

**PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 1,785,714 NEW ORDINARY
SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE
OF S\$0.140 PER SUBSCRIPTION SHARE**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Sevens Atelier Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 30 April 2024 the Company had entered into the subscription agreement/ (“**Subscription Agreement**”) with Mr. Huang Gang (the “**Subscriber**”).
- 1.2 Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for an aggregate of 1,785,714 new ordinary shares (“**Shares**”) in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.140 (the “**Issue Price**”) per Subscription Share amounting to an aggregate cash consideration of S\$250,000 (the “**Aggregate Consideration**”), subject to and upon the terms and conditions of the Subscription Agreement (the “**Proposed Subscription**”).
- 1.3 The Proposed Subscription is not underwritten and will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (as amended from time to time) (the “**SFA**”). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2. THE PROPOSED SUBSCRIPTION

2.1. Issue Price

The Issue Price was arrived at pursuant to discussions between the Company and the Subscriber, taking into account, among others, the prevailing market price of the ordinary shares of the Company (the “**Shares**”) and Subscriber’s investment size. The Issue Price represents a premium of 637% to the volume weighted average price of S\$0.019 per Share for trades done on the Shares on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on 22 April 2024, being the last full market day on which the Shares were traded (there were no Shares traded between 23 April 2024 and 29 April 2024) up to the entry into the Subscription Agreement.

2.2. Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber shall subscribe for an aggregate of 1,785,714 Subscription Shares at the Issue Price per Subscription Share in the following proportion and timeline:

	Propose date of subscription	Number of Subscription Shares	Proportion of Aggregate Consideration (\$)	Percentage shareholding based on the existing issued and paid-up share capital of the Company ⁽¹⁾	Percentage shareholding based on the enlarged issued and paid-up share capital of the Company ⁽²⁾
By Tranche					
1	1 st May 2024	500,000	70,000	0.23%	0.23%
2	1 st November 2024	392,857	55,000	0.18%	0.18%
3	1 st April 2025	500,000	70,000	0.23%	0.23%
4 ⁽³⁾	1 st September 2025	392,857	55,000	0.18%	0.18%
	TOTAL :	1,785,714	250,000	0.82%	0.82%

Notes:

- (1) *The percentage shareholding interest is computed based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 214,202,036 Shares as at the date of this announcement.*
- (2) *The percentage shareholding interest is computed based on the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 215,987,750 Shares, taking into account the Subscription Shares.*
- (3) *As the current subscription date in relation to Tranche 4 falls outside of the validity of the prevailing general share issue mandate approved by shareholders at 2023 AGM (as defined below), Tranche 4 will only be issued in the event a new general share issue mandate is granted by shareholders at the next annual general meeting to be held in or after April 2025. Nevertheless, it is the intention of the Company and the Subscriber to complete the Proposed Subscription within the validity of the prevailing general share issue mandate, as far as possible. Company will make corresponding announcement(s) in this relation should there be any updates.*
- (a) *The Subscription Shares represent approximately 0.82% of the existing issued and paid-up share capital of the Company comprising 214,202,036 Shares as at the date of this announcement (excluding treasury shares). The Subscription Shares represent approximately 0.82% of the enlarged issued and paid-up Shares of the Company of 215,987,750 Shares, taking into account the Subscription Shares.*
- (b) *The Subscription Shares will be issued free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank *pari passu* with the existing Shares and carry all rights similar to the existing Shares at the time of the issue, except that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the Subscription Shares.*

- (c) The Subscription Shares will not be placed to any person who is a Director or a substantial shareholder of the Company as at the date of this announcement, or any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), unless such subscription is otherwise agreed to by the SGX-ST.
- (d) The Proposed Subscriptions will not result in any transfer of controlling interest in the Company.

2.3. General Mandate

The Subscription Shares shall be allotted and issued pursuant to the general share issue mandate granted by shareholders of the Company (“**Shareholders**”), by way of an ordinary resolution (“**General Mandate**”) at the annual general meeting of the Company held on 26 April 2024 (“**2023 AGM**”). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM.

As at the date of the 2023 AGM, the Company had 214,202,036 Shares in issue and accordingly, the Company has up to 107,101,018 Shares available, representing 50% of the total number of existing issued and paid-up share capital for issuance under the General Mandate other than on a *pro-rata* basis.

