



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199805793D)

PROPOSED PLACEMENT OF AN AGGREGATE OF 1,270,369,565 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.023 FOR EACH PLACEMENT SHARE AND THE PROPOSED ISSUE OF CONVERTIBLE DIGITAL BONDS DUE 2026 FOR AN AGGREGATE PRINCIPAL AMOUNT OF US\$6,000,000

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or "**Directors**") of Oceanus Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 22 March 2022, entered into conditional placement agreements (each a "**Placement Agreement**" and collectively, the "**Placement Agreements**") with (a) PY Opulence Investment Pte. Ltd.; (b) Golden Summit International Ltd; and (c) Alacrity Investment Group Limited (each a "**Placee**" and collectively, the "**Placees**"), pursuant to which the Placees agreed to subscribe for, and the Company agreed to allot and issue to the Placees, an aggregate of 1,270,369,565 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.023 for each Placement Share (the "**Issue Price**") for an aggregate Issue Price of S\$29,218,500¹ (the "**Aggregate Issue Price**"), on the terms and subject to the conditions of the Placement Agreements (the "**Proposed Share Placement**").
- 1.2. The Board also wishes to announce that the Company has, on 22 March 2022, entered into a token subscription agreement (the "**Token Subscription Agreement**") with HydraX Digital Assets Pte. Ltd. (the "**Custodian**") and Alacrity Investment Group Limited (the "**Subscriber**" or "**Alacrity**"), pursuant to which the Company proposes to issue to the Subscriber 4% convertible bonds in the form of digital tokens for an aggregate principal amount of up to S\$8,154,000² (the "**Bonds**") (the "**Proposed Bonds Issue**").
- 1.3. The Placement Shares and Bonds will be issued by way of a private placement under Section 272B of the Securities and Futures Act 2001 of Singapore (the "**SFA**"). As such, no prospectus, offer document, or offer information statement will be lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Share Placement and the Proposed Bonds Issue.

2. DETAILS OF THE PLACEES AND SUBSCRIBER

2.1. Details of the Placees

The details of the Placees, including the respective number of Placement Shares to be allotted and issued to the respective Placees, are set out in Appendix A.

2.2. Details of Alacrity

Alacrity is an existing substantial shareholder of the Company and is an investment arm of an Indonesian conglomerate that has interests across various industries including retail and logistics.

¹ Approximately US\$21,500,000 based on the exchange rate of 1.359 US\$/S\$ as of 9 March 2022.

² Approximately US\$6,000,000 based on the exchange rate of 1.359 US\$/S\$ as of 9 March 2022.

Cleveland Cuaca and Bryan Tan Jie are the only substantial shareholders of the Subscriber and are deemed to be interested in the Shares held by Alacrity in the Company.

The Placees (including Alacrity) were identified for the fund-raising by the Company's executive director and Group Chief Executive Officer during discussions with various potential strategic investors.

- 2.3. As at the date of this announcement, Alacrity is a substantial shareholder of the Company, with an interest in 3,545,729,444 Shares, representing approximately 14.59% of the issued and paid-up share capital of the Company.
- 2.4. Cleveland Cuaca ("**Mr Cuaca**") is a non-executive and non-independent director of the Company and is deemed interested in the Placement Shares and Bonds which Alacrity has an interest in as he has a controlling interest in Alacrity. Save for the Proposed Share Placement and Proposed Bonds Issue to Alacrity, the Proposed Share Placement and Proposed Bonds Issue will not be placed to any person who is a director or a substantial shareholder of the Company or an interested person as defined in Chapter 9 of the Listing Manual as at the date of this announcement.
- 2.5. The Placees (including Alacrity) have each confirmed to the Company, *inter alia*, that:
 - (a) subject to the disclosures in this Section 2 and the Placement Agreements, the directors and shareholders of the Placees are not related to any of the Directors or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act 1967 of Singapore (the "**Companies Act**"));
 - (b) subject to the disclosures in the Placement Agreement, it is not acting in concert with and/or in accordance with the instructions of any Director(s) and/or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act);
 - (c) it is not subscribing for the Placement Shares or the Bonds (as the case may be) as an agent for or otherwise on behalf of any other persons or entity and is subscribing for the Placement Shares or the Bonds (as the case may be) solely for its own beneficial account and not with a view to another person acquiring an investment (as defined in Section 4(1) of the SFA) in the Placement Shares or the Bonds (as the case may be);
 - (d) the subscription of the Placement Shares or its part thereof or the Bonds (as the case may be) by it will not trigger the requirement under Rule 14 of The Singapore Code on Mergers and Takeovers for it and/or any parties acting in concert with it to make a mandatory general offer to acquire all the issued Shares; and
 - (e) it is not subscribing for the Placement Shares or the Bonds (as the case may be) with a view of such Placement Shares or the Bonds (as the case may be) being subsequently offered for sale to another person.
- 2.6. The Company confirms that none of its Directors has, to the best of their knowledge, any relationships/connections (including business relationships) with the Placees, or any of the Placees' directors or substantial shareholders, save for Mr Cuaca, who is a substantial shareholder of Alacrity, and Alacrity's existing shareholding interests in the Company. The Company confirms that, to the best of its knowledge, none of its substantial Shareholders has any relationships/connections (including business relationships) with the Placees, or any of the Placees' directors or substantial shareholders, save for Mr Cuaca, who is a substantial shareholder of Alacrity and Alacrity's shareholding interest in the Company.

