

ASIA VETS HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201003501R)

**PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN
ALDIGI HOLDINGS PTE. LTD.**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Asia Vets Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 30 December 2021, entered into a conditional sale and purchase agreement (“**SPA**”) with RHT Aldigi Financial Holdings Pte. Ltd. (the “**Vendor**”) and Aldigi Holdings Pte. Ltd. (the “**Target**”, together with the Company and the Vendor, the “**Parties**” and each, a “**Party**”), pursuant to which the Company will acquire from the Vendor 100% of the ordinary shares in the issued and paid-up share capital of the Target as at the Completion Date (as defined in paragraph 2.11 below) (the “**Sale Shares**”, which shall include the Conversion Shares (as defined in paragraph 2.7 below), the Share Award Shares (as defined in paragraph 2.8 below) and any new shares in the Target issued pursuant to the Pre-Completion Fundraising (as defined in paragraph 2.9 below) and the Restructuring (as defined in paragraph 2.10(e) below)), subject to the terms and conditions of the SPA (the “**Proposed Acquisition**”).
- 1.2 The Proposed Acquisition will constitute a “reverse takeover” transaction pursuant to Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened.

2. THE PROPOSED ACQUISITION

2.1 The Target Group

The Target, incorporated in Singapore on 3 June 2021, is a private company limited by shares and is wholly-owned by the Vendor as at the date of the SPA. The directors of the Target are Tan Chong Huat, Jayaprakash s/o Jagateesan, Pang Ti Wee, Kong Eng Huat, Ooi Beng Chin and Tung Siew Hoong. The details relating to the Target’s subsidiaries, RHT DigiCapital Pte. Ltd. and RHT I-Assets Advisory Pte. Ltd., and its proposed subsidiary, RHT Capital Pte. Ltd. (collectively with the Target, the “**Target Group**”), including their principal businesses are described in Schedule 1 hereto.

2.2 The Vendor

The Vendor is an investment holding company incorporated in Singapore. The directors of the Vendor are Azman Hisham Bin Ja’afar, Tan Chong Huat and Jayaprakash s/o Jagateesan.

As at the date of this announcement, the shareholding structure of the Vendor is as follows:-

	Name of shareholders	Number of ordinary shares held in the Target	% shareholding interest held in the Vendor
1.	RHT Lex Ultra Pte. Ltd. (“RHT Lex Ultra”) ⁽¹⁾	895	89.5
2.	Chan Kam Fuk ⁽²⁾	25	2.5
3.	Yun Chee Keen (Zhen ZhiJian) ⁽³⁾	30	3.0
4.	Jayaprakash s/o Jagateesan ⁽⁴⁾	50	5.0
		1,000	100.0

Notes:

- (1) The shareholders of RHT Lex Ultra comprise Rajan Menon, Tan Chong Huat, Azman Hisham Bin Ja’afar, Ch’ng Li-Ling, Chew Kok Liang, Wun Rizwi, Nandakumar s/o Ranganathan, Kwok Kay Fun Kaylee, Tan Choon Leng Edward Andronicus, Yang Eu Jin and Barre Erwan Marcel Marie-Ange. The aforementioned shareholders are financial investors who are not involved in the day-to-day operations of the Target Group. The directors of RHT Lex Ultra are Azman Hisham Bin Ja’afar and Tan Chong Huat.
- (2) Chan Kam Fuk is a financial investor who is not involved in the day-to-day operations of the Target Group.
- (3) Yun Chee Keen is the Chief Financial Officer of the Target Group.
- (4) Jayaprakash s/o Jagateesan is the executive director and Chief Executive Officer of the Target Group.

None of the shareholders (including the shareholders of RHT Lex Ultra) and directors (including the directors of RHT Lex Ultra) of the Vendor is related to the Directors, controlling Shareholders of the Company, or their respective associates. As at the date of this announcement, none of the shareholders (including the shareholders of RHT Lex Ultra) of the Vendor hold any shares in the share capital of the Company (“**Shares**”).

2.3 Rationale for the Proposed Acquisition

The Group has been actively exploring various acquisition opportunities and options available to maximise value for its Shareholders. The Group is of the view that venturing into a high-growth sector through acquisitions will enable the Company to achieve higher revenue levels.

