

GOODWILL ENTERTAINMENT HOLDING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201633838K)
(the "Company")

**PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP ORDINARY SHARES IN
THE CAPITAL OF FUNTECH SOLUTIONS PTE. LTD.**

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or "**Directors**") of Goodwill Entertainment Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, on 7 June 2026, the Company had entered into a sale and purchase agreement ("**SPA**") with the shareholders of Funtech Solutions Pte. Ltd. (the "**Target Company**" or "**Funtech**") namely, Swa Hui Yoke and Zhang Jun Feng (each shareholder a "**Vendor**" and collectively, the "**Vendors**") to acquire 19,750 ordinary shares of the Target Company, representing 100% of the total issued and paid-up share capital of the Target Company ("**Sale Shares**") from the Vendors for the purchase consideration of S\$4,000,000 ("**Purchase Consideration**"), comprising (a) an aggregate cash amount of S\$1,000,000 (the "**Cash Consideration**"), of which S\$650,000 shall be payable in cash on Completion (as defined below)(the "**Completion Cash Consideration**") and S\$350,000 shall be deferred and payable upon the occurrence of the Litigation Resolution Date (as defined below)(the "**Deferred Cash Consideration**"), and (b) S\$3,000,000 to be satisfied by way of an allotment and issuance of new ordinary shares ("**Shares**") in the Company (the "**Consideration Shares**") in accordance with and subject to the terms of the SPA (the "**Proposed Acquisition**"). Following completion of the Proposed Acquisition, the Target Company and its subsidiaries (the "**Target Group**") will be wholly-owned subsidiaries of the Company.
- 1.2. The relative figures under Rules 1006 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") exceed 5% but does not exceed 75%. Accordingly, the Proposed Acquisition constitutes a "disclosable transaction" pursuant to Rule 1008 of the Catalyst Rules. Please refer to section 6 of this announcement for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalyst Rules. The Purchase Consideration payable to the Vendors will be partially satisfied in Consideration Shares (as defined below) and the Proposed Acquisition is therefore disclosable by virtue of Rule 1009 of the Catalyst Rules.
- 1.3. The Company's sponsor will be submitting an application in due course on behalf of the Company to the SGX-ST for the dealing in, the listing and quotation of the Consideration Shares. The Company will make the necessary announcements once the listing and quotation notice ("**LQN**") has been obtained from the SGX-ST.

2. INFORMATION ON THE VENDORS AND THE TARGET COMPANY

Information on the Vendors

- 2.1. The Vendors are individuals and the members of the Target Company. The Vendors' shareholdings in the Target Company are as follows:

| Vendor | No. of shares capital in the Target Company | % |
|----------------|--|---------------|
| Swa Hui Yoke | 15,800 | 80.00 |
| Zhang Jun Feng | 3,950 | 20.00 |
| | 19,750 | 100.00 |

- 2.2. As at the date of this announcement, the Vendors have the following interests in the Shares in the capital of the Company as follows:

| Vendor | No. of Shares capital in the Company | % |
|----------------|--------------------------------------|---------------------|
| Swa Hui Yoke | 725,000 | 0.18 ⁽¹⁾ |
| Zhang Jun Feng | NIL | – |
| | 725,000 | 0.18 |

Note:

⁽¹⁾ The shareholding percentage is computed based on the Company's total number of issued share capital of 395,162,600 Shares in issue (excluding treasury shares of 4,837,400).

- 2.3. Save as disclosed in Section 2.2, the Vendors are not related to the Company, the Group, the Directors and substantial shareholders of the Company and their respective associates. As at the date of this announcement, save as disclosed in Section 2.2, (i) none of the other Vendors, or their respective associates has any interest, direct or indirect, in the Shares or convertible securities of the Company; and (ii) none of the Directors or substantial shareholders of the Company has any direct or indirect shareholding interests in the Vendor or the Target Company.

