EPICENTRE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200202930G)

ENTRY INTO INVESTMENT AGREEMENT IN RELATION TO THE PROPOSED INVESTMENT BY TRANSWORLD ELECTRONIC TECHNOLOGY LIMITED AND EXTENSION OF TIME OF JUDICIAL MANAGEMENT

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1. INTRODUCTION

1.1. The Judicial Managers (the "**Judicial Managers**") of Epicentre Holdings Limited (Judicial Managers Appointed by Court) (the "**Company**") wish to announce that the Company has on 24 May 2021 entered into an investment agreement (the "**Agreement**") with Transworld Electronic Technology Limited ("**Transworld**", and together with the Company, the "**Parties**").

1.2. The Agreement sets out the terms for the proposed investment by Transworld in the Company ("**Investment**") of an aggregate sum of S$5,400,000 by way of the subscription of (i) new ordinary shares in the capital of the Company ("**Investment Shares**") at an issue price of S$0.001 per Share (the "**Shares Issue Price**"); and (ii) convertible bonds ("**Convertible Bonds**"). Transworld's rationale for structuring the Investment by way of Investment Shares and Convertible Bonds is for the purpose of cash management as Transworld is of the view that it is more prudent for the Investment to be structured in this manner instead of a pure equity investment.

1.3. The Company is presently under judicial management and its shares ("**Shares**") are suspended from trading. The Investment, if successful, seeks to provide recovery to the Company's creditors ("**Creditors**") and working capital for the Company.

2. INFORMATION ON TRANSWORLD

2.1. Transworld is an investment holding company incorporated in Hong Kong whose portfolio companies are in the business of sale and distribution of electronic products across various countries in Asia.

2.2. The Judicial Managers have been pursuing investment opportunities with interested parties to achieve a better realisation for the Creditors as compared to a liquidation and Transworld is one of the interested parties.

2.3. As at the date of this Announcement, each of Transworld and its shareholders (a) does not hold any Shares; and (b) is not related to any substantial shareholders of the Company or any of their associates.

2.4. Information in this announcement relating to Transworld has been provided by Transworld or its advisers or agents, or extracted or reproduced from published or otherwise publicly available sources. The sole responsibility of the Judicial Managers have been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately or correctly reflected or reproduced in this announcement in its proper form and context. The Judicial Managers have not independently verified the accuracy and correctness of such information and do not accept any responsibility for any information relating to or opinions expressed by or on behalf of Transworld.

3. PROPOSED INVESTMENT

3.1. The Investment Shares

The number of Investment Shares to be issued will be determined and agreed by the Parties following the completion of due diligence conducted (i) on the Company by Transworld; and (ii)

on Transworld by the Judicial Managers. The Investment Shares, when allotted and issued, is envisaged to result in a transfer of controlling interest in the Company to Transworld.

The Investment Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up and free from encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares of the Company, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Investment Shares.

The Shares Issue Price of S$0.001 represents a discount of approximately 94% to the volume weighted average price ("**VWAP**") of S$0.0155 per Share based on the trades done on SGX-ST on 27 May 2019, being the last full market day when the Shares were traded immediately preceding the suspension of trading of the Shares.

The Shares Issue Price was commercially agreed between the Company and Transworld on a willing-buyer, willing-seller basis after arm's length negotiations.

3.2. **The Convertible Bonds**

The Convertible Bonds are issued pursuant to the Agreement, and are in accordance with and subject to the terms and conditions therein. The principal amount for the subscription of the Convertible Bonds to be issued will be determined and agreed by the Parties following the completion of due diligence conducted (i) on the Company by Transworld; and (ii) on Transworld by the Judicial Managers. The Convertible Bonds will not be listed.

Salient terms of the Convertible Bonds

(A) **Interest**: The Convertible Bonds shall bear interest at the rate of [5]% per annum, calculated on the basis of a 360-day year, payable on an annual basis.

(B) **Maturity Date**: The Convertible Bonds will mature on the date falling [36] months from Completion (as defined below).

(C) **Conversion Price**: The issue price of each new Share ("**Conversion Shares**") to be issued upon conversion of the Convertible Bonds shall be the Conversion Price of S$0.001, which represents a discount of approximately S$0.0145 over the VWAP of S$0.0155 per Share based on the trades done on SGX-ST on 27 May 2019, being the last full market day when the Shares were traded immediately preceding the suspension of trading of the Shares. The Conversion Price was commercially agreed between the Company and Transworld on a willing-buyer, willing-seller basis after arm's length negotiations.

(D) **Issue of Conversion Shares**: As the principal amount for the subscription of the Convertible Bonds to be issued will only be determined following the completion of due diligence conducted (i) on the Company by Transworld; and (ii) on Transworld by the Judicial Managers, the Company is not able to set out the number of Conversion Shares to be issued following the conversion at this time.