3. RATIONALE FOR THE PROPOSED SHARE PLACEMENT, PROPOSED BONDS ISSUE AND USE OF PROCEEDS

- 3.1. Immediately following the Group's successful exit in September 2021 of the SGX-ST watchlist after being placed on it for nearly 6 years, the Company embarked on plans to grow its various

business segments. These plans included, among other things, the digitalisation and tech-up of the business, establishment of new operating subsidiaries, expansion of product offerings and the hiring of staff to increase the talent pool of the Company.

- 3.2. The Placees were then identified as investors that would provide strategic long-term benefits to the Group's businesses given their investments in various industries and business networks that is well aligned to the key business pillars of the Group.
- 3.3. In that regard, the Company entered into various bridging loan facilities with the Placees in November 2021 to fund these growth plans (each a "**Bridging Loan Facility**" and collectively, the "**Bridging Loan Facilities**"). As a significant part of the Company's business is denominated in US Dollars, the Bridging Loan Facilities were also denominated in US Dollars. The Bridging Loan Facilities were used in the manner set out below:

Use of Bridging Loan Facilities	Amount³ (S\$'000)	As a percentage of Bridging Loan Facilities
General working capital of the Group	24,372,500	65.2%
Capital expenditure	3,000,000	8.0%
New business opportunities	10,000,000	26.8%
Total	37,372,500	100.0%

- 3.4. The Company will make periodic announcements on the utilisation of the Bridging Loan Facilities as and when the Bridging Loan Facilities are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Bridging Loan Facilities in the Company's interim and full year financial statements announcements and the annual reports of the Company. Where there is any material deviation from the stated use of the Bridging Loan Facilities, the Company will announce the reasons for such deviation when such funds are materially disbursed. The Company will also disclose a breakdown with specific details on the use of the Bridging Loan Facilities for working capital in its announcements and annual reports. Pending deployment of the remaining Bridging Loan Facilities, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Company may, in their absolute discretion, deem fit from time to time.
- 3.5. Following continued discussions with the Placees, it was thereafter proposed to the Placees that the Bridging Loan Facilities would be settled in the form of the Proposed Share Placement and Proposed Bonds Issue.
- 3.6. The Proposed Share Placement and Proposed Bonds Issue is in lieu of cash repayment by the Company to the Placees of the outstanding amounts under the Bridging Loan Facilities and accordingly, no cash proceeds will be received by the Company from the Placees for the Proposed Share Placement and Proposed Bonds Issue. Subject to and upon completion of the Proposed Share Placement and Proposed Bonds Issue, the Bridging Loan Facilities shall be irrevocably and unconditionally terminated and settled, and the Company shall be fully released and discharged from its obligations under the Bridging Loan Facilities, and the Placees shall have no further or other claims of any nature whatsoever against the Company, arising out of or in connection with the Bridging Loan Facilities.

³ Based on the exchange rate of 1.359 US\$/S\$ as of 9 March 2022.

