

# ACE ACHIEVE INFOCOM LIMITED

(Company Registration No. 35423)

(Incorporated in Bermuda)

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## ENTRY INTO OF:

**(1) MOU TO ACQUIRE A STRATEGIC INTEREST IN GT DOLLAR PTE LTD; AND**

**(2) LOAN AGREEMENT WITH CHINA TIAN MA TRAVEL GROUP PTE LTD.**

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### 1. *Background*

The Board of Directors (the “**Board**”) of Ace Achieve Infocom Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 14 November 2018 entered into:

- (1) a heads of terms/MOU dated 14 November 2018 and supplemented by a supplemental MOU dated 21 November 2018 (collectively the “**MOU**”) with Zhang Bauluo (the “**Vendor**”) in connection with a proposed acquisition by the Company of a 36% interest in GT Dollar Pte Ltd (the “**Target**”) from the Vendor; and
- (2) a loan agreement dated 14 November 2018 (the “**Loan Agreement**”) with China Tian Ma Travel Group Pte Ltd (the “**Lender**”) in connection with the provision of a loan of S\$500,000 by the Lender to the Company.

The MOU and the Loan Agreement are independent and the performance of one is not subject to or conditional upon the performance of the other.

### 2. *The Parties*

The Vendor is a businessman ordinarily resident in Singapore. The Vendor has Portuguese citizenship and is also a Singapore employment pass holder.

The Vendor has a direct controlling interest in 82% of the issued shares of the Lender and a direct and deemed interest in 100% of the issued shares of the Target.

The Target is a private limited company incorporated in Singapore on 5 August 2014 with an issued and paid-up share capital of S\$1,000,000. The shareholders of the Target are the Vendor (70%) and GT Blockchain Security Pte Ltd (30%), where the percentages in the brackets next to the respective shareholders' names are their respective shareholding percentages in the Target. The directors of the Target are Zhang Baulou and Guo Xiaofeng. The Vendor is deemed interested in the shares in the Target owned by GT Blockchain Security Pte Ltd

The Target offers and operates *inter alia* online trading and payment solutions which adopts, amongst others, blockchain technology, and forms part of a network of companies that are controlled and/or managed by the Vendor trading under the GT name. GT Blockchain Security Pte Ltd's principle business is information technology and computer service activities. The Target is a global e-Wallet app company and offers a one-stop solution for SMEs and lifestyle-centric consumers. The Target's platform provides convenience to users centered around virtual credits accounts to allow users to make easy payment for products or services via a marketplace of over 80,000 merchants ranging from retail, food & beverage, travel, and leisure. More information on the Target is available over its website at <https://www.gtdollar.com>.]

The Target does not currently requires any licence or regulatory approval to operate its business.

The Lender is a private limited company incorporated in Singapore on 8 January 2008 and does not currently have an active business after it ceased its travel related business in 2010. The Lender has been dormant since 2010 and the Loan is being funded by Zhang Baulou via the Lender.

The Company has been introduced to the Vendor, the Lender and the Target by the Company's independent director Mr Soh Yeow Hwa, who was in turn introduced to the Vendor, the Lender and the Target by a business associate, Mr Alfred Phua of Brickstone Investment Group Pte Ltd, during a networking session. No referral fee, consultancy fee or commission is payable by the Company to anyone for such introduction and Mr Soh Yeow Hwa is also not being remunerated by the Vendor, the Lender and/or the Target or by any other person.

### 3. *Salient Terms under the MOU*

Under the terms of the MOU, the Company proposes to acquire a strategic stake in the Target from the Vendor comprising of 36% of the issued and paid-up share capital of the Target for a proposed acquisition price of S\$1,894,500 (the "**Purchase Consideration**"), payable in cash, by issuance of new shares in the Company (the "**Consideration Shares**") at the issue price (the "**Issue Price**") of S\$0.0045 per Consideration Share or by a mixture of cash and Consideration Shares issued at the Issue Price as the Vendor and the Company may mutually agree (the "**Proposed Acquisition**").

The Issue Price represents a 10% discount to the weighted average price for trades on the SGX-ST on 14 November 2018, which is S\$0.005. Hence, for the purposes of Rule 1003(c) of the Listing Rules and assuming that the whole of the Purchase Consideration is paid by way of Consideration Shares, the value of the Purchase Consideration would be S\$2,105,000.

The Proposed Acquisition is subject to the parties successfully negotiating and entering into definitive agreements ("**Definitive Agreements**") to implement and/or give effect to the Proposed Acquisition. It is contemplated that the Definitive Agreements will be based on the principal terms set out in the MOU, namely:

- (1) the Proposed Acquisition will be in respect of a 36% interest in the issued and paid-up share capital of the Target at the Purchase Consideration, payable by cash, the issuance of Consideration Shares at the Issue Price or by a mixture of cash and the issuance of Consideration Shares by the Company to the Vendor as the Vendor and the Company may mutually agree;
- (2) the completion of the Proposed Acquisition shall be subject to the satisfaction of the following conditions precedent (unless waived by the entitled party):
  - (a) due diligence conducted by the Company and its advisers on the Target being reasonably satisfactory to the Company (such condition can only be waived by the Company);
  - (b) due diligence conducted by the Vendor and its advisers on the Company being reasonably satisfactory to the Vendor (such condition can only be waived by the Vendor);
  - (c) receipt of all requisite regulatory and other approvals and such approvals not having been revoked or amended at completion, and where such approval is subject to conditions, they are so fulfilled on or prior to completion, including:
    - (i) approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the Proposed Acquisition (if relevant);
    - (ii) approval of the SGX-ST for the listing and quotation of the Consideration Shares;
    - (iii) waiver(s) from the Securities Industry Council ("**SIC**") (if relevant or required) from the Vendor's obligation to make a mandatory general offer for shares in the Company not already owned, controlled or otherwise agreed to be acquired by the Vendor arising from the issuance of the Consideration Shares; and
    - (iv) approval of independent shareholders of the Company for the Proposed Acquisition;