Information on the Target Company and its subsidiaries

- 2.4. The Target Company, a private company limited by shares incorporated under the laws of Singapore, having its registered office at 3 Upper Aljunied Link, #01-06, Singapore 367902 is in the business of providing development, installation and consultation services for entertainment venues offering advanced audio-visual technology in Singapore (the “**Business**”). The Target Company is an authorised seller in Singapore for one of the largest karaoke equipment producer in the People’s Republic of China, as well as one of only eight (8) authorised commercial karaoke suppliers in Singapore recognised by the Music Rights (Singapore) Public Limited. The Target Company provides services to support the operations of the Group’s HaveFun Family Karaoke outlets from time to time.
- 2.5. As at the date of the announcement, the Target Company has an issued and paid-up share capital of S\$300,000, comprising 19,750 ordinary shares. The Vendor, Swa Hui Yoke, is the sole director of the Target Company. The Company’s Executive Chairman and Chief Executive Officer, Mr. Flint Lu is a former director of the Target Company from May 2020 to February 2023 and former shareholder of the Target Company from October 2021 to January 2022. Save as disclosed above, Mr. Flint Lu does not, as at the date of this announcement, hold any direct or indirect interest in the shares of the Target Company and is not related to the Target Company, the Vendors or their respective associates.
- 2.6. As at the date of this announcement, the Target Company has a wholly-owned subsidiary, Edit Labs IT Solutions Sdn. Bhd., which was incorporated in Malaysia on 20 June 2023 and is principally engaged in computer programming activities. As at the date of this announcement, Edit Labs IT Solutions Sdn. Bhd. is a dormant company with no ongoing business activities and the intention is for it to undertake the same Business as Funtech.
- 2.7. As at the date of this announcement, the Target Company is a party to ongoing proceedings in the District Court of Singapore, which were first commenced against the Target Company on 3 November 2021. The proceedings arose as a result of contractual disputes between the Target Company and one of its suppliers over renovation works carried out at certain premises. The parties are currently in the process of making their final closing submissions on the matter and thereafter, the Court will adjourn to consider the same for the purposes of rendering its judgment. Given the significant amount of legal and factual analysis involved, shareholders should note that the outcome of the proceedings cannot be predicted with certainty. The Company will make the necessary announcements in accordance with the Catalist Rules if there are any material developments in relation to the said proceedings.
- 2.8. Based on the management accounts of the Target Company for the financial year ended 31 December 2025 (“**FY2025**”):
- (a) the net assets and net tangible assets of the Target Company as at 31 December 2025

was approximately S\$528,440; and

- (b) the net profits after tax of the Target Company for FY2025 was approximately S\$666,268.
- 2.9. The open market value of the Sale Shares is not available as the ordinary shares of the Target Company are not publicly traded.
- 2.10. No independent valuation on the Sale Shares or the Target Company was carried out for the purpose of the Proposed Acquisition.
- 2.11. The Target Company is not related to the Directors, the Company's directors, substantial shareholders and/or their respective associates. As at the date of this announcement, the Target Company does not hold, directly or indirectly, any Shares or convertible securities in the Company.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition is in the best interests of the Company and its shareholders of the Company ("**Shareholders**"), taking into account, among others, the following:

- (a) **Strategic alignment with the Group's strategy to invest in entertainment technologies.** The Proposed Acquisition is in line with the Group's strategic objective of investing in technology-enabled entertainment solutions to enhance the productivity and customer experience across its existing "HaveFun Family Karaoke" and "HaveFun Live Show" outlets, including through the incorporation of AI-driven tools, improved reservation and payment systems, and integrated point-of-sale platforms. By bringing the Target Company's capabilities in-house, the Group will be better positioned to improve operational efficiency and reduce reliance on third-party service providers over the medium to long term.
- (b) **Revenue diversification and new growth opportunities.** The Proposed Acquisition will enable the Group to diversify its revenue base beyond its existing karaoke, live show, food and beverage operations and food manufacturing business segments. The Target Company's expertise in the provision of turnkey entertainment venue solutions and software platforms, including song ordering, payment integration and point-of-sale systems presents an opportunity for the Group to offer such services to external third-party operators in Singapore, Malaysia and Southeast Asia, thereby generating new and recurring revenue streams and operating cash flow for the Group.
- (c) **Conservation of cash resources through the allotment and issuance of Consideration Shares.** The partial satisfaction of the Purchase Consideration by way of the allotment and issuance of the Consideration Shares reduces the cash outlay required by the Group in connection with the Proposed Acquisition thereby allowing the Group to conserve its cash resources for working capital purposes and future investment opportunities. The alignment of the Vendors' interests with those of the Group as incoming Shareholders further supports the long-term success of the integration.

