



**BROMAT HOLDINGS LTD.**  
(Unique Entity Number: 201715253N)  
Incorporated in the Republic of Singapore

## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

### 1. INTRODUCTION

- 1.1. **New Announcement.** The board of directors (the “**Board**” or “**Directors**”) of Bromat Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement made on 30 September 2024 in relation to the proposed right issue (the “**Previous Rights Issue Announcement**”). The Board wishes to update shareholders of the Company (the “**Shareholders**”) that the proposed rights issue has been revised based on the terms and conditions contained in this announcement, mainly due to the new and revised Irrevocable Undertakings (as set out in paragraph 3.1 of this announcement) received by the Company. For clarification, this announcement supersedes the Previous Rights Issue Announcement and Shareholders should disregard the Previous Rights Issue Announcement.
- 1.2. **Rights Issue.** The Board wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Proposed Rights Issue**”) of up to 129,468,852 new ordinary shares in the capital of the Company (the “**Rights Shares**”), at an issue price of S\$0.066 for each Rights Share (the “**Issue Price**”), on the basis of forty-two (42) Rights Share for every one hundred (100) existing ordinary shares in the capital of the Company (the “**Shares**”) held by Shareholders who are eligible to participate in the Proposed Rights Issue (“**Entitled Shareholders**”) as at a record date to be determined by the Directors, at and on which the Register of Members of the Company and the Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of the Entitled Shareholders under the Proposed Rights Issue (the “**Record Date**”), fractional entitlements to be disregarded.
- 1.3. **Authority to issue the Rights Shares.** The Company intends to issue the Rights Shares under authority of a general or specific share issue mandate to be granted by Shareholders at its next annual general meeting or at a general meeting, to be convened.

### 2. PRINCIPAL TERMS OF THE PROPOSED RIGHTS ISSUE

- 2.1. **Principal Terms.** The principal terms of the Proposed Rights Issue are summarised below:

<b>Issue Price of each Rights Share</b>	:	The Issue Price of each Rights Share is S\$0.066, to be paid in full on application by Entitled Shareholders.
<b>Discount (specifying benchmarks and periods)</b>	:	<p>The Issue Price of S\$0.066 for each Rights Share represents discounts of approximately,</p> <p>(a) 12.0% to the last traded price per Share of S\$0.075 (the “<b>Closing Price</b>”) on the Catalist Board of the SGX-ST (the “<b>Catalist</b>”), as at 30 December 2024, being the last full Market Day (“<b>Market Day</b>” being a day on which the SGX-ST is open for the dealing and trading of securities) immediately preceding the date of this announcement; and</p> <p>(b) 8.8% to the theoretical ex-rights price of S\$0.072 (the “<b>TERP</b>”)¹ per Share.</p>

<sup>1</sup> The Theoretical Ex-Rights Price (**TERP**) is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Closing Price, and assuming that the maximum number of Rights Shares are issued pursuant to the Proposed Rights Issue.

<b>Allotment Ratio / Provisional Rights</b>	:	Entitled Shareholders are entitled to subscribe for forty-two (42) Rights Shares for every one hundred (100) existing Shares held in the Company as at the Record Date, fractional entitlements to be disregarded.
<b>Maximum Subscription Scenario</b>	:	Up to 129,468,852 Rights Shares, assuming full subscription, as illustrated in paragraphs 4.6(i) and 4.7 under the Maximum Subscription Scenario.
<b>Size of Offer under Maximum Subscription Scenario</b>	:	Based on a Maximum Subscription Scenario, the total gross proceeds expected is approximately S\$8.54 million. For the avoidance of doubt, as set out in paragraph 6.2 of this announcement, of the approximately S\$8.54 million, approximately S\$3.45 million will be received from the conversion of the Advance and Loan (as defined herein), and thus the gross cash proceeds expected is approximately S\$5.09 million.
<b>Minimum Subscription Scenario</b>	:	Up to 107,575,756 Rights Shares, assuming minimum subscription, as illustrated in paragraphs 4.6(ii) and 4.7 under the Minimum Subscription Scenario and that Excess Rights Shares are available for subscription by Valiant Investment Limited (" <b>Valiant</b> ").
<b>Size of Offer under Minimum Subscription Scenario</b>	:	Based on a Minimum Subscription Scenario, the total gross proceeds expected is approximately S\$7.10 million, assuming Excess Rights Shares (defined below) are available for subscription by Valiant. For the avoidance of doubt, as set out in paragraph 6.4 of this announcement, of the approximately S\$7.10 million, approximately S\$4.10 million will be received from the conversion of the Advance and Loan (as defined herein), and thus the gross cash proceeds expected is approximately S\$3.00 million.
<b>Rationale for the Proposed Rights Issue</b>	:	Please refer to paragraph 5 of this announcement for details on the rationale for the Proposed Rights Issue.
<b>Use of Proceeds</b>	:	Please refer to paragraph 6 of this announcement for details on the use of proceeds.