(E) **Transferability**: The Convertible Bonds shall be transferable in whole or in part.

(F) **Repayment of Convertible Bonds**: If Transworld does not exercise its option to convert the Convertible Bonds on the Maturity Date, the principal amount (and accrued interest on the Convertible Bonds) shall be repaid by the Company.

The Conversion Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up and free from encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares of the Company, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Conversion Shares.

4. FURTHER INFORMATION IN RELATION TO THE AGREEMENT

4.1. Conditions Precedent: Completion is subject to various conditions precedent (collectively, the "**Conditions Precedent**"), including but not limited to:

(A) an agreement being executed between Transworld and the Company relating to the costs and expenses payable by Transworld to the Company for the implementation of the Agreement, particularly for the costs incurred by the Judicial Managers and its appointed legal consultant and any other fees from the consultants/professionals appointed by the Company, within four (4) weeks from the date of the Agreement;

(B) in-principle approval by the key creditors of the Company (i.e. Creditors whose claims against the Company exceed 50% of the total admitted claims of the Company) of the consideration to be paid to the Creditors under the Scheme within four (4) weeks from the date of the Agreement;

(C) the results of legal, financial and commercial due diligence in respect of the Company and Transworld being satisfactory to Transworld and the Judicial Managers (as the case may be);

(D) all regulatory approvals having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation (i) receipt of the listing and quotation notice from the SGX-ST pursuant to the Catalist Rules in relation to the listing and quotation of the Investment Shares and the Conversion Shares on Catalist; (ii) approval-in-principle from the SGX-ST for the proposed resumption of the trading of the Company's Shares on Catalist; and (iii) confirmation from the Securities Industry Council of Singapore ("**SIC**") that Transworld and parties acting in concert with it will not be required to make a general offer for the Company pursuant to the Singapore Code on Take-overs and Mergers as a result of the allotment and issue of the Investment Shares and the Conversion Shares, and where such waiver is subject to any conditions, such conditions being reasonably acceptable to Transworld and the Company;

(E) the approval of the shareholders who are considered independent for the purposes of the Investment of the resolution approving the allotment and issue of the Investment Shares to Transworld, the resolution approving the allotment and issuance of the Convertible Bonds and Conversion Shares to Transworld, and where required by the Securities Industry Council of Singapore a resolution to waive their rights to receive a general offer from Transworld and/or parties acting in concert with Transworld;

(F) the approval of the statement of proposal of the Judicial Managers (the "**SOP**") and the scheme of arrangement (the "**Scheme**") by the Creditors in compliance with the requirements of the Companies Act (Chapter 50) of Singapore;

(G) the grant of the order of the High Court of Singapore sanctioning the Scheme; and

(H) all necessary consents, approvals, waivers and exemptions or other acts from any governmental agency as reasonably required to implement the Scheme, the SOP and the issue and allotment of the Investment Shares, Convertible Bonds and Conversion Shares being obtained and at the consummation and completion of the Agreement, such consents, approvals, waivers, exemptions and acts having been duly authorised or obtained or otherwise completed (as the case may be) and being in full force and effect on the effective date of the Scheme. Other key Conditions Precedent are set out in **Appendix A**.

4.2. Termination Events: Each of the Parties may by notice in writing to the other Party given at any time on or prior to completion, terminate the Agreement in various agreed circumstances, such as in the event of (i) an issuance of an injunction, order, decree or ruling by any court of competent jurisdiction or governmental authority or if such court or authority takes any other action permanently enjoining, restraining or otherwise prohibiting or preventing the

consummation of the Investment or the Scheme and such order, decree, ruling, other action or refusal becomes final and non-appealable; (ii) a material breach of any provision of the Agreement by the other Party and such defaulting Party failing to remedy the breach within 10 business days of notice by the non-defaulting Party; (iii) if the Shareholders do not approve the issue and allotment of the Investment Shares, Convertible Bonds and Conversion Shares or the resolution to waive their rights to receive a general offer from Transworld and/or parties acting in concert with Transworld (if applicable) ("**Whitewash Resolution**") as a result of the Investment and the Scheme; (iv) the Creditors reject the Scheme; (v) if the Order of Court dated 4 September 2019 (as extended by the Orders of Court dated 17 October 2019, 18 February 2020, 24 August 2020 and 1 March 2021), placing the Company under judicial management of the Judicial Managers pursuant to Section 227B of the Companies Act lapses, is discharged or otherwise not extended by the Court, or if the Judicial Managers are otherwise discharged or released as judicial managers of the Company; or (vi) if the condition precedent set out above in paragraph 4.1(A) or 4.1(B) is not satisfied within four (4) weeks from the date of the Agreement.