The Proposed Acquisition will enable the Group to capture opportunities within the fast-growing financial and technology business and is in line with the Company’s plan to enhance revenue. In addition to its established continuing sponsorship and licensed corporate finance business, and intellectual property advisory business, the management of the Target Group also has a proven track record in the development and use of distributed ledger technology platforms and digital asset solutions, which has been deployed by a Monetary Authority of Singapore licensed digital asset exchange.

The Target Group will enable the Company to participate in the fast-growing digital asset industry’s significant growth prospects. The Board notes that the Target Group is helmed by an experienced management team with deep expertise in the finance and technology industries, who have developed a fintech platform to reshape the capital markets to become the gateway to

diverse digital assets and investments. The platform is committed to enhancing efficiency, accessibility and equal opportunity across capital markets and alternative investments. The Target Group's management team will continue to work with the Company following the completion of the Proposed Acquisition.

Through the Proposed Acquisition, with the injection of the new business of the Target Group, the Group will have an additional revenue stream as well as an opportunity to diversify the Group's portfolio of businesses in addition to the current business of providing veterinary care (the "**Current Business**"). The Company also believes that the Proposed Acquisition will have the potential to increase the market capitalisation and widen the investor base of the Company.

Based on the above, the Board is of the view that the Proposed Acquisition is in the best interest of the Company and its Shareholders.

The Group remains committed to the Current Business so long as its continuity is in the best interest of the Group and the Shareholders. Post-completion of the Proposed Acquisition, the Group will continue to own and operate the Current Business.

2.4 **The Proposed Acquisition**

Subject to the terms and conditions of the SPA, the Company shall acquire and the Vendor shall sell, or procure the sale to the Company, all the legal and beneficial interest in the Sale Shares.

2.5 **Consideration**

Subject to the terms and conditions of the SPA, the consideration payable by the Company to the Vendor for the Sale Shares shall be S\$45,000,000 ("**Consideration**") by way of allotment and issuance of 335,436,357 new ordinary shares ("**Consideration Shares**") in the capital of the Company at an issue price of approximately \$0.13415 per Consideration Share ("**Issue Price**") (before the Proposed Share Consolidation (as defined in paragraph 2.10(f) below)). The Consideration and number of Consideration Shares to be issued are subject to the Valuation Adjustment (as defined in paragraph 2.5 below) and adjustment for any funds raised pursuant to the Pre-Completion Fundraising (as defined in paragraph 2.9 below).

The Consideration was based on arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, taking into account a preliminary indicative desktop valuation on the Target Group. Based on the average forecasted profit after tax of RHT DigiCapital Pte. Ltd. (being the single largest forecasted profit contributor of the Target Group) for the three (3) financial years ending 31 December 2022, 31 December 2023 and 31 December 2024, and considering an earnings multiple of 17.2 (being the median of comparable transactions as sourced from CapitalIQ and Bloomberg), and a 20% discount due to the lack of marketability, the estimated derived enterprise value at 100% of the Target Group would be approximately \$73 million. RHT DigiCapital Pte. Ltd. is a 60% subsidiary of the Target. Correspondingly, based on the above, the enterprise value of 60% of the Target Group would be approximately \$44 million (the "**Enterprise Value**").

As set out in paragraph 2.10(c) below, it shall be a condition precedent to Completion (as defined in paragraph 2.10 below) that an independent valuation report in respect of the Target Group prepared by an independent valuer (the "**Valuer**") commissioned by the Company for the purpose of the Proposed Acquisition containing a valuation of the Target Group that is reasonably satisfactory to the Parties be obtained. The Parties have agreed that in the event the valuation of the Target Group by the Valuer as disclosed in the independent valuation report is greater or lesser than the Enterprise Value by more than five percent (5%), the Parties shall re-negotiate in good faith the Consideration to be paid to the Vendor by adjusting the number of Consideration

Shares to be issued by the Company to the Vendor for the Proposed Acquisition (the “**Valuation Adjustment**”).

Based on the existing issued Shares of the Company and immediately following Completion (as defined in paragraph 2.10(b) below) (and prior to the Compliance Placement (as defined in paragraph 2.14 below), if required), (i) the percentage of Shares held by the existing Shareholders of the Company will be approximately 30.35%; and (ii) the aggregate percentage of Shares held by the Vendor, the Convertible Loan Holders (as defined in paragraph 2.7 below), the Key Appointment Holders (as defined in paragraph 2.8 below) and the Independent Directors (as defined in paragraph 2.8 below) will be approximately 69.65% (assuming there is no adjustment pursuant to the Valuation Adjustment and the Pre-Completion Fundraising (as defined in paragraph 2.9 below)).