- 2.2. **Rights Issue Manager.** The Company has appointed SAC Capital Private Limited as manager of the Proposed Rights Issue (the "**Manager**").
- 2.3. **Legal Advisor.** The Company has engaged Altum Law Corporation ("**Altum Law**") to advise on compliance with Singapore laws and Section B of the Listing Manual: Rules of Catalyst ("**Catalist Rules**") regarding the Proposed Rights Issue.
- 2.4. **Offer Information Statement.** The final terms and conditions of the Proposed Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be set out in an offer information statement (the "**Offer Information Statement**") in accordance with the Sixteenth Schedule to the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of the Securities and Futures Act (the "**SFA**") and associated documents accompanying the Offer Information Statement. The Offer Information Statement and associated documents will be lodged with the SGX-ST, acting as an agent on behalf of the Monetary Authority Singapore (the "**MAS**"), following which they will be despatched or disseminated to Entitled Shareholders in due course, provided the conditions listed in paragraph 4.17 (*Conditions for the Proposed Rights Issue*) have been fulfilled. An announcement regarding the lodgment and despatch or dissemination of the Offer Information Statement and associated documents will be made by the Company at the appropriate time.

### 3. UNDERTAKING BY VALIANT AND THE INVESTORS

#### 3.1. Irrevocable Undertakings.

- (a) Gazelle Ventures Pte. Ltd (“**GV**”) has, at the date of this announcement, executed an irrevocable deed of undertaking to renounce to Valiant all its provisional rights (the “**GV Provisional Rights**”) under the Proposed Rights Issue (the “**GV Deed**”), equal to the entitlement to subscribe for 71,069,114 Rights Shares (the “**GV Renounced Rights Shares**”); and
- (b) To demonstrate its commitment and confidence in the Company and the Proposed Rights Issue, Valiant has executed an irrevocable deed of undertaking (the “**Valiant Deed**”) to subscribe and/or procure subscription and pay in full for:
- (i) the GV Renounced Rights Shares, equal to the entitlement to subscribe for 71,069,114 Rights Shares;
  - (ii) all 26,682,722 Rights Shares pursuant to its Provisional Rights<sup>2</sup>; and
  - (iii) up to 9,823,920 excess Rights Shares (“**Excess Rights Shares**”), if available for application.

- 3.2. **Splitting of PAL.** Under the GV Deed, Valiant has the right to direct GV to renounce the GV Provisional Rights to such other persons (or entities) as it may instruct. Specifically, Valiant has instructed GV to split its provisional allotment letter (“**PAL**”) and renounce its GV Provisional Rights to the following persons (or entities) named below of up to such number as set out next to their names, provided that the total number GV Provisional Rights renounced by GV shall not exceed the total number of the GV Renounced Rights Shares:

S/No.	Name	Number of GV Renounced Rights Shares	Aggregate Value (\$)
1.	Frank Liu Tao (“ <b>Frank Liu</b> ”)	9,090,909	600,000
2.	Masterhood Limited	22,727,272	1,500,000
3.	Rich Highlands Capital Inc.	22,727,272	1,500,000
	<b>Sub-total</b>	<b>54,545,453</b>	<b>3,600,000</b>
4.	Valiant	16,523,661	1,090,562
	<b>Total</b>	<b>71,069,114</b>	<b>4,690,562</b>

(Frank Liu, Masterhood Limited and Rich Highlands Capital Inc., collectively, the “**Investors**”).

- 3.3. **Investors’ Subscriptions.** To clarify, Valiant will direct or instruct GV to renounce its GV Renounced Rights Shares equal to the entitlement to subscribe for up to the number of Rights Shares as set out next to the name of each Investor in the table above. Each Investor has, in turn, provided an irrevocable deed of undertaking to the Company to subscribe and pay for up to the number of Rights Shares set out in the table above (the “**Investor Deed**”, and together with the Valiant Deed, (the “**Irrevocable Undertakings**”). In this scenario, Valiant will subscribe for its pro rata Provisional Rights equal to 26,682,722 Rights Shares and 16,523,661 Rights Shares comprising part of the GV Renounced Rights Shares and up to 9,823,920 Excess Rights Shares, bearing a total aggregate of up to 53,030,303 Rights Shares, which is approximately an aggregate of up to approximately S\$3.50 million based on the Issue Price.
- 3.4. Please also refer to paragraph 8 for more details regarding the GV Deed, Valiant Deed and each of the Investor Deeds.

### 4. TERMS OF THE PROPOSED RIGHTS ISSUE AND OTHER RELEVANT INFORMATION

- 4.1. **Basis of Provisional Allotment of Rights.** The Proposed Rights Issue will be made on a pro-rata, renounceable and non-underwritten basis. Entitled Shareholders will receive forty-two (42) Rights Share for every one hundred (100) existing Shares held as of the Record Date, fractional entitlements disregarded (the “**Provisional Rights**”).

<sup>2</sup> As at the date of this announcement, Valiant holds a direct interest of 63,530,292 Shares, representing approximately 20.61% of the total issued Shares of the Company.