- 3.7. Accordingly, the purpose of the Proposed Share Placement and Proposed Bonds Issue is to discharge and settle the existing Bridging Loan Facilities.
- 3.8. The Proposed Share Placement and Proposed Bonds Issue will enable the Group to augment its capital base by converting the outstanding loans under the Bridging Loan Facilities into equity of the Company, effectively reducing the Company's level of borrowings and the associated borrowing costs. This will also strengthen the Group's balance sheet and improve its debt-equity position. This also represents a vote of confidence by the strategic investors towards the Company's upcoming digitalisation and tech-up plans.
- 3.9. To protect shareholders' interests, a price floor has been imposed on the Proposed Bonds Issue in respect of its potential conversion to shares, representing a cap of 1.57% of enlarged share capital in the event of a conversion.
- 3.10. The Company intends to conduct additional share placements or issuance of Bonds following the present Proposed Share Placement and Proposed Bonds Issue.

4. THE PROPOSED SHARE PLACEMENT AND SALIENT TERMS OF THE PLACEMENT AGREEMENTS

4.1. The Placement Shares

The Placees have agreed to subscribe and pay for the Placement Shares in accordance with the number of Placement Shares next to its name in Appendix A. The consideration to be paid by the Placees for the Placement Shares shall be set-off against the Bridging Loan Facilities. The Placement Shares represent approximately 5.23% of the Existing Share Capital⁴ as at the date of this announcement. Following the successful allotment and issue of the Placement Shares (and assuming no further allotment and issue of new ordinary shares in the capital of the Company), the Placement Shares will represent approximately 4.97% of the Enlarged Share Capital⁵.

Upon completion of the Proposed Share Placement ("**Completion**"), Alacrity will hold approximately 17.10% of the Enlarged Share Capital.

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the Completion Date (as defined below). The term "**Record Date**" means the date fixed by the Company for the purposes of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

In connection with the Proposed Share Placement, the Company will seek specific approval from shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened for the following:

- (a) the allotment and issue of the Placement Shares pursuant to Section 161 of the Companies Act and Rule 805(1) of the SGX-ST Listing Manual (the "**Listing Manual**");
- (b) the allotment and issue of the Placement Shares to Alacrity pursuant to Rule 812 of the Listing Manual; and

⁴ "**Existing Share Capital**" means the existing issued and paid-up share capital of the Company of 24,296,921,463 shares in the capital of the Company ("**Shares**") as at the date of this announcement. The Company has no treasury shares or subsidiary holdings or outstanding convertibles.

⁵ "**Enlarged Share Capital**" means the enlarged issued and paid-up share capital of the Company of 25,567,291,028 Shares immediately after Completion, comprising the Existing Share Capital and the Placement Shares.

- (c) the transfer of controlling interest to Alacrity arising from the Proposed Share Placement pursuant to Rule 803 of the Listing Manual (“**Transfer of Controlling Interest**”).

Please refer to paragraph 7 below for more details on the Shareholders’ approval to be sought at the EGM.

Alacrity and its associates (as defined in the Listing Manual) will abstain from voting on the resolutions at the EGM approving the allotment and issue of the Placement Shares in accordance with Rule 812(2) of the Listing Manual.

Further information on the Proposed Share Placement will be provided in a circular to Shareholders (the “**Circular**”) to be issued in due course.

4.2. Issue Price

The Issue Price of S\$0.023 represents a premium of approximately 9.5% to the weighted average price of S\$0.021 per Share on the full market day on which the Placement Agreements are signed.

The Issue Price was commercially agreed between the Company and the Placees on a willing-buyer, willing-seller basis after arm’s length negotiations, and taking into account the historical trading performance of the Company and prevailing market conditions.