The Board has weighed the benefits of the Proposed Acquisition against the associated risks and potential costs to the Group, including the ongoing litigation proceedings, and is of the view that the Proposed Acquisition, the allotment and issuance of the Consideration Shares to the Vendors is beneficial to and in the interests of the Company and enables the Group to improve its working capital position and reduce its indebtedness and gearing while conserving its cash resources. The Company intends to fund the S\$1,000,000 cash component of the Purchase Consideration from its internal resources. The remaining S\$3,000,000 of the Purchase Consideration shall be satisfied by the allotment and issuance of the Consideration Shares to the Vendors, in lieu of cash payment. No cash proceeds will be received by the Company from the Vendors in connection with the allotment and issuance of the Consideration Shares.

Barring any unforeseen circumstances, the Directors are of the view that the Proposed Acquisition, if completed, is in the interest of the Group and will generate a sustainable revenue stream for the Group and enhance the long-term interests of the Shareholders. **However, Shareholders should note that there is no assurance that the Proposed Acquisition will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

Purchase Consideration

4.1. the SPA, the Vendors shall sell and the Company shall acquire the Sale Shares, representing 100% of the issued and paid-up capital of the Target Company, free from all encumbrances and together with all rights attaching thereto on and from Completion Date. Following the completion of the Proposed Acquisition (“**Completion**”), the Target Company will become a wholly-owned subsidiary of the Company.

4.2. The Purchase Consideration of S\$4,000,000 shall be satisfied in the following manner:

- (a) **Completion Cash Consideration** of S\$650,000, representing approximately 16.25% of the Purchase Consideration, shall be payable in cash by the Company to the Vendors on Completion Date;
- (b) **Consideration Shares:** S\$3,000,000, representing approximately 75% of the Purchase Consideration, shall be satisfied by way of an allotment and issuance of an aggregate 20,000,000 new Consideration Shares to the Vendors on Completion Date, at such numbers and in such proportions as set out in the table below at an issue price of S\$0.15 (the “**Issue Price**”) per Consideration Share, credited as fully paid, free from all Encumbrance, ranking *pari passu* with all existing Shares, and approved by the SGX-ST to be listed and quoted on Catalist; and
- (c) **Deferred Cash Consideration** of S\$350,000, representing approximately 8.75% of the Purchase Consideration, shall be payable in cash by the Company to the Vendors, within fourteen (14) Business Days of the date on which all ongoing, pending or threatened legal, arbitration, regulatory or administrative proceedings, claims or disputes relating to the Target Company and/or its business that arose or are attributable to the period prior to the Completion Date (the “**Ongoing Legal Matters**”) have been fully and finally settled, resolved or disposed of, whether by way of a court order, arbitral award, binding settlement agreement or otherwise, to the satisfaction of the Company (acting reasonably)(the “**Litigation Resolution Date**”).

| Vendor | Shareholding % in Target Company | Completion Cash Consideration Payable | Consideration Shares to be allotted and issued | Deferred Cash Consideration Payable |
|----------------|----------------------------------|---------------------------------------|--|-------------------------------------|
| Swa Hui Yoke | 80 | S\$520,000 | 16,000,000 | S\$280,000 |
| Zhang Jun Feng | 20 | S\$130,000 | 4,000,000 | S\$70,000 |
| Total | 100 | S\$650,000 | 20,000,000 | S\$350,000 |

4.3. The Purchase Consideration is based on approximately six (6) times profit after tax for FY2025 as reflected in Funtech’s management accounts, were arrived at following arm’s length commercial negotiations on a willing buyer, willing seller basis, taking into account the following factors and assumptions:

- (a) the Target Company possessing and continuing to possess all necessary approvals, licenses and permits (if any), required for carrying out the Business;
- (b) the Target Company being free from any liability not in the ordinary course of Business as at the Completion Date;

- (c) the Target Company not making any distributions or declaring any dividends out of its retained profits or capital since the Balance Sheet Date (as defined in the SPA);
- (d) the Target Company maintaining, at Completion Date, a NTA of not less than S\$300,000, being the Company's NTA as at the Balance Sheet Date (as defined in the SPA);
- (e) the Target Company maintaining, at Completion Date, an aggregate of no less than S\$100,000 cash, free from Encumbrances (as defined in the SPA), in its bank account(s);
- (f) the Target Company continuing to own all Intellectual Property Rights (as defined in the SPA) and such other assets (tangible and intangible), as at the Balance Sheet Date and/or which are essential for the running of the Business;
- (g) the current management and the key personnel continuing to run the business;
- (h) the Target Company remaining as a going concern, and
- (i) there being no Material Adverse Change (as defined in the SPA).

The SPA further provides that the Company and the Vendors agree that the Company shall have an irrevocable right to make downward adjustments to the Purchase Consideration and the corresponding number of Consideration Shares to be allotted and issued to the Vendors in satisfaction thereof, in its sole and absolute discretion, if there are any adverse deviations to any of the factors set out in this Section 4.3 which have not been resolved or remedied to the satisfaction of the Company prior to Completion.

- 4.4. The Issue Price is 3.45% premium to the VWAP of the Company's Shares on 22 May 2026 of S\$0.1450, being the last traded closing price on the market day preceding the date of the SPA. The Issue Price was commercially agreed between the Company and the Vendors after arm's length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.

Ongoing Legal Matters

- 4.5. In connection with the Target Company's ongoing litigation, the Company and the Vendors have agreed to the following commercial terms as part of the Proposed Acquisition:
- (a) as a condition precedent to Completion, the Vendors shall execute and deliver to the Company an undertaking (the "**Ongoing Legal Matters Undertaking**") pursuant to which the Vendors shall, jointly and severally:
 - (i) assume sole responsibility for the conduct, management, defence, settlement and/or disposal of the ongoing litigation proceedings, including after Completion, and use all reasonable endeavours to procure the full and final resolution of the same as soon as reasonably practicable;
 - (ii) keep the Company and the Target Company fully and promptly informed of all material developments in the ongoing litigation proceedings; and
 - (iii) fully indemnify the Company and the Target Company from and against any and all losses, liabilities, damages, costs and expenses (including legal fees on a full indemnity basis) arising out of or in connection with the ongoing litigation proceedings.
 - (b) the Deferred Cash Consideration, representing approximately 8.75% of the Purchase Consideration, shall not become due or payable unless and until the Litigation Resolution Date has occurred and if the Litigation Resolution Date has not occurred by 12 months from Completion Date, or such other period as mutually agreed between the Parties (the "**Deferred Payment Longstop Date**"), the obligation to pay the Deferred Cash Consideration shall

automatically cease and be of no further force or effect, and the Purchase Consideration shall be deemed fully satisfied by the payment of the Completion Cash Consideration and the allotment and issuance of the Consideration Shares. The Vendors shall have no further claim against the Company in respect of the Deferred Cash Consideration or the Sale Shares following the Deferred Payment Longstop Date. The Vendors have acknowledged and agreed that in such circumstances they shall have no entitlement to the Deferred Cash Consideration and shall make no claim against the Company in respect thereof and that the lapse of the Vendors' entitlement to the Deferred Cash Consideration upon the occurrence of the Deferred Payment Longstop Date shall not in any way limit, discharge or otherwise affect the obligations of the Vendors under the Ongoing Legal Matters Undertaking, including their obligations to assume sole responsibility for the conduct and management of the Ongoing Legal Matters and to fully indemnify the Company and the Target Company in respect thereof, all of which shall continue in full force and effect notwithstanding the occurrence of the Deferred Payment Longstop Date.

