



ONEAPEX

ONEAPEX LIMITED

(Company Registration Number: 201020806C)

(Incorporated in the Republic of Singapore)

JOINT INVESTMENT AND ACQUISITION OF PROPERTY LOCATED AT 7 KIM CHUAN LANE

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of OneApex Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its associated company, Ember Properties Pte. Ltd. ("**Ember Properties**") has on 31 May 2021 exercised an option to purchase a freehold industrial property located at 7 Kim Chuan Lane, Singapore 537071 (the "**Property**") (the "**Option**") for a total consideration of S\$17 million (the "**Consideration**"), on the terms and subject to the conditions of the Option (the "**Acquisition**").

2. TRANSFER OF SHARES OF EMBER PROPERTIES AND JOINT INVESTMENT

Ember Properties is a private company limited by shares incorporated in Singapore on 23 February 2021 as a real estate development company and wholly-owned by the Company.

In connection with the Acquisition, A38 Capital Pte. Ltd. ("**A38**") had on 31 May 2021, subscribed for eight (8) new ordinary shares in share capital of Ember Properties for a consideration of S\$8.00 ("**A38 Subscription**"), based on the issued and paid-up share capital of Ember Properties. Pursuant to the A38 Subscription and as at the date of this announcement, Ember Properties has a total issued and paid-up capital of S\$10 comprising of ten (10) ordinary shares. Following the completion of the A38 Subscription, Ember Properties has become an indirect associated company of the Company.

A38 is a private company limited by shares incorporated in Singapore on 5 January 2021 as a holding company. As at the date of this announcement, A38 has a total issued and paid-up capital of S\$3 comprising three (3) ordinary shares. The shareholders of A38 are Mr. Tan Koo Chuan ("**Mr. Tan**"), Mr. Tan Pei Hong, Alex (Chen Peifeng) ("**Alex**") and Mr. Tan Theng Hong, Amos ("**Amos**"), each of whom hold one (1) share in the total issued and paid-up share capital of A38. The directors of A38 are Mr. Tan, Alex and Amos.

Pursuant to the A38 Subscription, Ember Properties is a joint investment between OneApex Development Pte Ltd ("**OAD**"), a wholly-owned subsidiary of the Company, and A38, holding 20% and 80% of the total issued and paid-up share capital of Ember Properties respectively ("**Joint Investment**"). The directors of Ember Properties are Alex and Mr. Chiu Joon Sun (Zhao Junsheng).

3. PRINCIPAL TERMS OF THE ACQUISITION

3.1 Information on the Property

The Property has a land size area of approximately 10,506 square feet and is zoned "Commercial/Industrial". The Property is located at Kim Chuan Lane, which is within close proximity to the Ubi and Tai Seng area.

The Property is sold subject to an existing tenancy for the use as a warehouse, factory and ancillary office for the purpose of carrying out engineering related activities.

3.2 Consideration

The Consideration was arrived at after arms' length negotiations, on a willing-buyer, willing-seller basis, between Ember Properties and the owner of the Property, who is an unrelated third party. In arriving at the Consideration, Ember Properties had considered *inter alia*, the current transacted and asking sale prices of the commercial properties in the immediate area and other comparable areas, as well as the current transacted and asking rental rates of the commercial properties in the immediate area and other comparable areas.

As at the date of this announcement, Ember Properties has paid S\$850,000 to the Vendor, comprising of (i) the option fee of S\$280,000 payable upon the Option being granted, and (ii) 5% of the Consideration payable upon the exercise of the Option (the "**Initial Fee**"). The remaining S\$16,150,000, being the balance of the Consideration (the "**Balance**"), shall be paid upon completion of the Acquisition, which is expected to take place within five (5) months from the date of exercise of the Option (or such other date or extended date as the parties may agree).

3.3 Sources of Funds for the Acquisition

The Initial Fee was funded by way of an interest-free shareholders' loan from A38 and the Balance will be funded through a mixture of Ember Properties' internal resources, which will be borne by the shareholders of Ember Properties in proportion to their respective shareholding interests, as well as external bank borrowings to be taken up by Ember Properties.

4. REQUIREMENTS UNDER CHAPTER 9 OF THE SINGAPORE EXCHANGE TRADING LIMITED ("SGX-ST") LISTING MANUAL SECTION B: RULES OF THE CATALIST ("CATALIST RULES")

Rule 904(5) of the Catalist Rules provides that an interested person transaction means a transaction between an entity at risk and an interested person. Rule 904(2) of the Catalist Rules provides that an entity at risk means the issuer; a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or an associated company of the issuer that is not listed on the SGX-ST or any approved exchange, provided that the listed group, or the listed group and its interested person(s) has control over the associated company. Rule 904(4) of the Catalist Rules provides, *inter alia*, that an interested person means a director, chief executive officer, controlling shareholder of the issuer or any of their associates. Rule 904(6)(f) of the Catalist Rules provides, *inter alia*, that a transaction includes the establishment of joint ventures or joint investments.