- 4.2. **Renounceable.** The Provisional Rights are renounceable, in part or in whole. This means Entitled Shareholders can give up or renounce all or some of their Provisional Rights to a third party. Additionally, Entitled Shareholders can trade their nil-paid rights on the SGX-ST from the commencement of the trading period of the Provisional Rights on a “nil-paid” basis. However, there is no guarantee that there will be a market for these nil-paid rights. It is the responsibility of purchasers of nil-paid rights to inform themselves of the eligibility criteria for the exercise of these nil-paid rights. More details of the trading period of the nil-paid Rights and the procedures for the exercise of these nil-paid rights will be set out in the Offer Information Statement.
- 4.3. **Non-Underwritten.** The Proposed Rights Issue will proceed without underwriting. After careful evaluation by the Directors, and considering the Valiant Deed alongside each Investor Deed, as well as the associated costs and commissions that would be payable to an underwriter, it has been determined that underwriting the Proposed Rights Issue is neither essential nor financially prudent. Consequently, the Directors have decided that the Proposed Rights Issue will not be underwritten by a financial institution.
- 4.4. **Share capital and securities of the Company.** As the date of this announcement, the Company has 308,259,172 Shares with no treasury shares, subsidiary holdings, or existing warrants, except for 145,000,000 convertible redeemable preference shares (“**CRPS**”) issued to GV. GV currently holds 169,212,177 shares (representing approximately 54.89% of the Company's total issued share capital), and Valiant holds 63,530,292 shares (representing approximately 20.61% of the Company's total issued share capital). GV's holdings include 157,212,177 shares (representing approximately 51% of the Company's current total issued share capital) which are subject to a moratorium that prevents GV from disposing of or encumbering these shares (the “**Moratorium**”). This Moratorium is a requirement of the SGX-ST's no-objection letter for the Company's resumption of trading. GV will be making an application to SGX-ST through its continuing sponsor for the Moratorium to be varied, allowing GV to hold less than 51% interest in the total issued and paid-up share capital of the Company, in view of the Proposed Rights Issue.
- 4.5. **Investment Sum and Advance.** Under the implementation agreement entered into on 30 June 2022 (the “**Implementation Agreement**”), the Company issued 231,194,379 ordinary shares and 145,000,000 CRPS to GV in consideration of a total sum of S\$5,000,000 (the “**Investment Sum**”) <sup>3</sup>. The CRPS can be converted into 145,000,000 Shares. In addition to the Investment Sum, Valiant advanced the Company S\$3,500,000 to fund its working capital requirements (the “**Advance**”). GC and Valiant are currently equal shareholders of GV. As Valiant provided the entire amount of the Investment Sum and the Advance to the Company, for the purposes of this announcement, any reference to the shareholding of or funding provided by GV under the Implementation Agreement or the mandatory general offer made by GV under the Code on 28 March 2024 (the “**Offer**”) will be referred to as being held or made by the “**Concert Parties**”, comprising GV and Valiant.
- 4.6. **Size of the Proposed Rights Issue.** On the assumption that:
- (a) no new Shares were issued prior to the Record Date;
  - (b) no CRPS was converted into Shares prior to the Record Date; and
  - (c) the Concert Parties did not dispose of any of its Shares prior to the Record Date,
- the final number of Rights Shares that the Company will allot and issue is illustrated under the following two scenarios:
- (i) **Maximum Subscription Scenario.** If all Entitled Shareholders subscribed and paid for the Rights Shares under their respective Provisional Rights, the Company would have to allot and issue 129,468,852 Rights Shares (the “**Maximum Subscription Scenario**”). The resultant enlarged share capital under the Maximum Subscription Scenario would be 437,728,024 Shares, with 129,468,852 Rights Shares representing 29.58% of the Company's enlarged share capital.

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<sup>3</sup> Shareholders should refer to previous announcements made by the Company in relation to the Implementation Agreement and the resumption of the trading of its shares for context.

(ii) **Minimum Subscription Scenario.** If pursuant to the Valiant Deed and the Investor Deeds:

- (1) Valiant subscribed and paid for its pro rata Provisional Rights equal to 26,682,722 Rights Shares and 16,523,661 Rights Shares comprising part of the GV Renounced Rights Shares and up to 9,823,920 Rights Shares under the Excess Shares application, bearing a total aggregate of up to 53,030,303 Rights Shares, which is approximately an aggregate of up to approximately S\$3.50 million based on the Issue Price;
- (2) the Investors subscribed and paid for a total aggregate of 54,545,453 Rights Shares comprising part of the GV Renounced Rights Shares, which is approximately an aggregate of approximately S\$3.60 million based on the Issue Price; and
- (3) no other Entitled Shareholders subscribed for their own pro rata Provisional Rights,

the Company would have to allot and issue 107,575,756 Rights Shares (the “**Minimum Subscription Scenario**”). The resultant enlarged share capital under the Minimum Subscription Scenario would be 415,834,928 Shares, with 107,575,756 Rights Shares representing 25.87% of the Company’s enlarged share capital. In this scenario, there would be 21,893,096 Rights Shares unsubscribed, following the close of the Proposed Rights Issue.

4.7. **Resultant Shareholding Proportions of the Shareholders.** The resultant shareholding proportions held by the Company’s substantial Shareholders (as the term is defined in the Companies Act 1967 (the “**Companies Act**”)) and its public Shareholders at the Record Date and following completion of the Proposed Rights Issue, based on the Maximum Subscription Scenario and the Minimum Subscription Scenario, are illustrated below:

	Before Rights Issue		----- After Rights Issue -----			
			Minimum Subscription Scenario		Maximum Subscription Scenario	
	Number of Shares Held	%(1)	Number of Shares Held	%(2)	Number of Shares Held	%(3)
<b>Substantial Shareholders</b>						
GV	169,212,177	54.9	169,212,177	40.7	169,212,177	38.7
Valiant	63,530,292	20.6	116,560,595	28.0	106,736,675	24.4
Su Haijin	15,413,082	5.0	15,413,082	3.7	21,886,576	5.0
<b>Other Shareholders</b>	60,103,621	19.5	60,103,621	14.4	85,347,143	19.5
<b>Investors</b>						
Masterhood Limited	-	-	22,727,272	5.5	22,727,272	5.2
Rich Highlands Capital Inc.	-	-	22,727,272	5.5	22,727,272	5.2
Frank Liu	-	-	9,090,909	2.2	9,090,909	2.1
<b>Aggregate</b>	<b>308,259,172</b>	<b>100.0</b>	<b>415,834,928</b>	<b>100.0</b>	<b>437,728,024</b>	<b>100.0</b>

**Notes:**

- (1) Based on the issued share capital of the Company of 308,259,172 Shares as at the date of this Announcement.
- (2) Based on the enlarged share capital of 415,834,928 Shares under the Minimum Subscription Scenario following the close of the Proposed Rights Issue.
- (3) Based on the enlarged share capital of 437,728,024 Shares under the Maximum Subscription Scenario following the close of the Proposed Rights Issue.