2.6 **Status of Consideration Shares**

The Consideration Shares shall (a) be free and clear of all encumbrances and together with all rights, title and interest attaching thereto as at the date of issuance, including the right to receive all dividends and other distributions declared, paid or made thereon thereafter; and (b) rank *pari passu* in all respects with the then existing Shares.

2.7 **Convertible Loan Holders**

As at the date of this announcement, there are four (4) holders of convertible loans in the Target (the “**Convertible Loan Holders**”) in the aggregate amount of S\$500,000, who intend to convert their respective convertible loans into shares in the Target (the “**Conversion Shares**”) prior to Completion (as defined in paragraph 2.10(b) below). The Vendor has undertaken to procure the transfer by the Convertible Loan Holders of their respective Conversion Shares to the Company on Completion (as defined in paragraph 2.10(b) below), in consideration of the Company issuing a proportionate number of the Consideration Shares to each of the Convertible Loan Holder.

2.8 **Key Appointment Holders**

Prior to Completion (as defined in paragraph 2.10(b) below), as an incentive to three (3) key appointment holders of the Target (the “**Key Appointment Holders**”) and three (3) independent directors of the Target (the “**Independent Directors**”), the Target intends to issue the Key Appointment Holders and Independent Directors with some shares in the Target (“**Share Award Shares**”). The Vendor has undertaken to procure the transfer by the Key Appointment Holders and Independent Directors of their respective Share Award Shares to the Company on Completion (as defined in paragraph 2.10(b) below), in consideration of the Company issuing a proportionate number of the Consideration Shares to each of the Key Appointment Holders and Independent Directors.

2.9 **Pre-Completion Fundraising**

The Target may undertake a pre-Completion fundraising exercise by way of the issue of either convertible bonds or securities to selected investors up to a maximum amount of S\$2,000,000 at a conversion price or issue price (as may be applicable) no less than the Issue Price (the “**Pre-Completion Fundraising**”). In the event of an adjustment to the Consideration pursuant to the Pre-Completion Fundraising, it is contemplated that the Company may issue additional Shares to each such investor on Completion (as defined in paragraph 2.10(b) below).

2.10 Conditions Precedent

The obligation of the Company, the Target and the Vendor to complete the Proposed Acquisition is subject to the fulfilment on or prior to the Completion Date (as defined in paragraph 2.11 below) of customary conditions (“**Conditions Precedent**”), including but not limited to the following:

- (a) Satisfactory Due Diligence. Completion of the due diligence exercise on the Target Group to the satisfaction of the Company and there being no fact or circumstance discovered by the Company pursuant to the due diligence exercise which would, in the reasonable opinion of the Company, be of material significance in the context of the transactions contemplated under the SPA (the “**Contemplated Transactions**”).
- (b) Consents and Approvals. All required consents, approvals or action or the filing or giving of notice to, any governmental body in connection with the Contemplated Transactions (“**Required Consents**”) shall have been obtained without restrictions or limitations unacceptable to the parties, and be in full force and effect, and the parties shall have been furnished with evidence reasonably satisfactory of the granting of such Required Consents, in particular, and without limitation:
 - (i) the approval of the Company’s board of directors and the Company’s Shareholders at the EGM in respect of all matters which are necessary or incidental to the Contemplated Transactions, including *inter alia*:
 - (aa) the acquisition by the Company of the Sale Shares;
 - (bb) the allotment and issue of the Consideration Shares to the Vendor (or as it may direct), in consideration therefor;
 - (cc) the Proposed Share Consolidation (as defined in paragraph 2.10(f) below);
 - (dd) the allotment and issue of new Shares under the Compliance Placement (as defined in paragraph 2.14 below);
 - (ee) the appointments of such persons, as may be designated by the Vendor and/or the Target in writing to the Company as directors of the Company with effect from the completion of the sale and purchase of the Sale Shares and the allotment and issue of the Consideration Shares (the “**Completion**”);
 - (ff) the change of name of the Company to such name as the parties may agree; and
 - (gg) any additional items as may be agreed between the parties in writing;
 - (ii) undertakings by the controlling Shareholders (as defined under the Catalist Rules) of the Company, namely Tan Gee Beng Private Limited and Tan Tong Guan, to vote in favour of the Proposed Acquisition at the EGM;
 - (iii) the approval of the Company’s independent Shareholders at a general meeting in respect of the waiver of the rights of the independent Shareholders of the Company to receive a mandatory offer from the Vendor and/or parties acting in concert with the Vendor pursuant to Rule 14 of The Singapore Code on Takeovers and Mergers (the “**Code**”) for all the issued and paid-up shares of the

