

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

**ENTRY INTO IMPLEMENTATION AGREEMENT IN RELATION TO
THE PROPOSED TRANSFER OF LISTING STATUS ON SGX-ST**

1. INTRODUCTION

- 1.1. The Judicial Managers (the "**Judicial Managers**") of Epicentre Holdings Limited (Judicial Managers Appointed by Court) (the "**Company**") wish to announce that the Company has on 13 July 2020 entered into an implementation agreement (the "**Agreement**") with Kossen Co., Ltd ("**Kossen**") and Tardis Capital (Singapore) Pte. Ltd. ("**Tardis Capital**", and together with the Company and Kossen, the "**Parties**") on 13 July 2020. Tardis Capital has introduced Kossen and the Transferee Group (as defined below) to the Judicial Managers.
- 1.2. The Agreement sets out the terms for the proposed transfer of the Company's listing status on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Transfer of Listing**") to an entity to be incorporated in Singapore (the "**Transferee**"), subject to the conditions precedent set out in paragraph 3.2 of this announcement below, including, without limitation, the in-principle approval of the SGX-ST for the Transfer of Listing and the Listing being obtained.
- 1.3. The Company is presently under judicial management and its shares ("**Shares**") are suspended from trading. One of the Company's major intangible assets is its listing status. The Transfer of Listing, if successful, seeks to provide some recovery to its shareholders ("**Shareholders**") and its creditors ("**Creditors**").

2. PROPOSED TRANSFER OF LISTING

- 2.1. The Company, Kossen and the Transferee agree that they shall effect the Transfer of Listing by way of a scheme of arrangement (the "**Scheme**") pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore (the "**CA**") to be entered into between the Company and the Shareholders, and a statement of proposal of the Judicial Managers (the "**SOP**") to be considered at a further meeting of the Creditors to be held in accordance with Section 227M and Section 227N of the CA, upon the terms and subject to the conditions of the Agreement.
- 2.2. The Transfer of Listing is envisaged to result in the listing and admission of the Transferee to the Catalist board of the SGX-ST ("**Listing**"). The Transferee Group's (as defined below) business is envisaged to include the business of manufacturing, wholesale and retail of lactobacillus health products. The Company's Shares will, in conjunction with the Listing and the Transfer of Listing, be delisted and withdrawn from the Catalist board of the SGX-ST. It is also envisaged that a full sponsor will be retained for the Transferee upon the Listing.
- 2.3. The consideration payable by the Transferee for the Transfer of Listing shall be satisfied by the allotment and issuance of shares in the Transferee valued at the aggregate sum of S\$3,000,000 (the "**Consideration Shares**"), credited as fully paid-up and free from encumbrances, which shall be allotted and issued to the Shareholders and the Creditors in the proportions set out in the Scheme and the SOP, or at the option of the Company, to the Judicial Managers and/or such other person(s) appointed by the Court to be the administrators of the Scheme to hold on trust for and to distribute to the Shareholders and the Creditors in accordance with the terms of the Scheme and/or the SOP. The issue price per Consideration Share shall be agreed between the Company and the Transferee (the "**Issue Price**").
- 2.4. In addition, the Transferee may be required to issue additional new shares at the Issue Price for the following purposes: (a) such number of shares in the Transferee equivalent to 5.0% of the valuation of the Transferee immediately prior to completion of the Transfer of Listing

("Completion"), to be issued to Tardis Capital in consideration for its introduction services on Completion; and (b) such number of shares in the Transferee to be placed with a view to comply with the shareholding spread and distribution requirements under Rule 406(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, on or after Completion.