- 4.8. **Shareholding Interest of Independent Shareholders.** Shareholders' attention is drawn to the fact that under the Minimum Subscription Scenario, the collective shareholding interest of Shareholders (other than the Concert Parties and Substantial Shareholders) will be diluted from 19.49% to 14.45%, assuming no new Shares were issued prior to the Record Date and no CRPS were converted, based on an enlarged share capital of 415,834,928 Shares. For allocation of Excess Shares application, please see paragraph 4.13 for more information.
- 4.9. **No Withdrawal.** In accordance with Catalist Rule 820(1), the Proposed Rights Issue may not be withdrawn by the Company after the commencement of ex-rights trading, which is usually 2 Market Days prior to the Record Date.
- 4.10. **Ranking of the Rights Shares.** The Rights Shares when issued will rank *pari passu* in all respects with all existing Shares, save for any dividends, rights, allotments or other distributions, the record date of which falls before the date of the issue of the Rights Shares. "**Record date**" when used in this paragraph 4.10 means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in the Company's share register, or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
- 4.11. **Provisional Allotments and Excess Applications.** Entitled Shareholders may accept, decline, or renounce their Provisional Rights in part or in whole. Only Entitled Depositors (defined below) may trade (during the provisional allotment trading period prescribed by the SGX-ST) their nil-paid rights. All Entitled Shareholders are eligible to apply for additional Rights Shares in excess of their Provisional Rights ("**Excess Rights Shares**").
- 4.12. **Excess Rights Shares.** Where fractions arise in the calculation of the allotment of Provisional Rights, they will be disregarded. Such fractional entitlements will, together with Rights Shares not validly taken up by Entitled Shareholders, or their respective renouncee(s), or the purchasers of such Provisional Rights, any unsold "nil-paid" rights of Foreign Shareholders (as defined below) and Rights Shares not validly taken up or subscribed for, for any reason, be aggregated and allotted to satisfy applications for Excess Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company, subject to applicable laws and the Catalist Rules.
- 4.13. **Rounding and Priority in allotment of Excess Rights Shares.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots. In addition, Directors and Entitled Shareholders (who are substantial shareholders) and who have control or influence over the Company in connection with its day-to-day affairs, or the terms of this Proposed Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issue any Excess Rights Shares that will result in a transfer of controlling interest in the Company. Such an issuance can only be made with the approval of Shareholders in a general meeting, in compliance with Catalist Rule 803.
- 4.14. **Scaling Down Subscriptions.** The Singapore Code of Takeovers and Mergers (the "**Code**") regulates the acquisition of ordinary shares of, among others, corporations with a primary listing on the SGX-ST, including the Company. Under Rule 14 of the Code, except with the consent of the Securities Industry Council, any person acquiring an interest, either on his own or together with parties acting in concert with him (as defined under the Code), in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a mandatory general offer for the remaining Shares in the Company, in accordance with the provisions of the Code.
- 4.15. Therefore, depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription for Rights Shares and/or excess applications for Excess Rights Shares by any of the Entitled Shareholders to:
- (a) avoid placing such Entitled Shareholders and parties acting in concert with them in a position of having to make a mandatory general offer for all Shares not owned or to be owned by them under the Code, as a result of other Entitled Shareholders not taking up not, whether in part or in whole, their Provisional Rights; and/or

- (b) to avoid the transfer of a controlling interest in the Company under Catalist Rule 803, unless prior approval of Shareholders is obtained in a general meeting.
- 4.16. **Trading of Odd Lots.** For the purposes of trading on the Catalist Board, each board lot comprises 100 Shares. In connection with the Proposed Rights Issue, Shareholders who hold odd lots of Shares (that is, lots less than a minimum of 100 Shares per lot) and who wish to trade in odd lots on the Catalist Board may do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.
- 4.17. **Conditions for the Proposed Rights Issue.** The Proposed Rights Issue is subject to, among others, the following conditions having been satisfied:
- (a) no objection raised by the SGX-ST for the Moratorium to be varied, allowing GV to hold less than 51% Shares in the total issued and paid-up share capital of the Company, following close of the Proposed Rights Issue;
  - (b) the Company holding an annual general meeting or a general meeting wherein a fresh general share issue mandate or a specific share issue mandate is granted by Shareholders (as the case may be), pursuant to which the Rights Shares are authorised to be issued;
  - (c) the receipt of a listing and quotation notice ("LQN") from the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board, and such notice not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue. If the LQN is granted subject to conditions, all such conditions having been complied with, on the assumption that the conditions are acceptable to the Company;
  - (d) the lodgment of the Offer Information Statement, together with all associated documents with the SGX-ST, acting as agent on behalf of the MAS;
  - (e) the subscription for, and the allotment and issue of, the Rights Shares, not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore which is applicable to the Company; and
  - (f) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority in Singapore or elsewhere under any and all agreements applicable to the Company and/or the Proposed Rights Issue and/or which are required to give effect to the Proposed Rights Issue and the transactions contemplated thereunder being obtained and not revoked or amended or modified before the completion of the Proposed Rights Issue.
- 4.18. **Additional Listing Application.** The Company will be making an application to the SGX-ST through its continuing sponsor for permission to deal in, and for the listing and quotation of the Rights Shares on the Catalist. The Company will make an announcement on the outcome of such application in due course. In addition, the Record Date may only be fixed after the Company has obtained the LQN from the SGX-ST. In this connection, the Company will make an announcement regarding the Record Date in due course, in compliance with the Catalist Rules.
- 4.19. **Previous Equity Fund Raising in the Past 12 Months.** Prior to this announcement, as mentioned above, the Company raised a total of S\$5,000,000 from the Concert Parties under the Implementation Agreement, made up of the issue by the Company of 231,194,379 Shares and 145,000,000 CRPS in consideration for the Investment Sum.