As the current subscription date in relation to Tranche 4 falls outside of the validity of the prevailing general share issue mandate approved by Shareholders at 2023 AGM, Tranche 4 will only be issued in the event a new general share issue mandate is granted by Shareholders in the next annual general meeting to be held in or after April 2025. Nevertheless, it is the intention of the Company and the Subscriber to complete the Proposed Subscription within the validity of the prevailing general share issue mandate, as far as possible. Company will make corresponding announcement(s) in this relation should there be any updates.

2.4. Additional Listing Application

The Company will be applying to the SGX-ST, through its sponsor, PrimePartners Corporate Finance Pte. Ltd. (“**Sponsor**”), for the listing of and quotation for the Subscription Shares on the Catalist Board and will make the necessary announcement upon receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST.

3. DISCLOSURES RELATING TO THE SUBSCRIBER

3.1. Details of the Subscriber is set out in the table below.

Name of Subscriber	Background of Subscriber
Huang Gang (“Mr. Huang”)	Mr. Huang is a Singapore citizen and an accomplished businessman in the Construction Industry. Currently he is the sole director of HES Construction Pte. Ltd., a private company incorporated under the laws of Singapore on 2 March 2012 which is 100% owned by Mr. Huang. Its principal business activity is that of General Contractors (building construction including major upgrading work).

3.2. The Subscriber’s wholly owned Company, HES Construction Pte Ltd is the main sub-contractor of Sevens Build Pte. Ltd., a 100% owned subsidiary of the Company. No introducer fee or commission was paid or is payable in connection with the Proposed Subscription.

3.3. As at the date of this announcement, the Subscriber does not hold any shares in the Company.

3.4. The Subscriber has confirmed that:

- (a) His 100% owned Company, HES Construction Pte Ltd is the main sub-contractor of the Sevens Build Pte. Ltd., a 100% owned subsidiary of the Company. Other than the above, there is no existing connection (including business relationships) between the Subscriber, and the Company, its Directors and substantial shareholders. The Subscriber is not an interested person as defined under Chapter 9 of the Catalist Rules and do not fall under the class of restricted persons as specified in Rule 812(1) of the Catalist Rules;
- (b) he is subscribing for the Subscription Shares as principal and for his own benefit and is not acting in concert with any other person or company, and has not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation to the Company’s Shares, within the definition of the Singapore Code on Takeovers and Mergers (“**Take-over Code**”); and
- (c) no share borrowing arrangement has been entered into to facilitate the Proposed Subscription.

4. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

4.1. Completion

Completion of the Proposed Subscription under the Subscription Agreement shall take place on the date falling seven (7) business days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscriber may agree) (“**Completion Date**”).

Under the Subscription Agreement, if the Conditions Precedents as described in Paragraph 4.2 below are not satisfied on the date falling five (5) weeks after date of the Subscription Agreement (i.e. on or before 4 May 2024 (or such later date as the parties may mutually agree)) (the “**Long-Stop Date**”), the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to the other in respect of the Subscription Agreement save for any antecedent breach thereof.

4.2. **Conditions Precedent**

Under the Subscription Agreement, completion of the Proposed Subscription is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions (“**Conditions Precedent**”):

- (a) the General Mandate approved by Shareholders of the Company at the 2023 AGM not having been revoked or amended;
- (b) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (c) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreement;
- (d) the allotment and issue of the Subscription Shares to the Subscriber not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscriber;
- (e) the warranties and undertakings set out in the Subscription Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Subscription Agreement to be performed on or before the Completion Date.

5. **RATIONALE FOR THE PROPOSED SUBSCRIPTIONS AND USE OF PROCEEDS**

5.1. Rationale

The Subscriber's wholly-owned company, HES Construction Pte Ltd serves as the main sub-contractor of Sevens Build Pte. Ltd., a 100% owned subsidiary of the Company.

The funds from the Proposed Subscription will primarily be allocated to cover marketing expenses, including organizing marketing events, seminars, digital marketing promotions, and other operational costs. Besides being supportive towards the Group's marketing efforts, these promotional activities will indirectly benefit the Subscriber's company, HES Construction Pte Ltd, it being the main sub-contractor to one of the subsidiaries of the Company. As such, the Subscriber is willing to pay a huge premium for the Subscription Shares, especially considering the current level of the share price of the Company. The Proposed Subscription is also intended to strengthen our current working relationship with HES Construction Pte. Ltd. by offering it a stake in our Company, thereby aligning our respective interests and encouraging it to work hard and deliver higher-quality products and services for a common good.

Furthermore, the Company plans to leverage the expertise and business network of the Subscriber to identify and pursue other business opportunities, thereby bolstering the Company's future growth prospects.