Company that they do not own following the allotment and issue of the Consideration Shares (“**Whitewash Resolution**”);

- (iv) the receipt and non-withdrawal of the listing approval by the SGX-ST for, amongst other things, the listing and quotation of (i) the Consideration Shares and (ii) the new Shares to be issued under the Compliance Placement (as defined in Paragraph 2.14 below), provided always that if the SGX-ST shall impose any conditions on the Company, such conditions shall be reasonably acceptable to the parties and, if any such condition is required to be fulfilled on or before Completion, the fulfilment of such condition on or before Completion;
 - (v) the receipt and non-withdrawal of the approval of the SGX-ST for the Proposed Acquisition, provided always that if the SGX-ST shall impose any conditions on the Company, such conditions shall be reasonably acceptable to the Parties and, if any such condition is required to be fulfilled on or before Completion, the fulfilment of such condition on or before Completion;
 - (vi) the receipt and non-withdrawal of the approval of the Securities Industry Council (“**SIC**”) granted to the Vendor and its concert parties to dispense with the requirements of Rule 14 of the Code to make an offer to the Shareholders arising from the receipt by the Vendor and their concert parties of the Consideration Shares to be issued to the Vendor hereunder (the “**Whitewash Waiver**”), subject to the conditions set out in the said SIC approval, provided always that if the SIC shall impose any conditions on the Vendor and/or the Company, such conditions shall be reasonably acceptable to the Vendor and/or the Company (as the case may be) and, if any such condition is required to be fulfilled on or before Completion, the fulfilment of such condition on or before Completion;
 - (vii) all necessary acknowledgements, waivers, consents and approvals by the relevant governmental body and/or any other third parties in relation to the Contemplated Transactions as required in connection with all existing permits and/or licences held by the Target Group including *inter alia* any notifications in respect of the change in shareholding(s) of the Target Group pursuant to Completion; and
 - (viii) all other necessary consents and approvals for the Contemplated Transactions, if required and applicable, being granted and not withdrawn or revoked by third parties (including without limitation, the Catalist sponsor of the Company, any government body, stock exchange and other relevant authority in any jurisdiction) and if such consents and approvals are obtained subject to any condition(s) and where such condition(s) affect any of the Parties, such condition(s) being acceptable to the Party concerned and, if such condition(s) are required to be fulfilled before Completion, such condition(s) being fulfilled before Completion.
- (c) Independent Valuation Report. The Company shall commission and deliver a valuation report of the Target Group prepared by the Valuer for the purpose of the Proposed Acquisition containing a valuation of the Target Group that is reasonably satisfactory to the Parties.
- (d) Company remaining on the Catalist Board. The Company shall remain listed on the Catalist Board from the date of the SPA until the date of the transfer of the Sale Shares to the Company and the allotment and issue of the Consideration Shares to the Vendor (or as it may direct).

- (e) Transfer of shares in RHT Capital Pte. Ltd. by the Vendor to the Target. Subject to receipt of approval from the Monetary Authority of Singapore, the SGX-ST and any other Required Consents, the Vendor shall, prior to Completion, effect and complete the transfer of all the issued shares held by the Vendor in its 60%-owned subsidiary, RHT Capital Pte. Ltd., to the Target, and in consideration thereof, the Target shall issue and allot such number of ordinary shares credited as fully paid up in the capital of the Target to the Vendor as may be mutually agreed between the Target and the Vendor (the “**Restructuring**”).
- (f) Proposed Share Consolidation. The Company shall, prior to Completion, effect and complete a share consolidation exercise based on such ratio as may be mutually agreed between the Company, the Vendor and the Target and to be advised by the financial adviser in respect of the Proposed Acquisition, such that the price per share of the Consideration Shares shall be equal to or greater than S\$0.20, in compliance with Rule 1015(3)(c) of the Catalist Rules (the “**Proposed Share Consolidation**”).

If any of the Conditions Precedent is not fulfilled and the fulfilment of such conditions is not waived by the relevant party by 30 November 2022 (or such other date as may be mutually extended by the parties in writing), the SPA shall *ipso facto* cease and determine and save for certain provisions in the SPA and in respect of any breach of certain clauses in the SPA, none of the Parties shall have any claim against the other for costs, damages, compensation or otherwise.