## 5. RATIONALE FOR THE PROPOSED RIGHTS ISSUE

- 5.1. With new leadership in place, the new management has mapped out a series of strategic initiatives which includes re-branding and diversifying the Group's food and beverage business ("**Strategic Initiatives**"). These Strategic Initiatives have yet to be fully implemented as additional funding is required. As announced in a Business Update on 23 September 2024, the Group has re-branded "*No-Signboard Shen Jian*" to "*Shang Society*". The new outlet at Erskine Road will commence operations in January 2025. In the same Business Update, the Group reported that as the acquisition of Dining Haus Pte. Ltd. ("**Dining Haus**"), which is in the institutional catering business, was only completed in February 2024, the full potential of Dining Haus has not been reflected in its latest interim financial results for financial year ended 30 September 2024.
- 5.2. The Food & Beverage ("**F&B**") industry remains competitive with new players continually entering the market. The surge in new F&B outlets and concepts, from regions such as China, has heightened competition, while operational costs continue to rise. The Company will continue to expand its product and service offerings under the Shang Society brand and continue to grow its institutional catering business. The Company is also looking at overseas expansion opportunities and other acquisition targets. The Board is cautiously optimistic that the Group will be able to weather the challenges ahead in the dynamic F&B landscape, drive sustainable growth and enhance profitability.
- 5.3. In this regard, the Company is undertaking the Proposed Rights Issue to strengthen the financial position and capital base of the Group. The Net Proceeds (as defined herein) received (under both the Minimum Subscription Scenario and the Maximum Subscription Scenario) would also be available for use for general corporate purposes, including for operating costs and strategic investments. This will enhance the Group's financial flexibility, enabling it to implement its Strategic Initiatives and capitalise on new opportunities.
- 5.4. **Rationale for Discount.** In light of the challenges to the Group's business and the new management's Strategic Initiatives which have yet to be fully implemented, the Company recognises that Shareholders and the investing public may need to adopt a longer-term view over the Group's business, and may thus be hesitant to invest further in the Company in the near term and to take up their Provisional Rights. The revised discount of the Issue Price has been arrived at after discussions with the Investors to subscribe for the Rights Shares, ensuring that at least minimum of S\$3.00 million of fresh funds would be raised, which the Company believes that would increase the confidence of Shareholders, generally, in the Proposed Rights Issue.

Taking into account, among others, the rationale for the Proposed Rights Issue, the Group's current financial circumstances, recent precedent rights issue offerings by other listed issuers on the SGX-ST, the transaction size and discussions with the Manager, as well as the Investor Deeds, the Company believes that the Proposed Rights Issue have been appropriately priced to (a) attract and encourage participation from all Entitled Shareholders and the investing public, (b) reward its supporting Shareholders who may need to adopt a longer term view over the Group's business, and (c) allow the Company to raise sufficient proceeds for its intended uses. The Board encourages Shareholders and investors to consider the Group's longer-term potential when deciding whether to subscribe for Rights Shares or to purchase nil-paid rights.

- 5.5. **Capitalising the Group's Financial Position.** On 4 March 2024, the Company entered into an escrow agreement (the "**Escrow Agreement**") with Valiant. Under the terms of the Escrow Agreement, Valiant agreed to make the Advance (of S\$3.50 million) to the Company. On 15 April 2024, the Company drew down the Advance. The Advance is an interest free loan for use by the Company for its general working capital requirements and other purposes, as determined by the Board, from time to time. As at the date of this announcement, the Company has utilized all amounts from the Advance. On 15 November 2024, Frank Liu extended a loan of up to S\$600,000 (the "**Loan**") to the Company for its general working capital requirements. As at the date of this announcement, the Loan has been partially disbursed. The Company intends to fully drawdown the Loan prior to the completion of the Proposed Rights Issue.
- 5.6. Pursuant to the Irrevocable Undertakings, the Proposed Rights Issue would effectively capitalise the Advance and the Loan into equity, therefore improving the financial position of the Group. Further, pursuant to the Irrevocable Undertakings, the Proposed Rights Issue is expected to further strengthen the financial position and capital base of the Group, which based on the illustrative pro forma financial effects analysis, would have turned the Group into a net asset position as at 30 September 2024. For illustration purposes<sup>4</sup>, the pro forma financial effects of the Proposed Rights Issue (under both the Minimum Subscription Scenario