The Proposed Subscription will also allow the Group to strengthen its financial position, improve the Group's cash flow and increase working capital available to the Group. Therefore, the Directors are of the view that the Proposed Subscription is beneficial to and in the interest of the Group.

In addition, assuming the completion of the Proposed Subscription, it will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimated expenses of approximately S\$10,000) of approximately S\$240,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$)
Marketing expenses	83.3%	200,000
Working capital including, <i>inter alia</i> , professional fees and operational expenses	16.7%	40,000
Total	100.0%	240,000

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's periodic financial statements issued under Rule 705 of the Catalist Rules and its annual reports.

Taking into account all of the above factors, the Board is of the view that the Proposed Subscription is in the best interests of the Company and its Shareholders.

6. FINANCIAL EFFECTS

6.1. Bases and assumptions

The *pro forma* financial effects of the Proposed Subscription on the consolidated net tangible assets (“NTA”) per Share, Share capital and loss per Share of the Group have been prepared for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after completion of the Proposed Subscription.

For illustrative purposes only, the *pro forma* financial effects of the Proposed Subscription set out below were prepared based on the Group’s latest audited financial statements for the full year ended 31 December 2023 (“FY2023”) and subject to the following assumptions:

- (a) for purposes of computing the effect of the NTA per Share of the Group, it is assumed that the Proposed Subscription had been completed on 31 December 2023;
- (b) for purposes of computing the effect of the Proposed Subscription on the loss per Share, it is assumed that the Proposed Subscription was completed on 1 January 2023; and
- (c) the expenses incurred in connection with the Proposed Subscriptions amount to approximately S\$10,000.

6.2. Share Capital

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Issued Share capital (S\$'000)	15,300 ⁽¹⁾	15,540
Number of Shares	214,202,036	215,987,750

Notes:

(1) Based on the issued share capital of the Company as at 31 December 2023.

6.3. NTA per Share

	Before the Proposed Subscriptions	After the Proposed Subscriptions
NTA attributable to the owners of the Group (S\$000)	6,772	7,012
Number of Shares	214,202,036	215,987,750
NTA per Share (cents)	3.16	3.25

6.4. **Loss per Share**

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Loss attributable to the owners of the Group (S\$000)	(4,053)	(4,053)
Weighted average number of issued Shares	214,202,036	215,987,750
Loss per share (cents)	(1.89)	(1.88)

7. **DIRECTORS' CONFIRMATION**

The Directors are of the opinion that, as at the date of this announcement:

- (a) After taking into consideration the present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements; and
- (b) after taking into consideration the present bank facilities available to the Group, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 8.1 None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Subscription, other than in their capacity as Director or Shareholder.

- 8.2 For illustration, the interests of the Directors, substantial shareholders and the Subscriber in the share capital of the Company as at the date of this announcement and after the Proposed Subscription are set out below:

	As at the date of announcement		After the Proposed Subscriptions	
	Number of Shares	Percentage (%) ⁽¹⁾	Number of Shares	Percentage (%) ⁽²⁾
Directors				
Lim Xiu Fang, Vanessa	-	-	-	-
Lawrence Chen Tse Chau	-	-	-	-
Lo Kim Seng	-	-	-	-
Tan Yew Heng, Terrence	-	-	-	-
Substantial Shareholders (other than Directors)				
Lim Wei Zhi Sylvester	56,000,000	26.14	56,000,000	25.93
Lee Teck	31,818,000	14.85	31,818,000	14.73
Wong Zhi Wei (Huang Zhi Wei)	29,391,500	13.72	29,391,500	13.61
Lim Mui Leng	27,273,000	12.73	27,273,000	12.63
Pong Choon Kwang	14,053,000	6.56	14,053,000	6.51
Subscriber				
Huang Gang	-	-	1,785,714	0.82

Notes:

- (1) *The percentage shareholding interest is computed based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 214,202,036 Shares as at the date of this announcement;*
- (2) *The percentage shareholding interest is computed based on the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 215,987,750 Shares.*

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement are available for inspection by the Shareholders at the registered office of the Company at 31 Joo Chiat Place Singapore 427755 during normal office hours for three (3) months from the date of this announcement.

10. 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 Subscription, and 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.

11. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Subscription will proceed to completion. Shareholders are advised to read this announcement, and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order of the Board

Mr. Lawrence Chen Tse Chau
Independent Director and Non-Executive Chairman
30 April 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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 is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.