4.3. Conditions Precedent of the Proposed Share Placement

The Completion is conditional upon:

- (a) the Company having obtained all corporate and Shareholders’ approvals in respect of the allotment, issue and subscription of the Placement Shares, the transfer of controlling interest in the Company as a result thereto, and all the transactions ancillary to or contemplated thereto and such approvals remaining in full force and effect on Completion and, if such approvals are subject to any conditions which are required to be fulfilled on or prior to the Completion Date, they are so fulfilled;
- (b) the receipt of a listing and quotation notice from the SGX-ST for the admission to, quotation for and dealing of the Placement Shares on the Mainboard of the SGX-ST (“**Mainboard**”), and where such listing and quotation notice is subject to conditions, such conditions being acceptable to the Company and the Placees; and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (c) the Company having obtained all consents, approvals and authorisations from third parties (including financial institutions) and governmental body or authority (including but not limited to the SGX-ST) required for or in connection with the execution of the Placement Agreements;
- (d) the Proposed Share Placement and the allotment, issue and placement of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive or request (whether or not having the force of law) promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority in Singapore, including the SGX-ST; and
- (e) the Company complying with the provisions of the Companies Act, the SFA and the Listing Manual in respect of the Proposed Share Placement.

4.4. Completion

Subject to the terms and conditions of the Placement Agreements and in particular, the fulfilment of the conditions stipulated in paragraph 4.3 above, Completion shall take place on

the date which the Company, giving at least five (5) business days' written notice to the Placees, stipulates as the date for the Completion, or such other date as the parties may agree in writing (the "**Completion Date**").

If any of the conditions set forth in paragraph 4.3 above is not satisfied within five (5) months from the date of the Placement Agreements or such other date as the parties to the Placement Agreements may agree in writing, the Placement Agreements shall *ipso facto* cease and determine thereafter and none of the parties to the Placement Agreements shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

4.5. Additional Listing Application

The Company will be applying to the SGX-ST for the dealing in, listing of and quotation of the Placement Shares on the Mainboard and will make the necessary announcement upon receipt of the approval-in-principle by the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST.

4.6. No placement agent has been appointed in respect of the Proposed Share Placement.

5. THE PROPOSED BONDS ISSUE

5.1. In conjunction with the Proposed Share Placement, the Company will seek specific approval from the Shareholders at the abovementioned EGM for the Proposed Bonds Issue.

Please refer to paragraph 7 below for more details on the Shareholders' approval to be sought at the EGM.

5.2. Principal Terms of the Bonds

The Bonds shall be issued in the form of digital tokens in the denomination of US\$100,000.00 each. The Bonds are convertible into Shares (the "**Conversion Shares**") which will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on such date that the Subscriber is registered as the holder of record of such Conversion Shares. The issue price of the Bonds is 100% of the principal amount. The consideration to be paid by the Subscriber for the Bonds shall be set-off against the remainder of the Subscriber's Bridging Loan Facility, being US\$6,000,000, after the partial set-off of the Subscriber's Bridging Loan Facility in relation to the Proposed Share Placement.

A summary of the key terms of the Bonds is set out below:

Principal Amount	:	Up to US\$6,000,000 in principal amount of the Bonds
Issue Price	:	100% of the aggregate principal amount of the Bonds
Maturity	:	22 March 2026 (the " Maturity Date ")
Interest Rate	:	The Bonds will bear interest at a rate of 4.00% per annum, payable on a quarterly basis
Status of the Bonds	:	The Bonds constitute the unsecured, direct, irrevocable, unconditional and unsubordinated obligations of the Company, ranking <i>pari passu</i> amongst and rateably without any preference amongst themselves (save as otherwise provided under any applicable laws) and equally with all other unsecured obligations (other than subordinated obligations, if any or indebtedness preferred by mandatory provisions of law) of the Company from time to time outstanding.