<sup>4</sup> Shareholders should note that the pro forma financial effects of the Proposed Rights Issue are purely for illustrative purposes, and have been presented based on the unaudited consolidated financial statements of the Group as at 30 September 2024, and is based on certain key assumptions. For the avoidance of doubt, the pro forma financial effects computations have taken into account the professional fees incurred pursuant to the Proposed Rights Issue of approximately S\$0.3 million.



and the Maximum Subscription Scenario) on the Group's unaudited net liability position as at 30 September 2024 are as follows:

- (a) under the Minimum Subscription Scenario, the unaudited net liability position as at 30 September 2024 of S\$4.12 million would have improved to a pro forma unaudited net asset position of S\$2.68 million; and
- (b) under the Maximum Subscription Scenario, the unaudited net liability position as at 30 September 2024 of S\$4.12 million would have improved to a pro forma unaudited net asset position of S\$4.12 million.

5.7. Based on the foregoing, the Board believes that the Proposed Rights Issue is in the best interests of both the Group and its Shareholders.

## 6. USE OF PROCEEDS

6.1. Under the Maximum Subscription Scenario, the estimated gross proceeds would be approximately S\$8.54 million. After deducting estimated expenses of approximately S\$0.30 million, the Group would have net proceeds of approximately S\$8.24 million ("**Maximum Net Proceeds**"). For the avoidance of doubt, approximately S\$3.45 million of the S\$8.54 million will be through the conversion of the Advance and Loan, and thus the gross cash proceeds expected is approximately S\$5.09 million, and the net cash proceeds expected is approximately S\$4.79 million.

6.2. Under this scenario, the Company intends to use the Maximum Net Proceeds in the following manner:

Use of Proceeds	Allocation of Maximum Net Proceeds (S\$ million)	Percentage (%)
Conversion of Advance <sup>(1)</sup>	2.85 <sup>(2)</sup>	34.6
Conversion of Loan <sup>(3)</sup>	0.60	7.3
Repayment of OCBC loan	0.38	4.6
Payment of independent directors' fee, suppliers and other creditors	0.60	7.3
Strategic business expansion and/or acquisitions	2.91	35.3
General corporate and working capital purposes	0.90	10.9
<b>Total</b>	<b>8.24</b>	<b>100.0</b>

### Notes:

- (1) The Advance has been utilized to repay the bank loan and scheme creditors, payment for legal and professional fees and the acquisition of Dining Haus and for working capital purposes.
- (2) In the Maximum Subscription Scenario where Valiant will not be allotted the Excess Rights Shares of 9,823,920, approximately S\$648,379 out of the full S\$3.50 million Advance will not be converted into Shares and will remain outstanding at the completion of the Proposed Rights Issue. In such an event, after the completion of the Proposed Rights Issue, the Company may issue such additional new Shares to Valiant to repay and convert such remaining Advance at the same Issue Price. Such issuance of additional new Shares will be made pursuant to compliance with all applicable laws and regulations, as well as the Catalyst Rules.
- (3) As at the date of this announcement, the loan has been partially drawn down and utilised for working capital purposes.

6.3. Under the Minimum Subscription Scenario, the estimated gross proceeds would be approximately S\$7.10 million. After deducting estimated expenses of approximately S\$0.30 million, the Group would have net proceeds of approximately S\$6.80 million ("**Minimum Net Proceeds**", and together with the Maximum Net Proceeds, the "**Net Proceeds**"). For the avoidance of doubt, of the approximately S\$7.10 million, approximately S\$4.10 million will be received through the conversion of the Advance and Loan, and thus the gross cash proceeds expected is approximately S\$3.00 million, and the net cash proceeds expected is approximately S\$2.70 million.

- 6.4. Under this scenario, the Company intends to use the Minimum Net Proceeds in the following manner:

<b>Use of Proceeds</b>	<b>Allocation of Minimum Net Proceeds (S\$ million)</b>	<b>Percentage (%)</b>
Conversion of Advance	3.50	51.5
Conversion of Loan	0.60	8.8
Repayment of OCBC loan	0.38	5.6
Payment of independent directors' fee, suppliers and other creditors	0.60	8.8
Strategic business expansion and/or acquisitions	0.82	12.1
General corporate and working capital purposes	0.90	13.2
<b>Total</b>	<b>6.80</b>	<b>100.0</b>

- 6.5. The Company will issue periodic announcements on the utilisation of the net proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated above and provide a status report on the use of the net proceeds in the Company's annual reports until such time the net proceeds have been fully utilised. Where the net proceeds are used for general corporate and/or working capital purposes, the Company will provide a breakdown with specific details on the use of the net proceeds in the announcements and the status reports. Any material deviation from the intended use of proceeds will be promptly announced by the Company with accompanying explanations for such deviation.
- 6.6. Pending deployment of the net proceeds for the purposes stated, the net proceeds will be deposited with financial institutions, invested in short-term money market or debt instruments, or use for other short-term purposes as the Directors may, in their absolute discretion, deem fit in interests of the Group.

## 7. INFORMATION ON THE INVESTORS

- 7.1. **Frank Liu.** Frank Liu is an individual investor who was introduced by Valiant to the Company. Frank Liu was formerly a Chief Representative of China for Stone Container Corp., a manufacturer of container board and has led various successful cases of investment in companies in Hong Kong and China. He also owns a commercial property in Shanghai, China. Frank Liu is not an associate of Valiant and vice versa.

