117)	(98)
Loss Per Share (Singapore cents)	(0.011)	(0.006)	(0.005)

## 7. **THE PROPOSED ACQUISITION AND PROPOSED OPTION ACQUISITION AS INTERESTED PERSON TRANSACTIONS**

### 7.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules applies to transactions between a party that is an entity at risk and a counter party that is an interested person. Under Chapter 9 of the Catalist Rules, an immediate announcement and subsequent shareholders' approval is required in respect of a transaction between an entity at risk and its interested persons if the value of that transaction exceeds 5.0% of the latest audited NTA value.

### 7.2 Details of Interested Person

- (a) Under Chapter 9 of the Catalist Rules, an "interested person" means: (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder. The term "associate" includes an immediate family member, such as a spouse and a child of the director, chief executive

officer, or controlling shareholder. The term “controlling shareholder” is defined under the Catalist Rules as (i) a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the SGX-ST determining that such a person is not a controlling shareholder), or (ii) a person who in fact exercises control over the Company.

- (b) Mr Lim is the Group’s Chief Executive Officer and Group Managing Director. Mdm Leong is Mr Lim’s spouse. Each of Mr Lim and Mdm Leong holds direct and deemed interest in 895,838,823 Shares, representing approximately 57.49% of the total issued share capital of the Company, and each of them is a controlling shareholder of the Company.
- (c) Accordingly, each of the Vendors is an interested person as defined under the Catalist Rules.

### 7.3 Materiality Thresholds under Chapter 9

Under Chapter 9 of the Catalist Rules, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding, 5.0% of the Group’s latest audited NTA.

The value of the Proposed Acquisition and the Proposed Option Acquisition (being the amount at risk to the Company) is the aggregate of the Purchase Price and the Option Price, or S\$3,200,000. As at the date of the SPA, the Group’s latest audited NTA as at 30 June 2021 is S\$2,486,750. As the Purchase Price and Option Price against the Group’s latest audited NTA as at the date of the SPA is approximately 128.68%, which exceeds 5.0% of the Group’s latest audited NTA. As such, the Proposed Acquisition and Proposed Option Acquisition are interested person transactions which is subject to the approval of the Company’s shareholders at an extraordinary general meeting (“**EGM**”) to be convened pursuant to Rule 906(1)(a) of the Catalist Rules. A circular containing further details on the Proposed Acquisition and the Proposed Option Acquisition and enclosing a notice of the EGM in connection therewith will be despatched to the shareholders in due course (the “**Circular**”).

### 7.4 Total Value of the Interested Person Transactions

For FY2022, the Group had paid rental expenses amounting to S\$55,500 to ACI Technology (S) Pte Ltd (“**ACI Technology**”) pursuant to:

- (i) a lease agreement entered into between the Company and ACI Technology for the lease of office premise; and
- (ii) a lease agreement entered into between ACI Industries and ACI Technology for the lease of factory space.

ACI Technology is jointly owned by Mr Lim and Mdm Leong.

Save as disclosed in this announcement, the Company has not entered into any other interested person transactions with the Vendors or each of their associates as at the date of this announcement.

#### 7.5 Audit Committee Opinion

The Audit Committee of the Company comprising Mr Chue Wai Tat, Mr Cheah Wee Teong and Mr Lee Teck Meng Stanley will obtain an opinion from an independent financial adviser before forming its view, which will be announced subsequently.

### 8. **AUTHORITY TO ALLOT AND ISSUE THE CONSIDERATION SHARES AND OPTION CONSIDERATION SHARES**

#### 8.1 Allotment and Issuance of Shares to Restricted Persons

Pursuant to Rules 812(1) and (2) of the Catalist Rules, an issuer shall not place shares to, *inter alia*, (a) the issuer's directors and substantial shareholders; and (b) immediate family members of the directors and substantial shareholders (collectively, the "**Restricted Persons**"). Immediate family members include the spouse and child of the director and substantial shareholder.

#### 8.2 Details of Restricted Persons

Mr Lim is the Group's Chief Executive Officer and Group Managing Director. Mdm Leong is Mr Lim's spouse. Each of Mr Lim and Mdm Leong holds direct and deemed interest in 895,838,823 Shares, representing approximately 57.49% of the total issued share capital of the Company, and each of them is a substantial shareholder of the Company. In view of the foregoing, each Vendor is deemed a Restricted Person under Rule 812 of the Catalist Rules.

#### 8.3 Shareholders' approval

In view of Rules 812(1) and (2), the Proposed Acquisition and the Proposed Option Acquisition and the allotment and issuance of the Consideration Shares and Option Consideration Shares to the Vendors are subject to the approval of the Company's shareholders at an EGM to be convened. Accordingly, the Consideration Shares and Option Consideration Shares will be allotted and issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at the EGM.

### 9. **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser ("**IFA**") will be appointed by the Company to advise the Independent Directors for the purposes of the Proposed Acquisition and the Proposed Option Acquisition as an interested person transaction.

## **10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed above, none of the directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition and the Proposed Option Acquisition other than through their respective shareholdings (if any) in the Company.

## **11. SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and the Proposed Option Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **12. DOCUMENT FOR INSPECTION**

A copy of the SPA is available for inspection at the registered office of the Company at 63 Hillview Avenue, #08-01 Lam Soon Industrial Building, Singapore 669569 during normal business hours for a period of three (3) months commencing from the date of this announcement.

## **BY ORDER OF THE BOARD**

Ng Chee Wee  
Executive Director and Chief Financial Officer  
31 August 2022

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").*

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