- (d) there being no suspension of the trading of the shares of the Company up to completion other than any trading halt not exceeding 3 market days (such condition can only be waived by the Vendor);
- (e) the Company procuring the completion of its audit on its financial statements for the financial year ended 30 April 2018 (“**FY2018**”) and the announcement of the audited FY2018 financial statements no later than 12 months from the original date of the MOU i.e. 14 November 2018 (such condition can only be waived by the Vendor); and
- (f) the Company convening its annual general meeting (“**AGM**”) which presents the audited FY2018 financial statements no later than 12 months from the original date of the MOU i.e. 14 November 2018 (such condition can only be waived by the Vendor).

Under the terms of the MOU, the Company and the Vendor shall in good faith, and using all reasonable commercial efforts, negotiate and endeavour to agree on the other terms and conditions of the Definitive Agreements before the expiry of term ending on the date which is 12 months from original date of the MOU i.e. 14 November 2018 (the “**Term**”).

During the Term, the Company and the Vendor agreed not to, and agreed to procure its directors and shareholders not to, directly or indirectly solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any information to, or approve or authorize any transaction with any person or body corporate that is similar to the Proposed Acquisition, or would otherwise impede or interfere with the discussions and/or implementation of the Proposed Acquisition.

#### **4. Salient Terms under the Loan Agreement**

Concurrently with the entry into the MOU, the Vendor has procured the Lender to agree to lend to the Company a sum of S\$500,000 (the “**Loan**”) under the Loan Agreement for working capital purposes.

The Company intends to use the Loan to *inter alia* fund the cost and expenses required to complete the Company’s audit for FY2018 and to convene the annual general meeting for FY2018.

The Loan is interest free for the first three (3) months from the date that the Loan is drawn down (the “**Advance Date**”). Interest shall be payable on the principal amount outstanding under the Loan commencing three (3) months after the Advance Date up to the date on which the Loan and accrued interest are repaid in full. The applicable interest rate is 5.0% per annum. Interest shall accrue on the outstanding principal amount of the Loan from day to day and be calculated on the basis of a 360-day year.

The Loan has a duration of six (6) months from the Advance Date and must be repaid by that date or such other date as may be agreed by the parties in writing (the “**Maturity Date**”).

The Loan is secured by a share charge created or to be created by Deng Zelin, Full Achieve Investments Limited and New Excellent Investments Limited (collectively the “**Chargors**” and each a “**Chargor**”). Deng Zelin is a director and the Executive Chairman and Chief Executive Officer of the Company. Deng Zelin, Full Achieve Investments Limited and New Excellent Investments Limited are shareholders of the Company having direct interest of 13.30%, 13.02 and 3.66% in the issued share capital of the Company respectively. Deng Zelin is also deemed interested in the shares of the Company owned by Full Achieve Investments Limited and New Excellent Investments Limited.

#### **5. FY2018 Results, Going Concern Issue, FY2018 Audit and AGM**

The Company is also targeting to announce its FY2018 results by end November 2018.

The Board is of the view that the Company is able to continue trading as a going concern in the immediate future whilst the Board takes steps to strengthen the Company’s balance sheet and cash flow, including but not limited to corporate exercises involving the placement of shares or rights issue.

Upon drawdown of the Loan, the Board will follow-up closely with its auditors and make payments to them to complete the audit for FY2018 and to convene the AGM thereafter. Barring any unforeseen

circumstances, the Board assess that the audit for FY2018 would be completed by end January 2019 and the AGM of the Company can be convened and held by end February 2019, notwithstanding that under the terms of the MOU the Company is to complete its FY2018 audit and convene its AGM for 2018 on or before 13 November 2019.

#### **6. *Rationale***

The Board considers the investment into the Target as a strategic diversification of the Group's business into a growth market with potentially lucrative returns. In addition, the Vendor's willingness to procure the Loan for the Company on terms considered very reasonable by the Board, which will enable the Company to complete its audit for FY2018 and to convene the AGM thereafter, was considered very positively by the Board the Board was therefore of the view that it would be in the best interest of the Company to enter into the MOU with the Vendor and the Loan Agreement with the Lender.

#### **7. *Shareholders' Approvals***

The Board will seek the necessary shareholders' approval for the contemplated transactions under the MOU upon entering into the Definitive Agreements in compliance with the Listing Rules, including but not limited to approval for change of risk profile and business diversification (where applicable) and to comply with the requirements of Chapter 9 and Chapter 10 of the Listing Rules.

#### **8. *Interest of Directors and Substantial Shareholders***

Save as disclosed above, none of the directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the proposed transaction other than through their respective shareholdings in the Company.

#### **9. *Further Announcements***

The Company will release further announcements on the progress of the negotiation of the Proposed Acquisition in due course.

The Company will make further disclosures in a separate announcement upon entering into the Definitive Agreements in compliance with the applicable requirements of the Listing Rules, in particular requirements under Chapter 10 of the Listing Rules.

#### **10. *Responsibility Statement***

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate, and that there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

#### **11. *Cautionary Statement***

Shareholders are advised to exercise caution when dealing in Shares. Shareholders should note that the Proposed Acquisition is subject to, inter alia, negotiation, execution and delivery of definitive agreements in relation to the Proposed Acquisition. There is no assurance that the parties will enter into definitive agreements in relation to the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Deng Zelin  
Executive Chairman and Chief Executive Officer

21 November 2018