Obligations of the Custodian	:	<p>The Custodian shall hold the Bonds and all its rights, benefits, title and interest on custody for the Subscriber.</p> <p>If and where applicable, the Custodian shall enforce, in accordance with the Token Subscription Agreement, the rights in favour of the Subscriber.</p>
Modifications to terms of the Bonds	:	<p>Any modification by the Company to the terms of the Bonds after issue shall require the prior written approval of the Subscriber.</p>
Transfer	:	<p>The Subscriber shall not transfer any Bonds to a third party ("Intended Transferee") unless (i) the Company has consented to such transfer; and (ii) such Intended Transferee agrees in writing upon such transfer to be bound by and to perform all the provisions of the Token Subscription Agreement and the relevant custody agreement.</p>
Redemption Maturity	on	<p>Unless previously redeemed and in each case cancelled as provided in the Token Subscription Agreement, the Company shall on the Maturity Date redeem the Bonds in cash.</p> <p>The Subscriber also has the right and option to convert all or part of the then outstanding Bonds into Conversion Shares on the Maturity Date.</p>
Mandatory Requirement to Redeem	to	<p>Any time after the completion of the Token Subscription Agreement, the Company shall be entitled to serve a written notice on the Subscriber ("Mandatory Notice") to seek an early redemption of all the outstanding Bonds. Such Mandatory Notice must be served on the Subscriber at least 14 days prior to the date on which the Company intends to redeem the Bonds.</p> <p>The Subscriber shall have seven (7) days from the date of receipt of the Mandatory Notice to elect to convert all or part of the Bonds into Conversion Shares at the Conversion Price, failing which, the Subscriber shall be deemed to have accepted redemption of the Bonds in cash.</p>
Conversion Price	:	<p>The price at which each Share shall be issued upon conversion of the Bonds into shares in the Company shall be the price per Share that is at a 10% discount to the 30-day volume-weighted average price ("30-day VWAP") of the Company's Shares as traded on the Mainboard, provided always that the Conversion Price shall be no less than the minimum conversion price of S\$0.020 ("Minimum Conversion Price").</p> <p>The 30-day VWAP refers to the total value of transactions in the Company's shares traded on the Mainboard for the 30-day period before the Maturity Date divided by the total volume traded for the same 30-days period (adjusted for any corporate action), regardless of the number of trading days during the 30-day review period.</p>

The Conversion Price was commercially agreed between the Company and the Subscriber on a willing-buyer, willing-seller basis after arm's length negotiations, and taking into account the historical trading performance of the Company and prevailing market conditions.

- Maximum Number of Conversion Shares to be issued** : Based on the Minimum Conversion Price of S\$0.020 and on the assumption that all of the Bonds have been fully converted into Conversion Shares, the maximum potential number of Conversion Shares that can be issued from the Proposed Bonds Issue is 407,700,000⁶.
- Listing Status** : The Bonds will not be listed and quoted.
- Events of Default** : If any Event of Default (as defined in the Token Subscription Agreement) has occurred, including the following:
- (a) any breach or default by the Company under any provision of its constitution, any term of the Token Subscription Agreement, and such breach or default, if capable of remedy, has not been remedied within 30 calendar days of the occurrence of such breach or default (except that a breach or default of a payment obligation shall be deemed to be not capable of remedy);
 - (b) any representation, warranty or undertaking by the Company in the Token Subscription Agreement is not complied with or is or proves to have been incorrect in any material respect when made or, if it had been made on any later date by reference to the circumstances then existing, would have been incorrect in any material respect on that later date;
 - (c) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Token Subscription Agreement, or any ancillary agreements;
 - (d) except for any indebtedness incurred in the normal course of business (including without limitation all indebtedness towards trade creditors), (i) any other indebtedness in respect of borrowed moneys of the Company which is not paid when due or not paid within any applicable grace period in any agreement relating to that indebtedness, or which becomes due and payable before its normal maturity by reason of a default or event of default, however described, or (ii) as a result of an actual or potential event of default or the like (however described), any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled;

⁶ Calculated based on the exchange rate of 1.359 US\$/S\$ as of 9 March 2022

- (e) any legal proceedings, suits or actions of any kind whatsoever (whether criminal or civil) shall be instituted against the Company which will materially and adversely affect the Company's ability to perform its payment or other material obligations under the Token Subscription Agreement;
- (f) any event or series of events occurs which has or is reasonably likely to have a material adverse effect on the ability of the Company to perform its payment or other material obligations under the Token Subscription Agreement,

the Subscriber will have the right at such Subscriber's option to require the Company to redeem in whole or in part such Subscriber's Bonds.

Further information on the Proposed Bonds Issue will be provided in a circular to Shareholders (the "**Circular**") to be issued in due course.