2.11 Completion

The completion of the Proposed Acquisition shall take place on such date falling no later than three (3) business days after the date of the satisfaction or waiver of the Conditions Precedent, as the case may be (or at such other later date as the Company, the Target and the Vendor may agree in writing) (the “**Completion Date**”).

2.12 Undertakings, Representations and Warranties

The Proposed Acquisition is subject to such further undertakings, representations and warranties from each of the Company, the Target and the Vendor respectively as are customary for transactions of similar nature.

2.13 Proposed Share Consolidation

Under Rule 1015(3)(c) of the Catalist Rules, where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share after adjusting for any share consolidation must not be lower than S\$0.20. Accordingly, in conjunction with the Proposed Acquisition and subject to Shareholders’ approval being obtained, the Company will undertake the Proposed Share Consolidation based on such ratio as may be mutually agreed between the Company and the Vendor and to be advised by the financial adviser in respect of the Proposed Acquisition, which shall satisfy the aforementioned requirements of Rule 1015(3)(c) of the Catalist Rules on or before Completion. Details of the Proposed Share Consolidation will be announced by the Company and set out in the circular to Shareholders (“**Circular**”) containing salient information on the Proposed Acquisition, together with, amongst others, a notice of the EGM, to be despatched by the Company to Shareholders in due course.

2.14 Compliance Placement

In order to meet the shareholding spread and distribution requirements set out in the Catalist Rules and for working capital purposes, the Vendor will, if necessary on a best efforts basis, effect

a placement of new Shares by way of the allotment and issue of new Shares of approximately S\$5.0 million in value (the “**Compliance Placement**”) on such terms as may be determined by the Vendor, following the Completion of the Proposed Acquisition. Details of the Compliance Placement will be set out in the Circular to be despatched to Shareholders in due course.

2.15 **Minimum Bank Balance**

The Company undertakes to the Target and the Vendor that, subject to the deduction of Expenses (as defined in paragraph 2.17 below), from the date of the SPA and until Completion, it shall (except where otherwise agreed in writing by the Target and the Vendor) procure that there will be a minimum of S\$5.0 million in cash left in the bank accounts of the Group (“**Minimum Amount**”) on the Completion Date, save that the Company shall be entitled to declare and pay a dividend or make any other distribution to Shareholders including without limitation a distribution pursuant to a capital reduction exercise to be undertaken by the Company (the “**Distribution to Shareholders**”) prior to Completion, provided always that such Distribution to Shareholders shall not result in the cash remaining in the bank accounts of the Group decreasing below the Minimum Amount.

2.16 **Irrevocable Undertakings**

The Company undertakes to and covenants with the Vendor and the Target that it shall use its best endeavours to procure Tan Gee Beng Private Limited and Tan Tong Guan, who collectively own and/or have an interest in an aggregate of 59,265,832 ordinary shares in the Company as at the date of the SPA, representing approximately 40.55% of the issued and paid-up share capital of the Company at the date of the SPA, to deliver to the Company written irrevocable undertakings to the Company, that they shall vote in favour of the resolutions to be tabled at the EGM to be convened to approve, *inter alia*, the Proposed Acquisition.

2.17 **Fees and Expenses**

The Vendor and the Company agree that all costs and expenses including any professional fees payable or incurred in relation to or in connection with the negotiation, preparation and execution of the SPA and for the undertaking of the Contemplated Transactions (collectively the “**Expenses**”) shall be shared by the Vendor and Company in equal proportions (50% : 50%) (the “**Agreed Proportion**”), provided that such Expenses shall be paid by the Company but the Company shall be entitled to deduct such Expenses paid from the Minimum Amount. For the avoidance of doubt, in the event the Proposed Acquisition or Contemplated Transactions cannot be completed due to circumstances beyond the control of the parties, the aforesaid Expenses shall continue to be borne by the Vendor and Company in the Agreed Proportion.

2.18 **Asset Value of the Target Group**

Based on the Target Group’s unaudited combined accounts as at 31 December 2020, the unaudited proforma combined net asset value and net tangible assets (“**NTA**”) of the Target Group is S\$1,860,690 as at 31 December 2020.