- (c) the Company shall be entitled to set off against the Deferred Cash Consideration any sums due and payable by the Vendors to the Company and/or the Target Company pursuant to the Ongoing Legal Matters Undertaking, including any losses, damages or costs arising from the ongoing litigation proceedings. Upon the occurrence of the Litigation Resolution Date, the Company shall provide the Vendors with a written statement setting out the aggregate of all amounts set off against the Deferred Cash Consideration (the "**Applied Amount**") and the balance remaining after such deduction (the "**Surplus Amount**"), and shall pay the Surplus Amount to the Vendors within fourteen (14) Business Days. For the avoidance of doubt, if the Applied Amount equals or exceeds the Deferred Cash Consideration, no Surplus Amount shall be payable to the Vendors. Any damages, costs orders or other financial recoveries obtained by or on behalf of the Target Company in connection with the Ongoing Legal Matters, net of all legal costs properly incurred (the "**Recovery Amount**"), shall be applied first in reimbursement of the Applied Amount, with the balance paid to the Vendors in their respective proportions. The Vendors' entitlement to the Recovery Amount shall survive the occurrence of the Deferred Payment Longstop Date and shall not be affected by the lapse of the Vendors' entitlement to the Deferred Cash Consideration.

For the avoidance of doubt, Completion of the Proposed Acquisition is not conditional upon the resolution of the Ongoing Legal Matters. The Parties have agreed that Completion shall proceed on the Completion Date in accordance with the terms of the SPA regardless of the status or outcome of the Ongoing Legal Matters, provided that the Ongoing Legal Matters Undertaking has been duly executed and delivered by the Vendors. The Vendors' obligations under the Ongoing Legal Matters Undertaking, including their obligations to assume sole responsibility for the conduct and management of the Ongoing Legal Matters and to fully indemnify the Company and the Target Company in respect thereof, shall continue in full force and effect following Completion.

Completion

- 4.6. Completion of the Proposed Acquisition shall take place on such date no later than ten (10) business days after the date on which all the conditions precedent set out in the SPA are satisfied (or waived), in any event not later than the Long-Stop Date (as defined below), or such other date as the Parties may mutually agree in writing (the "**Completion Date**").
- 4.7. In the event that Completion does not take place on or before 5 August 2026 (being two (2)) months after the date of the SPA), unless the fulfilment of conditions precedent is prevented by a delay in SGX-ST's approval, then a reasonable extension shall be agreed upon by the Parties or such other date as the Parties may agree (the "**Long-Stop Date**"), the SPA shall automatically lapse and terminate in accordance with the terms therein.

Conditions Precedent

- 4.8. Unless waived by the Purchaser in its sole and absolute discretion, Completion of the Proposed Acquisition is conditional on the fulfilment of the following conditions, among others, and includes

all variations and supplements to the same as may be agreed in writing between the Purchaser, and the Vendors, from time to time:

- (a) the furnishing of the original executed Moratorium Undertakings (as defined in the SPA) by the Vendors;
- (b) the furnishing of the original executed Non-Compete Undertaking (as defined in the SPA) by Vendors;
- (c) the furnishing of the original executed Ongoing Legal Matters Undertaking by the Vendors;
- (d) there being, as at the Completion Date, no outstanding amounts, loans, advances, fees, remuneration, expenses or other liabilities howsoever arising due and owing by the Target Company to any of its present or former directors, officers or the Vendors (or any of their respective associates or related parties),
- (e) the approval of the board of directors of the Company for the transactions contemplated in the SPA to be completed in accordance with the terms and conditions set out in the SPA (including the allotment and issue of the Consideration Shares);
- (f) the conduct and completion of a legal, financial and tax due diligence exercise by the Company and/or their professional advisers on the Target Company, and the results of such due diligence exercise and the regularisation of issues in relation thereto being satisfactory to the Company in its reasonable opinion, with the substantive investigations and resolutions for such due diligence exercise to be materially carried out by Completion;
- (g) there being no change or any development from the date of this Agreement to the Completion Date likely to result in a Material Adverse Change (as defined in the SPA) of the Target Company nor any breach of, nor the occurrence of any event or the discovery of any matter rendering untrue or inaccurate, any of the Vendors' Warranties (as defined in the SPA)
- (h) the Company, Vendors, Key Personnel (as defined in the SPA) and Target Company are each and all not the subject of any actual, pending or threatened Insolvency Event (as defined in the SPA);
- (i) the Shares not being suspended by the SGX-ST from trading on Catalist other than in relation to trading halts not exceeding three (3) market days pending announcements of the Company;
- (j) the listing and quotation notice being granted by the SGX-ST pursuant to the additional listing application for the listing and quotation of the Consideration Shares on the Catalist of the SGX-ST, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Purchaser and if required by the SGX-ST, such conditions being fulfilled or satisfied before Completion, and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Consideration Shares.