5.3. Conditions Precedent of the Proposed Bonds Issue

The Proposed Bonds Issue is conditional on the following conditions (the "**Bonds Conditions**"):

- (a) the Company shall have obtained all consents, approvals and authorisations of bankers, financial institutions, relevant third parties, government or regulatory authorities, including the SGX-ST, which are necessary in connection with the entry into and performance of the Token Subscription Agreement by the Company, the Subscriber and the Custodian and the issuance of the Bonds;
- (b) the Company shall have procured the holding of a meeting of the Directors of the Company and the passing thereof of the following resolutions:
 - A. authorising the issue by the Company of the Bonds and the issuance and allotment of Conversion Shares in accordance with the Token Subscription Agreement; and
 - B. authorising the registration of the Subscriber in the digital register of tokenholders maintained by the Custodian in respect of the Bonds;
- (c) the Company shall have procured the holding of a meeting of the Shareholders of the Company and the passing thereof of the resolution for the allotment and issuance of the Bonds and the Conversion Shares in accordance with the Token Subscription Agreement;
- (d) the Company shall have issued the Bonds in accordance with the provisions of the Token Subscription Agreement and the rights and obligations of the Subscriber and the Company as contemplated under the Token Subscription Agreement shall not be prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority;
- (e) the representations, warranties and undertakings made by the Company shall be true, accurate, complete and not misleading with respect to the subject covered therein when made, and shall be true, accurate, complete and not misleading as at time of completion of the Token Subscription Agreement with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by the Token Subscription Agreement;

- (f) the Company shall have executed the Token Subscription Agreement and shall have performed and complied with all agreements, obligations and conditions contained in the Token Subscription Agreement that are required or contemplated to be performed or complied with by them on or before the date of completion of the Token Subscription Agreement; and
- (g) if necessary, the Company shall have amended its Constitution to conform to the terms of the Bonds and the terms of the Token Subscription Agreement, such amended Constitution being in form and substance satisfactory to the Subscriber in its absolute discretion.

If any of the Bonds Conditions is not satisfied on the date of the Token Subscription Agreement or such later date as the Subscriber may agree in writing, the Company and the Subscriber shall have the option to be released and discharged from their respective obligations under the Token Subscription Agreement, save for the liability of the Company for payment of costs and expenses under the Token Subscription Agreement.

5.4. Completion

Completion of the issue by the Company of, and subscription by the Subscriber for, the Bonds, shall take place one (1) business day from the fulfilment of the last condition precedent provided in the Token Subscription Agreement or such other date as the Company and Subscriber may agree in writing.

5.5. Additional Listing Application

The Company will be applying to the SGX-ST for the dealing in, listing of and quotation of the Conversion Shares on the Mainboard and will make the necessary announcement upon receipt of the approval-in-principle by the SGX-ST for the listing of and quotation for the Conversion Shares on the SGX-ST.

6. FINANCIAL EFFECTS OF THE PROPOSED SHARE PLACEMENT AND PROPOSED BONDS ISSUE

6.1. Illustrative Nature of Financial Effects

The pro forma financial effects of the Proposed Share Placement and Proposed Bonds Issue on the Company's share capital, net tangible assets ("**NTA**") per Share and earnings per Share ("**EPS**") of the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 2020 ("**FY2020**").

The financial effects of the Proposed Share Placement and Proposed Bonds Issue are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Proposed Share Placement and Proposed Bonds Issue. The financial effects are prepared without the assumption of potential expenses to be incurred in connection with the Proposed Share Placement and Proposed Bonds Issue which are not expected to be material.

6.2. **Share Capital**

The effect of the Proposed Share Placement and Proposed Bonds Issue on the issued and paid-up share capital of the Company as at 31 December 2020 is as follows:

	Before the Proposed Share Placement	After the Proposed Share Placement and prior to conversion of Bonds	After the Proposed Share Placement and conversion of Bonds into Conversion Shares¹

Number of Shares (excluding treasury shares)	24,296,921,463	25,567,291,028	25,974,991,028
Share capital (S\$'000)	653,757	682,976	691,130

Note:

1. Based on the assumption that all of the Bonds are fully converted at the Minimum Conversion Price of S\$0.020.

6.3. NTA per Share

Assuming that the Proposed Share Placement had been effected on 31 December 2020 (being the end of the most recently completed FY2020), the effects of the Proposed Share Placement and Proposed Bonds Issue on the NTA per Share of the Group would be as follows:

	Before the Proposed Share Placement	After the Proposed Share Placement and prior to conversion of Bonds	After the Proposed Share Placement and conversion of Bonds into Conversion Shares ¹
NTA (S\$'000)	28,473	57,592	65,846
Number of Shares	24,296,921,463	25,567,291,028	25,974,991,028
NTA per Share (Singapore cents)	0.0012	0.0023	0.0025