2.19 **Financial Highlights of the Target Group and the Enlarged Group**

As the Proposed Acquisition constitutes a “Reverse Takeover Transaction” as defined in Chapter 10 of the Catalist Rules, the Company is required to fulfil the requirements of Rule 1015 of the Catalist Rules, including but not limited to:

- (a) providing the latest two years of historical financial information of the assets to be acquired and one year of proforma financial information of the enlarged group (being the Group and the Target Group) (“**Enlarged Group**”); and
- (b) obtaining the approval from Shareholders for the Proposed Acquisition at the EGM to be convened.

In compliance with Rule 1015 of the Catalist Rules, a summary of the unaudited proforma combined financial statements of the Target Group (prepared based on the management accounts of the Target Group for the financial years ended 31 December 2019 (“**FY2019**”) and 31 December 2020 (“**FY2020**”)) and a summary of the unaudited proforma financial statements of the Enlarged Group for FY2020 (prepared based on the management accounts of the Target Group for FY2020 and the audited financial statements of the Group) are set out below:

Income Statement

(S\$)	Target Group		Enlarged Group
	Unaudited	Unaudited	Unaudited
	FY2019	FY2020	FY2020
Revenue	4,144,316	2,767,729	7,090,916
Net profit/(loss) before tax	881,346	(32,799)	53,036
Net profit/(loss) after tax	754,279	(48,670)	(36,165)
Net profit/(loss) after tax attributable to owner of the Target Group or the Company (as the case may be)	517,316	(3,241)	9,264

Balance Sheet

(S\$)	Target Group		Enlarged Group
	Unaudited	Unaudited	Unaudited
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2020
Non-current assets	9,377	185,072	2,082,889
Current assets	2,645,580	2,543,314	10,748,127
Total assets	2,654,957	2,728,386	12,831,016
Non-current liabilities	-	72,570	191,324
Current liabilities	809,492	795,126	3,471,717
Total liabilities	809,492	867,696	3,663,041

Net assets	1,845,465	1,860,690	9,167,975
Equity	1,845,465	1,860,690	9,167,975
Equity attributable to owner of the Target Group or the Company (as the case may be)	1,256,815	1,295,869	8,603,154

Note:

- (1) Excludes the convertible loans from Convertible Loan Holders.

3. WHITEWASH WAIVER

Following Completion and the issuance of the Consideration Shares and prior to the Compliance Placement, if required (assuming there is no adjustment pursuant to the Valuation Adjustment and the Pre-Completion Fundraising):

- (a) the Vendor will own an interest of approximately 58.45% in the enlarged issued and paid-up share capital of the Company immediately following Completion; and
- (b) the Vendor, the Convertible Loan Holders, the Key Appointment Holders and the Independent Directors will own an aggregate interest of approximately 69.65% in the enlarged issued and paid-up share capital of the Company immediately following Completion.

In such event, pursuant to Rule 14 of the Code, the Vendor, the Convertible Loan Holders, the Key Appointment Holders and/or the Independent Directors (to the extent that any of the Convertible Loan Holders, the Key Appointment Holders and/or the Independent Directors are the Vendor's concert parties) together with any other concert parties of the Vendor will incur an obligation to make a mandatory general offer for all the remaining Shares not already owned, controlled or agreed to be acquired by the Vendor and its concert parties at the highest price paid or agreed to be paid by the Vendor and its concert parties for the Shares in the preceding six (6) month period.

As mentioned in paragraphs 2.10(b)(iii) and 2.10(b)(vi) above, it is a Condition Precedent to the Proposed Acquisition that the SIC grants the Vendor and its concert parties, and does not revoke such grant, the Whitewash Waiver, and that a majority of the independent Shareholders waive, by ordinary resolution on a poll taken at the EGM, their right to receive a mandatory general offer from the Vendor and its concert parties under Rule 14 of the Code. Accordingly, the Vendor will be applying to the SIC to seek the Whitewash Waiver.

4. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

- 4.1 Based on the latest announced unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2021, the relative figures of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Bases	Relative Figures
<u>Rule 1006(a):</u> Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
<u>Rule 1006(b):</u> Net profits attributable to the assets acquired, compared with the Group's net profits	(20.29%) ⁽²⁾
<u>Rule 1006(c):</u> 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	574.46% ⁽³⁾
<u>Rule 1006(d):</u> Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	229.52% ⁽⁴⁾
<u>Rule 1006(e):</u> Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, net profits means "profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests". The net profit of the Group for the 6-month financial period ended 30 June 2021 was S\$25,000. The unaudited proforma net loss attributable to owners of the Target Group for the 6-month financial period ended 30 June 2021 was approximately S\$5,073.
- (3) Based on the Consideration of S\$45,000,000 for the Proposed Acquisition and the Company's market capitalisation of approximately S\$7.8 million. The market capitalisation of the Company is derived by multiplying the total number of issued shares excluding treasury shares of 146,145,696 Shares and the volume-weighted average traded price of the Shares of S\$0.0536 traded on the SGX-ST on 23 December 2021, being the last traded market day immediately preceding the date of the SPA on which the Shares were traded.
- (4) Based on 335,436,357 Consideration Shares and the Company's existing number of issued Shares of 146,145,696 Shares, as at the date of this announcement.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