5. THE CONSIDERATION SHARES

- 5.1. The Consideration Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued shares of the Company at the time of the issue except that the Consideration Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.
- 5.2. The Consideration Shares are intended to be allotted and issued pursuant to the Company's general share issue mandate ("**General Mandate**") approved by the Shareholders of the

Company at the annual general meeting of the Company held on 29 April 2026 (“**FY2025 AGM**”). Pursuant to the General Mandate, the Directors are authorised to, among others, allot and issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) after adjusting for (i) new Shares arising from the conversion or exercise of any offers, agreements or options, or any convertible securities; (ii) new Shares arising from the exercise of share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of Shares, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at FY2025 AGM after adjustments.

As at the FY2025 AGM, the Company had an issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of 395,162,600 Shares. Accordingly, the maximum number of Shares that may be issued other than on a pro-rata basis pursuant to the General Mandate is 395,162,600 Shares. As at the date of this announcement, no new Shares have been issued by the Company since the FY2025 AGM under the General Mandate and the remaining number of Shares that may be issued other than on a pro-rata basis pursuant to the General Mandate is 395,162,600 Shares.

Accordingly, the proposed allotment and issuance of the 20,000,000 Consideration Shares falls within the limit of the General Mandate obtained at the FY2025 AGM and will therefore be allotted and issued under the General Mandate.

- 5.3. The 20,000,000 Consideration Shares will represent:
- (a) 5.06% of the existing issued share capital of the Company of 395,162,600 Shares (the “**Existing Share Capital**”); and
 - (b) 4.82% of the enlarged issued share capital of the Company of 415,162,600 Shares following the Completion of the acquisition of Sale Shares (the “**Post-Completion Enlarged Share Capital**”).
- 5.4. Following the allotment and issuance of the Consideration Shares, the Vendors, Swa Hui Yoke and Zhang Jun Feng will each hold a total of 16,725,000 Shares and 4,000,000 Shares respectively, representing 4.03% and 0.96% of the Post-Completion Enlarged Share Capital, respectively.

5.5. Moratorium

The Vendors have provided an irrevocable undertaking to the Company that for a period of six (6) months commencing from the date of allotment and issuance of the Consideration Shares, each of the Vendors will not, directly or indirectly, amongst others, offer, sell, contract to sell, realise, transfer, assign, lend, pledge, grant any option, warrant or right to purchase, grant any security over, encumber, or otherwise dispose of, all or any part of the Consideration Shares or any interest therein.

6. RELATIVE FIGURES UNDER THE CATALIST RULE 1006

- 6.1. The relative figures in respect of the Proposed Acquisition as computed on the bases set out in Catalist Rule 1006, are based on the Group’s latest announced audited condensed interim financial statements for FY2025 and the Target Company’s management accounts for FY2025, and are as follows:

| Rule 1006 | Bases of Calculation | Relative Figure (%) |
|------------------|--|-------------------------------|
| (a) | The net asset value of the assets to be disposed of, compared with the group's net asset value. | Not Applicable ⁽¹⁾ |
| (b) | The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. | 20.27 ⁽²⁾ |

| Rule 1006 | Bases of Calculation | Relative Figure (%) |
|-----------|--|-------------------------------|
| (c) | The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. | 6.98 ⁽³⁾ |
| (d) | The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. | 5.06 |
| (e) | The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount. | Not Applicable ⁽⁴⁾ |