Note:

1. Based on the assumption that all of the Bonds are fully converted at the Minimum Conversion Price of S\$0.020.

6.4. EPS

Assuming that the Proposed Share Placement and Proposed Bonds Issue had been effected on 1 January 2020 (being the beginning of the most recently completed FY2020), the effects of the Proposed Share Placement and Proposed Bonds Issue on the EPS of the Group would be as follows:

	Before the Proposed Share Placement	After the Proposed Share Placement and prior to conversion of Bonds	After the Proposed Share Placement and conversion of Bonds into Conversion Shares ¹
Earnings attributable to Shareholders (S\$'000)	8,616	8,616	8,616
Weighted average number of Shares	24,296,921,463	25,567,291,028	25,974,991,028

LPS (Singapore cents)	0.00000035	0.00000034	0.00000033
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Note:

1. Based on the assumption that all of the Bonds are fully converted at the Minimum Conversion Price of S\$0.020.

7. SHAREHOLDERS' APPROVAL UNDER CHAPTER 8 OF THE LISTING MANUAL

7.1. Proposed Share Placement and Proposed Bonds Issue to Substantial Shareholder

The allotment and issue of the Placement Shares and Bonds requires the approval of Shareholders under Rule 805(1) of the Listing Manual as the Placement Shares and Bonds will not be issued under the Company's general share issue mandate pursuant to Rule 806 of the Listing Manual.

As at the date of this announcement, Alacrity is a substantial Shareholder of the Company and, pursuant to Rule 812(1) of the Listing Manual, an issue must not be placed to, *inter alia*, substantial shareholders of the issuer. Rule 812(2) of the Listing Manual provides that Rule 812(1) of the Listing Manual does not apply if specific shareholder approval is obtained, and the substantial shareholder and its associates must abstain from voting on the resolution in respect of such placement. As Alacrity falls within the restrictions of Rule 812(1) of the Listing Manual, specific Shareholders' approval will be required to be obtained for the allotment and issue of the Placement Shares and the Bonds to Alacrity in connection with the Proposed Share Placement and Proposed Bonds Issue. In addition, Alacrity and its associates will abstain from voting in its capacity as a Shareholder(s) in relation to the Proposed Share Placement and Proposed Bonds Issue.

The Company will convene an EGM in due course to seek the approval from Shareholders for the Proposed Share Placement and Proposed Bonds Issue and specific Shareholders' approval will also be sought for the allotment and issue of the Placement Shares and Bonds to Alacrity in accordance with Rule 812(1) of the Listing Manual.

7.2. Transfer of Controlling Interest

The allotment and issue of the Placement Shares and Bonds to Alacrity requires the approval of Shareholders under Rule 803 of the Listing Manual as the Proposed Share Placement will result in the Transfer of Controlling Interest to Alacrity. Under the Listing Manual, a controlling shareholder is a person who holds directly or indirectly 15% or more of the total voting rights in the Company, or a person who in fact exercises control over the Company.

As at the date of this announcement, the Proposed Share Placement would increase Alacrity's shareholding ownership in the Company to approximately 17.10% on Completion. Accordingly, the Proposed Share Placement would constitute a transfer of a controlling interest in the Company and is subject to the approval of the Shareholders for the purposes of Rule 803 of the Listing Manual.

The Company will convene an EGM in due course to seek the approval from Shareholders for the Transfer of Controlling Interest in the Company in accordance with Rule 803 of the Listing Manual.

8. THE PROPOSED SHARE PLACEMENT AND PROPOSED BONDS ISSUE AS AN INTERESTED PERSON TRANSACTION

8.1. Interested Person Transaction

Alacrity is an associate of Mr Cuaca and is considered an "interested person" within the meaning of Chapter 9 of the Listing Manual as Mr Cuaca, a non-executive and non-independent

director of the Company, has more than a 30% interest in it. Accordingly, Alacrity would be considered an “interested person” within the meaning of Rule 904(4) of the Listing Manual vis-à-vis the Company, which is regarded as an “entity at risk” pursuant to Rule 904(2) of the Listing Manual and the Proposed Share Placement and the Proposed Bonds Issue constitute “interested person transactions” under Rule 904(5) of the Listing Manual.