4.2 As the relative figures calculated under the bases set out in Rule 1006(c) and 1006(d) of the Catalist Rules above exceed 100% and the Proposed Acquisition will result in a change in control of the Company, the Proposed Acquisition constitutes a "Reverse Takeover" under Rule 1015(1) of the Catalist Rules. Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of Shareholders at an EGM to be convened, and the approval of the SGX-ST.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 Bases

The proforma financial effects of the Proposed Acquisition on the Group as set out in this paragraph 5 are based on:

- (a) the audited consolidated financial statements of the Group for FY2020; and
- (b) the unaudited proforma combined financial statements prepared based on the management accounts of the Target Group for FY2020.

5.2 Assumptions

For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:

- (a) The financial effects of the Proposed Acquisition on the Group's NTA is computed assuming that the Proposed Acquisition was completed on 31 December 2020 and 7,217,694 deferred consideration shares issued pursuant to the acquisition by the Company of the entire issued and paid-up share capital of AVH Animal Ark Pte. Ltd. which was completed on 13 August 2018 ("**Deferred Consideration Shares**") were allotted and issued on 31 December 2020.
- (b) The financial effects of the Proposed Acquisition on the Group's earnings per share ("**EPS**") is computed assuming that the Proposed Acquisition was completed on 1 January 2020 and 7,217,694 Deferred Consideration Shares were allotted and issued on 1 January 2020.
- (c) There is no Valuation Adjustment or other adjustment pursuant to the Pre-Completion Fundraising, and the Company allots and issues 335,436,357 Consideration Shares on Completion.
- (d) The financial effects of the Proposed Acquisition on the Group's EPS and NTA is computed assuming that the Distribution to Shareholders is completed on 1 January 2020 and 31 December 2020 respectively.
- (e) The Proposed Share Consolidation and the Compliance Placement have been disregarded for the purposes of calculating the financial effects.
- (f) As the shareholder of the Target Group (being the Vendor) will become the major shareholder of the Enlarged Group upon Completion, the Proposed Acquisition will result in a reverse acquisition within the meaning of the Singapore Financial Reporting Standard ("**SFRS**"). As the Proposed Acquisition is a reverse acquisition, the Target Group will be deemed as the accounting acquirer (legal acquiree) and the Group will be the accounting acquiree (legal acquirer).

The difference between the fair value of consideration transferred and net of the acquisition date fair value of the identifiable assets and liabilities of the Group is to be treated as goodwill.

For the purpose of this analysis, the fair value of the consideration transferred is based on the closing price of the Shares quoted on the SGX-ST amounting to approximately S\$7.3 million (as at 23 December 2021, being the last traded market day preceding the date of the SPA). Based on the audited balance sheet of the Group as of 31 December 2020 and

after adjusting the Distribution to Shareholders (expected before Completion), the Group has the net fair value of the identifiable assets and liabilities of approximately S\$5.9 million. No fair value adjustment is deemed necessary based on the net assets. Accordingly, goodwill amounted to approximately S\$1.4 million.

- (g) The costs and expenses in connection with the Contemplated Transactions are disregarded for the purposes of calculating the financial effects.

5.3 Illustrative Purposes. The proforma financial effects of the Proposed Acquisition as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group, prepared according to the relevant accounting standards (being the SFRS), following the Proposed Acquisition.