3. FURTHER INFORMATION IN RELATION TO THE AGREEMENT AND THE TRANSFER OF LISTING

- 3.1. Parties' Obligations: The Agreement requires the Company and the Transferee to perform various obligations. The Company is principally required to prepare and procure the issuance of the Scheme Document (as defined below) to Shareholders and the SOP Document (as defined below) to Creditors. The Transferee is principally required to prepare and issue the Information Memorandum (as defined below), and procure the submission of a pre-admission notification to SGX-ST in respect of its intended Listing.
- 3.2. Conditions Precedent: Completion is subject to various conditions precedent (collectively, the "**Conditions Precedent**"), including but not limited to, (a) the approval of the Scheme by the Shareholders and the SOP by the Creditors in compliance with the requirements of the CA; (b) the grant of the order of the High Court of Singapore sanctioning the Scheme; (c) the in-principle approval of the SGX-ST for the Transfer of Listing and the Listing being obtained; and (d) all necessary consents, approvals, waivers and exemptions or other acts from any governmental agency as reasonably required to implement the Scheme, the SOP, the Transfer of Listing and the Listing being obtained and at the consummation and completion of the Agreement, such consents, approvals, waivers, exemptions and acts having been duly authorised or obtained or otherwise completed (as the case may be) and being in full force and effect on the effective date of the Scheme and/or the date of Listing (as the case may be). Other key Conditions Precedent are set out in **Appendix A**.
- 3.3. Termination Events: Each of the Parties may by notice in writing to the other Party given at any time on or prior to completion, terminate the Agreement in various agreed circumstances, such as in the event of (i) a material breach of a representation or warranty of the other Party, or any event rendering such representation or warranty untrue, incorrect or misleading; (ii) where there is a failure or inability of the defaulting Party to perform its obligations under the Agreement; (iii) if the Shareholders and/or the Creditors reject the Scheme; or (iv) if there is any order, decree, ruling, direction or any other action permanently enjoining, restraining or otherwise prohibiting the implementation of the Transfer of Listing, the Listing and the Scheme. The Agreement will also cease and determine if any of the conditions precedent has not been satisfied (or, where applicable, has not been waived) by the date falling twelve months from the date of the Agreement (i.e. 13 July 2021), or such other date as the Parties may mutually consent in writing (such consent not to be unreasonably withheld) ("**Long-Stop Date**").
- 3.4. Exclusivity: The Parties have committed to an exclusivity period commencing on the date of the Agreement and ending on the Long-Stop Date (both dates inclusive) (unless extended by mutual agreement in writing between the Parties).
- 3.5. Financial Information on the Transferee Group: Financial information on the Transferee Group (as defined below) would only be made available or disclosed in due course as the information is presently unavailable. The Company is given to understand that the Transferee Group intends to undergo an internal reorganisation, and as such, financial information of the Transferee Group, such as on its book value and net tangible asset value would only be available in due course.
- 3.6. Financial Effects and Benchmarking: The illustrative financial effects of the proposed Transfer of Listing, such as benchmarked against the Company's earnings per share and net tangible assets, the net profits attributable to the proposed Transfer of Listing, excess or deficit of proceeds over the book value, and any gain/loss arising from the Transfer of Listing, would only be made available or disclosed in due course after financial information of the Transferee Group (after its internal reorganisation) is made available to the Company.

- 3.7. Rationale: The rationale for the Transfer of Listing is that one of the Company's intangible assets is its listing status and that the Transfer of Listing, if successful, seeks to provide some or additional recovery to Shareholders and/or Creditors. If the Company's assets were liquidated, it is unlikely that there will be any residual value available for distribution to the Shareholders after payment to the Creditors. As such, the Scheme potentially offers better returns for Creditors and Shareholders, as compared to a liquidation scenario.
- 3.8. Disclosure of Interests: To the knowledge of the Judicial Managers, none of the Directors or controlling Shareholders have any direct or indirect interest in the proposed Transfer of Listing, other than through their respective shareholding interests in the Company (if any).
- 3.9. Service Contracts: To the knowledge of the Judicial Managers, no person is proposed to be appointed as a Director of the Company in connection with the proposed Transfer of Listing. Directors to be appointed for the Transferee would be set out in the information memorandum prepared by, and to be despatched in due course by, the Transferee for the purpose of the Listing (the "**Information Memorandum**").
- 3.10. Documents for Inspection: A copy of the Agreement would be made available for inspection during normal business hours at the office of EY at North Tower Level 18, 1 Raffles Quay, Singapore 048583, for a period of three months from the date of this announcement.