As announced on 15 November 2024 in relation to the Loan provided by Frank Liu, one of the conditions of the Loan is for the Company to appoint Frank Liu as a non-executive and non-independent director of the Company and be a representative of Valiant. Subject to the continuing sponsor's, the Company's Nominating Committee's and Board's satisfactory due diligence and assessment of his suitability to act as a director of the Company, and barring any unforeseen circumstances, the Company will be finalising the appointment of Frank Liu as a non-executive and non-independent director of the Company in due course.

- 7.2. **Masterhood Limited.** Masterhood Limited is incorporated in British Virgin Islands (the "BVI") on 2 January 2019. As at the date of this announcement, Xu Hanjie is the sole shareholder and Gold Brilliant Holdings Limited is the sole director of Masterhood Limited. The shareholders and directors of Gold Brilliant Holdings Limited are Lee Ning Yee Frances and Wu Xiaoxia. Xu Hanjie is an early-stage venture capital and private equity investor and holds directorships in various investment management companies.
- 7.3. **Rich Highlands Capital Inc.** Rich Highlands Capital Inc. is incorporated in BVI on 15 April 2011. As at the date of this announcement, Wu Bin is the sole director and shareholder of Rich Highlands Capital Inc. Wu Bin is an early-stage venture capital and private equity investor, and he is one of the founding shareholders of Vipshop Holdings Limited, an e-commerce platform that is listed on the New York Stock Exchange.
- 7.4. **Board Representations.** Each of Masterhood Limited and Rich Highlands Capital Inc. is entitled, to the extent permissible by all applicable laws and regulations (including the Catalist Rules), to nominate one (1) person to the Board, following completion of the Proposed Rights Issue and the subscription of the Rights Shares, as set forth in their respective Investor Deeds. The Company shall and to the extent permissible by all applicable laws and regulations (including the Catalist Rules) take all reasonable steps and subject to the approval of the nominating committee and continuing sponsor of the Company to appoint such nominated person(s) as director(s) to the Board.

7.5. **Interest of Directors and Controlling Shareholders.** Save as disclosed above, the Investors have confirmed that they do not have any relationships (including business relationships) with directors and controlling shareholders of the Company. As at the date of this announcement, the Investors have no shareholding interest in the Company nor in any member of the Group.

## 8. RENOUNCEMENT OF PROVISIONAL RIGHTS AND IRREVOCABLE UNDERTAKINGS

8.1. **Renouncement of Provisional Rights.** As stated in paragraph 3.1, GV has undertaken to renounce all of its Provisional Rights to Valiant.

8.2. **Irrevocable Undertaking by Valiant.** In turn, to demonstrate its commitment and vote of confidence in the Company and the Proposed Rights Issue, Valiant has executed the Valiant Deed to subscribe and pay in full for (a) its pro rata Provisional Rights equal to 26,682,722 Rights Shares, (b) 16,523,661 Rights Shares comprising part of the GV Renounced Rights Shares, and (c) up to 9,823,920 Rights Shares under the Excess Shares application, bearing a total aggregate of up to 53,030,303 Rights Shares, which is approximately an aggregate of up to approximately S\$3.50 million based on the Issue Price. The subscription of Excess Rights Shares by Valiant is subject to their availability and compliance with all applicable laws and regulations, as well as the Catalist Rules.

8.3. **Irrevocable Undertaking by the Investors.** The Investors who have been introduced by Valiant to the Company and have each executed the Investor Deed to subscribe and pay in full for the number of Rights Shares as described in paragraph 3.2.

8.4. **Set-Off of Advance and financial confirmation in relation to Valiant and Frank Liu.** The Company has agreed that payment for the subscription of the Rights Shares by (a) Valiant, will be made by way of offsetting from the entire amount of the Advance owing and payable by the Company to Valiant, and (b) Frank Liu, will be made by way of offsetting from the entire amount of the S\$600,000 loan that will be owing and payable by the Company to him. Shareholders should note that as at the date of this announcement, while the entire Loan amount has only been partially drawdown, the Company has made a request to drawdown the remainder of the Loan. On the basis of the above, no financial confirmation is, therefore, required from Valiant and Frank Liu.

8.5. **Financial Confirmation in relation to Masterhood Limited and Rich Highlands Capital Inc.** Masterhood Limited and Rich Highlands Capital Inc. have each deposited with the Company a sum of S\$1.50 million ("**Advance Deposit**"), which shall only be utilised towards the satisfaction of the subscription amount for the Rights Shares. In light of the Advance Deposit, Masterhood Limited and Rich Highlands Capital Inc. will not be providing a confirmation of financial resources in connection with each of the Investor Deed to the Company.

8.6. **Conditions of the Irrevocable Undertaking.** The Valiant Deed and each of the Investor Deed are subject to the condition that if Valiant and its concert parties or each Investor became obliged under the Code to make a mandatory general offer for Shares not already owned or to be owned by Valiant and its concert parties or each Investor, as a result of other Entitled Shareholders not taking up, whether in part or in whole their Provisional Rights, their respective or total subscription will be scaled down as shall be agreed at the discretion of the Company, in consultation with the Manager. For clarification, the Company understands that each of Valiant and the Investors is subscribing to the Rights Shares in their respective interests and on a several basis.