5.4 Proforma Financial Effects

- (a) **NTA**

	Before Proposed Acquisition	After the Distribution to Shareholders but before Proposed Acquisition	After the Proposed Acquisition
<u>As at 31 December 2020</u>			
NTA (S\$000)	10,967	5,925	7,785
Number of Shares	146,145,696	146,145,696	481,582,053
NTA per Share (Singapore cents)	7.5	4.1	1.6

- (b) **EPS**

	Before Proposed Acquisition	After Proposed Acquisition
<u>FY2020</u>		
Earnings attributable to Shareholders (S\$)	12,505	9,264
Number of Shares	146,145,696	481,582,053
EPS (Singapore cents)	0.009	0.002

(c) **Share Capital**

	Before Proposed Acquisition	After the Distribution to Shareholders but before Proposed Acquisition	After Proposed Acquisition
<u>As at 31 December 2020</u>			
Number of Shares	146,145,696	146,145,696	481,582,053
Issued and paid-up share capital (S\$'000)	21,333	16,291	61,291

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, to the best of the knowledge of the Board: (i) none of the Directors (other than in his capacity as Director or Shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Proposed Acquisition, other than through their respective shareholding interests in the Company (if any); and (ii) there are no substantial Shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Acquisition.

7. SERVICE CONTRACT

It is envisaged that on Completion, all existing directors of the Company will resign from the Company, save for Tan Tong Guan, with such persons as may be designated by the Company and the Vendor to be appointed as new directors and/or executive officers. As at the date of this announcement, the Company has not entered into any service contract with any person proposed to be appointed as a director or executive officer in connection with the Proposed Acquisition. It is envisaged that the Company will, on or prior to Completion, enter into service agreements with such persons on terms acceptable to the Company and the Vendor. The details of such appointments and service agreements (if any) will be set out in the Circular to be despatched to Shareholders in due course.

8. APPOINTMENT OF FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

The Company has appointed ZICO Capital Pte. Ltd. as its financial adviser in respect of the Proposed Acquisition.

The Company will appoint an independent financial adviser to advise the independent Directors of the Company in connection with the Whitewash Resolution. Further updates will be provided to Shareholders on the aforesaid appointment in due course.

9. MORATORIUM

The Vendor has undertaken to comply with, or procure compliance with, all applicable moratorium requirements as may be imposed on the Consideration Shares in accordance with (a) the Catalist Rules, (b) any requirements imposed by the financial adviser in respect of the Proposed Acquisition and/or the SGX-ST, and (c) such other moratorium requirements as the Parties may agree in writing.

10. FURTHER INFORMATION

10.1 The Company will make the necessary announcements as and when there are further material developments on the Proposed Acquisition and other matters contemplated by this announcement.

10.2 Circular

The Company will convene an EGM to seek Shareholders' approval for, *inter alia*, the Proposed Acquisition, and the issuance of the Consideration Shares, the Proposed Share Consolidation, the Compliance Placement (if required) and the Whitewash Resolution (in respect of the independent Shareholders). The Circular containing salient information on the Proposed Acquisition, together with among others, a notice of the EGM, will be despatched by the Company to Shareholders in due course.

10.3 Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 95 Amoy Street, Singapore 069915 for three (3) months from the date of this Announcement.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Vendor and the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders 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.

12. 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 Acquisition and the Group, and the Directors are not aware of any facts the omission of which would make 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. Information on the Target Group

and the Vendor was provided by the Target Group and the Vendor. In respect of such information, as at the date of this announcement, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

By Order of the Board

Tan Tong Guan
Executive Chairman and Chief Executive Officer
30 December 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by 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.

The contact person for the Sponsor Ms Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

SCHEDULE 1

SUBSIDIARIES OF THE TARGET

<u>Name of subsidiaries / proposed subsidiary</u>	<u>UEN Number</u>	<u>Percentage of shareholding held by the Target</u>	<u>Principal activities</u>
RHT DigiCapital Pte. Ltd. (subsidiary)	201824452W	60% ⁽¹⁾	Business consultancy services on the development and use of distributed ledger technologies platforms and digital assets solutions
RHT I-Assets Advisory Pte. Ltd. (subsidiary)	201415411Z	100%	Provision of intellectual property advisory services
RHT Capital Pte. Ltd. (proposed subsidiary)	201109968H	60% ⁽²⁾	Provision of continuing sponsorship services for Catalist-listed companies and corporate governance advisory services, and provision of corporate finance related services such as capital raising, merger and acquisition advisory and initial public offering / reverse takeover advisory

Notes:

- (1) The remainder of the shares in RHT DigiCapital Pte. Ltd. are held by Pang Ti Wee (30%) and Jason Goh Hseng Wei (10%).
- (2) The remainder of the shares in RHT Capital Pte. Ltd. are held by Khong Choun Mun (20%), Mah How Soon (18%) and Leong Weng Tuck (2%).