The Joint Investment is entered into between OAD and A38. With regards to the directors of A38, each of Alex and Amos is a controlling shareholder of the Company while Mr. Tan is the father

of both Amos and Alex. Alex is also the Executive Director and Chief Executive Officer of the Company. Accordingly:

- (a) each of A38, Alex and Amos are interested persons; and
- (b) each of OAD, Ember Properties and the Company are the entities at risk; and
- (c) the Joint Investment and the Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

Rule 909 of the Catalist Rules provides, *inter alia*, that the value of a transaction is the amount at risk to the issuer. In the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk.

The amount at risk to the Company pursuant to the Joint Investment and Acquisition is S\$3,400,000, which will comprise:

- (a) OAD's equity participation based on the issued and paid-up share capital of Ember Properties;
- (b) a shareholder's loan to be granted by OAD to Ember Properties; and
- (c) any corporate guarantee to be granted by the Company and A38 to secure the external bank borrowings to be taken up by Ember Properties for the Acquisition. For the avoidance of doubt, the corporate guarantee will be granted by the Company and A38 in proportion to their respective shareholding interests in Ember Properties.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 30 September 2020, the net tangible assets ("**NTA**") of the Group as at 30 September 2020 was approximately S\$14,144,000. As the amount at risk to the Company in respect of the Joint Investment and Acquisition represents approximately 24% of the Group's latest audited NTA and is in excess of 5% of the Group's NTA, the Company is required to make an immediate disclosure under Rule 905 of the Catalist Rules. The Joint Investment and the Acquisition would also be subject to shareholder approval under Rule 906 of the Catalist Rules, unless an exception under Rule 916 of the Catalist Rules is applicable.

Pursuant to Rule 916(2) of the Catalist Rules, shareholder approval is not required for an investment in a joint venture with an interested person if: (i) the risks and rewards are in proportion to the equity of each joint venture partner; (ii) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and (iii) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

The risks and rewards of the Joint Investment and the Acquisition are in proportion to the equity of each joint venture partner, and neither Alex, Amos nor any of their respective associates has an existing equity interest in Ember Properties prior to the participation of the entities at risk in the Joint Investment and the Acquisition (other than through their respective shareholdings (if any) in the Company).

5. STATEMENT OF THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**"), having reviewed and carefully considered the terms of the Joint Investment and the Acquisition, is of the view that (i) the Joint Investment and the Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and (ii) the risks and rewards of the Joint Investment and the Acquisition are in proportion to the equity of each joint venture partner and the terms of the Joint Investment and the Acquisition are not prejudicial to the interests of the Company and its minority shareholders.

6. RATIONALE FOR THE JOINT INVESTMENT AND THE ACQUISITION

The Acquisition is contemplated to be made in the ordinary course of business of the Group and is in line with the Group's strategy to invest into various residential, commercial and industrial properties for capital growth. Upon completion of the Acquisition, Ember Property intends to either redevelop the Property into halal food factory units for sale/rent, or to sell the Property to a third party purchaser for capital gains in the future. Given the scarcity of freehold industrial properties in the property market, the Board is of the view that there is potential for the Property to generate substantial capital gains over time, whether by way of redevelopment or resale to a third party purchaser. Depending on the evolving market conditions, the Board may undertake a review of the redevelopment plans of the Property at a later stage, with a view to optimise the potential of the Property.

Furthermore, as the Group does not have a significant operating history or track record in the property market, the Group will benefit from the Joint Investment with an established and experienced market player like Mr. Tan, so as to potentially generate substantial profits for the Group's business.

7. OTHER INTERESTED PERSON TRANSACTIONS ENTERED INTO DURING THE CURRENT FINANCIAL YEAR ENDING 30 SEPTEMBER 2021

There are no other interested person transactions (other than the Joint Investment and the Acquisition) entered into by the Group during the financial period from 1 October 2020 up to the date of this announcement.

8. FINANCIAL EFFECTS

The Joint Investment and the Acquisition is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the financial year ending 30 September 2021.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the Directors or controlling shareholders of the Company or their respective associates have any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Joint Investment or the Acquisition.

By Order of the Board

Tan Pei Hong, Alex (Chen Peifeng)
Executive Director and Chief Executive Officer

1 June 2021

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Andrew Leo, Chief Executive Officer, Novus Corporate Finance Pte. Ltd., at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.