The Agreement will also cease and determine if any of the conditions precedent has not been satisfied (or, where applicable, has not been waived) by 30 April 2022 or such other date as the Parties may mutually agree in writing ("**Long Stop Date**").

4.3. Completion: Completion of the Investment shall take place on the date falling five (5) business days after the date on which the Conditions Precedent have been fulfilled or waived or such other date as may be mutually agreed between the Parties.

4.4. Authority to issue Investment Shares and Conversion Shares: The Company will be seeking specific Shareholders' approval for the allotment and issue of the Investment Shares, Convertible Bonds and Conversion Shares at a general meeting ("**EGM**") to be convened pursuant to Rules 803, 805(1), 811(3) and 824 of the Catalist Rules. A circular to Shareholders setting out more information on the Investment and convening the EGM will be issued in due course ("**Circular**").

4.5. Disclosure of Interests: To the knowledge of the Judicial Managers, none of the Directors or controlling Shareholders have any direct or indirect interest in the proposed Investment, other than through their respective shareholding interests in the Company (if any).

4.6. No Placement Agent: There is no placement agent appointed for the Investment. The Investment will be undertaken by way of an exempted offer under Section 275 (accredited investors and certain other persons) of the Securities and Futures Act (Chapter 289 of Singapore). Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Investment.

5. APPLICATION TO THE SGX-ST

The Company will make an application to the SGX-ST through its sponsor, Stamford Corporate Services Pte Ltd, for (i) the listing and quotation of the Investment Shares and the Conversion Shares on Catalist; and (ii) the resumption of the trading of the Company's Shares on Catalist.

6. RATIONALE AND USE OF PROCEEDS

6.1. Rationale of Investment

The Judicial Managers are of the view that the Investment is beneficial to the Company as the proceeds from the Investment will be applied to the Scheme for the release and discharge of all obligations, liabilities or claims against the Company, which shall be deemed to be fully and finally waived, released, discharged and extinguished by the Creditors under the Scheme.

6.2. **Use of Proceeds**

The net proceeds from the Investment, after deducting estimated fees and expenses in relation to the Investment (including listing and application fees, professional fees and other miscellaneous expenses (the "**Net Proceeds**") will be used for the settlement of debts and liabilities under the Scheme and for general working capital purposes. The Company and the Investor will be seeking the approval of key creditors of the Company of the consideration to be paid to the Creditors under the Scheme pursuant to the Condition Precedent set out in paragraph 4.1(B) above. As the fees and expenses in relation to the Investment and the amount of Net Proceeds that will be applied to the settlement of debts and liabilities under the Scheme has not been determined, the Company is not able to set out the estimated proportions of the use of the Net Proceeds at this time. The Circular which will be despatched to Shareholders in due course will set out further information in relation to these figures.

7. FINANCIAL EFFECTS

The effect of the Investment on the Company's share capital and the illustrative financial effects of the Investment, such as benchmarked against the Group's net tangible assets per Share and earnings per Share will only be available and disclosed in due course after the principal amounts to be paid by Transworld for the subscription of the Investment Shares and Convertible Bonds are agreed upon by the Parties. The Circular which will be despatched to Shareholders in due course will set out further information in relation to these figures.

8. CONFIRMATION BY JUDICIAL MANAGERS

The Judicial Managers confirm that the Company does not presently have any bank facilities and the working capital available to the Company is not sufficient to meet its present requirements. Please refer to paragraph 6.1 above for the rationale of the Investment.

9. INDEPENDENT FINANCIAL ADVISER

If applicable, the Company will be appointing an independent financial adviser to advise the Shareholders on the Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular to be despatched to the Shareholders in due course.

10. EGM AND CIRCULAR

The Company will convene the EGM to seek the approval of the Shareholders for the Investment and a Circular containing, *inter alia*, details thereof and enclosing the notice of EGM will be despatched to the Shareholders in due course.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at the office of EY at North Tower Level 18, 1 Raffles Quay, Singapore 048583, for a period of three months from the date of this announcement.

12. FURTHER ANNOUNCEMENTS

The Judicial Managers will make further announcements, in compliance with the requirements of the Catalist Rules, as and when there are further developments on the matters contemplated by this announcement.

13. EXTENSION OF TIME OF JUDICIAL MANAGEMENT

In connection with the Investment, the High Court of the Republic of Singapore has heard and granted the Judicial Managers' application to extend the period of the judicial management of the Company to 6 December 2021 (from 6 June 2021).

14. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Agreement or that the Investment will be completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

Ee Meng Yen Angela
Joint and Several Judicial Manager

17 June 2021

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

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Appendix A

1. No injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction or any part thereof.

2. The Company has not been subject to a delisting notice from the SGX-ST.