4. INFORMATION ON THE TRANSFEREE

- 4.1. Kossen is listed on the KOSDAQ board of Korea, and is mainly engaged in the manufacturing and sale of stainless steel products and a key shareholder of BiogenicsKorea Co. Ltd ("**BiogenicsKorea**"). Kossen will procure the incorporation of the Transferee and thereafter ensure that the shares of BiogenicsKorea will be wholly-owned by the Transferee (the "**Transferee Group**"). The Transferee Group is in the business of manufacturing, wholesale and retail of lactobacillus health products. A general group structure and a brief description of the assets and business and other information of the Transferee Group is set out in **Appendix B** to this announcement. Further details of the Transferee Group will be set out in the Information Memorandum.
- 4.2. In accordance with the terms of the Agreement, a restructuring exercise would be carried out in anticipation of and in conjunction with the Listing, pursuant to which the Transferee is to acquire the assets and businesses of the companies in the Transferee Group, further details of which will be set out in the Information Memorandum.
- 4.3. Information in this announcement relating to the Transferee and/or the Transferee Group has been provided by the Transferee, Kossen or its advisers or agents, or extracted or reproduced from published or otherwise publicly available sources. The sole responsibility of the Judicial Managers has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately or correctly reflected or reproduced in this announcement in its proper form and context. The Judicial Managers have not independently verified the accuracy and correctness of such information and does not accept any responsibility for any information relating to or opinions expressed by or on behalf of the Transferee.

5. SCHEME DOCUMENT AND SOP DOCUMENT

Subject to the relevant regulatory approvals being obtained, including but not limited to the in-principle approval of the SGX-ST for the Listing, the Company will issue to the Shareholders in due course a document containing, *inter alia*, details of the Scheme, an explanatory statement complying with the requirements of the CA and notices of meetings and proxy forms (the "**Scheme Document**") and will also issue to the Creditors in due course a document containing, *inter alia*, the SOP complying with the requirements of the CA and notices of meetings and proxy forms (the "**SOP Document**"). The Scheme Document and the SOP Document should be read together, and in conjunction with, the Information Memorandum to be despatched together with the Scheme Document.

6. FURTHER ANNOUNCEMENTS

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

7. CAUTIONARY STATEMENT

The Transfer of Listing and the Listing are subject to, *inter alia*, satisfaction of various conditions precedent, and there is no certainty as at this date whether the Transfer of Listing and the Listing can or will proceed. Shareholders are accordingly advised to exercise caution, and to refrain from taking any action in relation to their Shares until they or their advisers have considered the information set out in the Scheme Document, the Information Memorandum and further announcements released by the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers immediately.

Ee Meng Yen Angela
Joint and Several Judicial Manager

15 July 2020

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

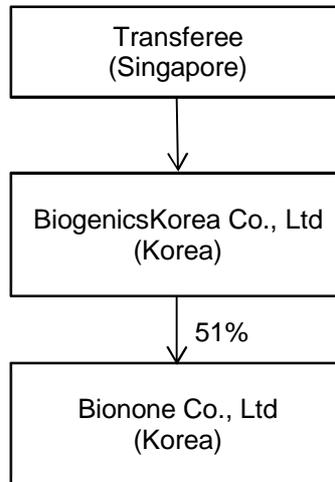
*The contact person for the Sponsor is Mr. Bernard Lui.
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Appendix A

1. No injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction or any part thereof.
2. The Company has not been subject to a delisting notice from the SGX-ST.
3. Creditors representing three-fourths in value of the Creditors and Shareholders holding such number of shares representing more than 50% of total shareholdings in the Company have given written irrevocable undertakings to vote in favour of the Scheme and SOP.

Appendix B

(A) General Group Structure



(B) Description of the business and assets of the Transferee Group

The main business areas of the Transferee Group are:

- i. raw ingredient sales (including heat treated Lactobacillus Plantarum nF1 sales);
- ii. products sales (including probiotics, food and beverages, functional food and pet food sales); and
- iii. research and development in areas of diagnosis & therapy as well as drug delivery systems.

As at the date of the Agreement, the key assets of the Transferee Group include 9 registered intellectual properties in relation to its products.