Notes:

- (1) Catalist Rule 1006(a) is not applicable as the Proposed Acquisition does not involve any disposal of assets.
- (2) Pursuant to Catalist Rule 1002(3)(b), "net profits" is defined to be profit or loss before income tax, non-controlling interests and extraordinary items. The Target Company recorded a net profits of approximately S\$666,268. The Group's net profit for FY2025 was S\$3,287,047.
- (3) The aggregate Consideration of S\$4,000,000 is compared against the Company's market capitalisation of S\$57,298,577, determined by multiplying 395,162,600 Shares in issue (excluding Treasury Shares of 4,837,400) as at the date of this announcement by the VWAP of S\$0.1450 per Share on 22 May 2026 (being the last full market day on which the shares of the Company were traded on the SGX-ST preceding the date of the SPA).
- (4) Catalist Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

6.2. As the relative figures computed on the bases set out in Catalist Rules 1006(b), (c) and (d) exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a Proposed Acquisition constitutes a "disclosable transaction" pursuant to Rule 1008 of the Catalist Rules and accordingly, the approval of Shareholders of the Company is not required for the Proposed Acquisition.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1. The *pro forma* financial effects of the Proposed Acquisition on the Group presented below are for illustrative purposes only and are not intended to reflect the actual or future financial performance and position of the Company or the Group after Completion.

7.2. Bases and Assumptions

The *pro forma* financial effects set out below are prepared based on the latest audited consolidated financial statements of the Group for the year ended 31 December 2025 and Funtech's management account for the financial year ended 31 December 2025 ("FY2025"), on the following bases and key assumptions:

- (a) the financial effects on the net tangible assets ("**NTA**") per Share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2025;
- (b) the financial effects on the earnings per share ("**EPS**") of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2025;
- (c) the computation of the financial effects on the share capital, NTA per Share and EPS of the Group, where applicable, includes the satisfaction of the Consideration Shares; and

- (d) the expenses incurred in connection with the Proposed Acquisition are not taken into consideration as the amount is not material.

7.3. Share Capital

| As at 31 December 2025 | Before the Proposed Acquisition | After the Proposed Acquisition |
|---|--|---------------------------------------|
| Share Capital (S\$) | 17,005,374 | 19,905,374 |
| Number of issued Shares (excluding treasury shares) | 395,162,600 ⁽¹⁾ | 415,162,600 |

Note:

- (1) Number of shares as at the date of the announcement.

7.4. NTA per Share

| As at 31 December 2025 | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|--|---------------------------------------|
| NTA (S\$) | 20,325,221 | 20,631,977 |
| Number of Shares (excluding treasury shares) | 395,162,600 | 415,162,600 |
| NTA per Share (Singapore Cents) | 5.14 | 4.97 |

7.5. EPS

| For FY2025 | Before the Proposed Acquisition | After the Proposed Acquisition |
|---|--|---------------------------------------|
| Profit attributable to equity holders of the Company (S\$) | 1,690,630 | 2,356,898 |
| Weighted average number of Shares (excluding treasury shares) | 398,628,728 | 418,628,728 |
| EPS (Singapore Cent) | 0.42 | 0.56 |

8. **DISCLOSURE OF INTERESTS**

As at the date of this announcement, none of the Directors or controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company, if any).

9. **SERVICE CONTRACTS**

No person will be appointed to the Board in connection with the Proposed Acquisition and no service contracts in relation thereto will be entered into by the Company.

10. **FURTHER UPDATES**

The Company will update the Shareholders if there are any material developments and will make the necessary announcements on SGXNet in compliance with the Catalist Rules of the SGX-ST.

11. **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 Acquisition, 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 the 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.

12. 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 Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

13. DOCUMENTS AVAILABLE 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 10 Kallang Avenue #13-13 Aperia Tower 2 Singapore 339510, for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Lu Mang
Executive Chairman and Chief Executive Officer
7 June 2026

This document has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914.