The Company has not entered into any interested person transactions with Mr Cuaca and/or his associates (excluding transactions which are not subject to announcement) for the period from 1 January 2022 up to the date of this announcement. The total aggregate value of all interested person transactions entered into between the Company and all interested persons for the period from 1 January 2022 up to the date of this announcement is S\$0.

The consideration for the Proposed Share Placement and Proposed Bonds Issue to Alacrity represents approximately 84.9% of the latest audited consolidated net tangible assets of the Group. Accordingly, as the value of the Proposed Share Placement and the Proposed Bonds Issue represents more than 5% of the Group’s latest audited net tangible assets, approval of Shareholders will be required for the Proposed Share Placement and Proposed Bonds Issue, in accordance with Chapter 9 of the Listing Manual.

The audit committee of the Company will be obtaining an opinion from an independent financial adviser (the “**IFA**”) before forming its view in relation to the Proposed Bonds Issue. The opinion from the IFA will be included in the Circular to be issued by the Company in due course.

Pursuant to Rule 919 of the Listing Manual and further to the restrictions of Rule 812(2) of the Listing Manual set out at paragraph 7.1, Alacrity, as an associate of Mr Cuaca, will abstain from voting in its capacity as a Shareholder in relation to the Proposed Share Placement and Proposed Bonds Issue.

9. CIRCULAR

The Circular containing, *inter alia*, further information on the Proposed Share Placement and Proposed Bonds Issue and the notice to convene the EGM will be issued electronically in accordance with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 by the Company to Shareholders in due course.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or, as far as the Directors are aware, the substantial Shareholders of the Company or their respective associates, have any interest, direct or indirect, in the Proposed Share Placement or the Proposed Bonds Issue.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Share Placement and Proposed Bonds Issue if and when there are material updates or developments on the same.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement and the Token Subscription Agreement are available for inspection during normal business hours at the registered office of the Company at 31 Harrison Road, #11-03/04, Food Empire Building, Singapore 369649, for a period of three (3) months commencing from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 pandemic, please contact the Company at (65) 6285 0500 prior to making any visits to arrange for a suitable time slot for the inspection.

13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution in trading their Shares. The Proposed Share Placement and Proposed Bonds Issue contemplated under and in connection with the Placement Agreement(s) and Token Subscription Agreement are subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Share Placement and/or Proposed Bonds Issue 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. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Where in any doubt as to the action they should take, Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, financial, tax, legal or other professional advisers.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 Share Placement, Proposed Bonds Issue, the Company and its subsidiaries, 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.

BY ORDER OF THE BOARD

Peter Koh Heng Kang, PBM
Executive Director and Chief Executive Officer
22 March 2022

**APPENDIX A
DETAILS OF THE PLACEES**

Proposed Share Placement

S/N	Name of Placee	Number of Placement Shares	Percentage (%) shareholding of the enlarged share capital of the Company	Placement Consideration	Background of Placee
1.	Alacrity Investment Group Limited	827,217,391	3.24%	US\$14,000,000	Please see paragraph 2.2 of the announcement.
2.	Golden Summit International Ltd	59,086,957	0.23%	US\$1,000,000	Golden Summit International Ltd (“ Golden Summit ”) is a financial advisory firm incorporated in the British Virgin Islands, which provides services such as mergers and acquisition advisory, fundraising, and financing to small and medium-sized companies. The majority shareholder and managing director of Golden Summit is Thomas Chan Ho Lam. In his role, as the managing director of Golden Summit, he manages and supervises the company’s overall operations. Thomas Chan Ho Lam and the Company’s CEO were acquainted in a networking setting.
3.	PY Opulence Investment Pte Ltd	384,065,217	1.58%	US\$6,500,000	PY Opulence Investment Pte Ltd (“ PY Opulence ”) is an investment holding company incorporated in Singapore. It invests in companies across Asia in various industries, including agriculture, aquaculture and real estate. The sole shareholder and director of PY Opulence is Xu Shen Cheng @ Perman Yadi (“ Perman Yadi ”), who manages and oversees

					the operations of PY Opulence. Perman Yadi and the Company's CEO were acquainted in a networking setting.
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