8.7. **No commission.** No commission or fee is payable or agreed to be paid to GV, Valiant and each Investor in connection with the provision and execution of each deed of undertaking.

## 9. ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

9.1. **Eligibility to Participate.** The Company will provisionally allot the Rights to all Entitled Shareholders. The term "**Entitled Shareholders**" comprise both Entitled Depositors and Entitled Scripholders (each as defined below), on the basis of their shareholdings at the Record Date. Entitled Shareholders will be entitled to subscribe for the Rights Shares in accordance with their respective Rights and receive the Offer Information Statement, the application forms and other accompanying documents which will be mailed to their respective addresses within Singapore, as shown in the records of the CDP or the Company's share registrar ("**Share Registrar**").

- 9.2. **Entitled Depositors.** “**Entitled Depositors**” are Shareholders whose Shares are held in CDP Securities Accounts with: (a) Singapore addresses registered with CDP as of the Record Date, or (b) Singapore addresses provided to CDP for notices and documents by 5:00 PM (Singapore time), three Market Days before the Record Date. Entitled Depositors will be provisionally allotted their respective Rights under the Proposed Rights Issue, based on the number of Shares standing to the credit of their Securities Accounts at 5.00 p.m. (Singapore time) on the Record Date.
- 9.3. **Entitled Scripholders.** “**Entitled Scripholders**” are Shareholders who have not deposited their share certificates with CDP and have submitted valid share transfers for registration by the Record Date. Additionally, they must either: (a) have Singapore addresses registered with the Company or Share Registrar as of the Record Date, or (b) provide Singapore addresses for notices and documents by 5:00 PM (Singapore time), three Market Days before the Record Date.
- 9.4. **Foreign Shareholders.** For practicable reasons and to avoid violations of securities legislation applicable in countries other than Singapore, the Rights Shares are **NOT** offered to Shareholders with addresses registered with the Share Registrar or CDP that are outside Singapore as at the Record Date or who have not, by 5.00 p.m., at least three (3) Market Days prior to the Record Date, provided to the CDP or the Share Registrar addresses within Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Proposed Rights Issue is only made in Singapore and the Offer Information Statement and/or its accompanying documents will NOT be despatched or disseminated to Foreign Shareholders or to any jurisdiction outside of Singapore. As such, no provisional allotments of Rights Shares will be made to Foreign Shareholders. Accordingly, no acceptance of any Rights or application by Foreign Shareholders for the subscription of Rights Shares will be accepted.
- 9.5. **Sale of Nil-paid rights in relation to Foreign Shareholders.** If the Board considers it practicable, arrangements will be made for the provisionally allotted Rights which would otherwise have been allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST, as soon as practicable, after commencement of trading in the Rights Shares. Such sales, if effected, will only be made by the Company if it determines that a premium can be obtained from such sales, after taking into account all relevant expenses incurred. In addition, such provisional allotments of Rights will be sold at such price, or prices as the Company may, in its absolute discretion, decide. No Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Company’s Legal Advisor, the Share Registrar, or CDP and their respective officers in respect of or at all.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with, at the discretion of the Company, in accordance with the terms set out in the Offer Information Statement.

If such provisional allotments of Rights under the Proposed Rights Issue cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. No Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Company’s Legal Advisor, the Share Registrar, or CDP and their respective officers in connection in respect of or at all.

## 10. **OPINION OF DIRECTORS**

For the purposes of Catalist Rule 814(1)(f), as at the date of this announcement, the Directors are of the opinion that barring any unforeseen circumstances and after taking into consideration the Group’s present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

## 11. **NOTIFICATION UNDER SECTION 309B OF THE SFA**

The provisional allotments of Rights and the issuance of the Rights Shares under the Proposed Rights Issue are prescribed capital markets products (defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and are Excluded Investment Products (defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement (including in connection with the Irrevocable Undertaking) and save for interests arising from their respective shareholding interests in the Company and/or directorships in the Group, as the case may be, no Director, and to the best knowledge, information and belief of the Directors, no substantial Shareholder has any interest, direct or indirect, in the Proposed Rights Issue.

## **13. 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 Rights Issue, Rights Shares, Shares, 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.

## **14. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Proposed Rights Issue will be completed or that no changes will be made to its terms, save that any non-completion or changes will be effected only in compliance with the Catalist Rules. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and if they are in doubt as to the action they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately.

## **15. FORWARD LOOKING STATEMENTS**

Some of the statements in this announcement constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect the Group's current intentions, plans, expectations, assumptions and beliefs about future events, which are subject to risks, uncertainties and other factors, many of which are outside the Group's control. There are important factors that could cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. These include known and unknown risks, and factors such as general economic, geo-politics, and business conditions. Because actual results could differ materially from the Group's intentions, plans, expectations, assumptions and beliefs about the future, any negative impacts arising from any risks or uncertainties that are not currently foreseeable, or which are beyond the control of the Group could affect the performance of the Group's businesses, operations and financial condition. Therefore, Shareholders should not place undue reliance on these statements.

## **16. FURTHER ANNOUNCEMENTS**

The Company will make the necessary announcements as and when required and/or when there are material updates in relation to the Proposed Rights Issue.

### **BY ORDER OF THE BOARD**

Lim Teck-Ean  
Executive Director and Chief Executive Officer  
31 December 2024

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*This announcement has been reviewed by the Company's Sponsor; SAC Capital Private Limited (the "**Sponsor**"). This announcement 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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