



## ELLIPSIZ LTD

Company Registration No. 199408329R  
(Incorporated in the Republic of Singapore)

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### ACQUISITION OF LAND AT DESA BERAKIT, BINTAN, INDONESIA

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#### 1. INTRODUCTION

The board of directors (the “**Board**”) of Ellipsiz Ltd (the “**Company**”) (together with its subsidiaries, collectively, the “**Group**”), wishes to announce that PT Super Makmur Sejahtera (the “**Purchaser**”), a subsidiary of the Company, has today acquired from an Indonesian company (the “**Vendor**”), which is an unrelated third-party, a piece of vacant land comprising 54 plots of girik land (*alas hak*) with the total land area of approximately 580,000 square meters located at Desa Berakit, Kecamatan Teluk Sebong, Kabupaten Bintan, Kepulauan Riau Province, Indonesia, by way of transfers of possession of rights (“**TPs**”) (the “**Land**”, and the acquisition, the “**Land Acquisition**”). Berakit is located at the north eastern part of Bintan island.

The Purchaser is a foreign investment company incorporated in Indonesia with an issued and paid-up share capital of Indonesian Rupiah 2.5 billion (equivalent to approximately S\$246,000<sup>1</sup>). The Purchaser is a joint venture (the “**Joint Venture**”) between the Company’s wholly-owned subsidiary, Cyan Bay Pte Ltd (“**CBPL**”) and Bluesky Real Estate Investment Pte Ltd (“**Bluesky REI**”) holding 75% and 25% shareholding interests in the Purchaser, respectively. The principal activity of the Purchaser is property investment holding.

#### 2. THE LAND ACQUISITION

##### Consideration for the Land Acquisition

The consideration for the Land Acquisition is approximately Indonesian Rupiah 48.8 billion (equivalent to approximately S\$4.8 million<sup>1</sup>) (the “**Consideration**”).

The Consideration was arrived at on a willing-buyer willing-seller basis taking into account the area of the Land, the layout of the plots comprised in the Land, current and potential uses of the Land and the asking price of the Vendor. No independent valuation was commissioned.

The Consideration was fully settled in cash by CBPL and Bluesky REI in accordance with their shareholding proportions in the Purchaser. The payment by CBPL was fully funded by internal resources of the Company.

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<sup>1</sup> Based on the exchange rate of S\$1.00 to Indonesian Rupiah 10,146 as at the date immediately preceding the Land Acquisition.

### 3. THE JOINT VENTURE

#### 3.1 Details of the Joint Venture and Interested Person Transaction (“IPT”)

Bluesky REI is a wholly-owned subsidiary of Lum Chang Holdings Limited (“LCH”) and has an initial issued and paid-up share capital of S\$10. The principal activity of Bluesky REI is investment holding.

LCH is a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The businesses of LCH are construction, project management, property development and investment. Mr Kelvin Lum Wen-Sum (“**Mr Kelvin Lum**”), Chief Executive Officer of the Company is a Non-Independent Non-Executive Director of LCH. Mr Raymond Lum Kwan Sung, Executive Chairman of LCH (“**Mr Raymond Lum**”), is Mr Kelvin Lum’s uncle and Mr David Lum Kok Seng, Managing Director of LCH (“**Mr David Lum**”), is Mr Kelvin Lum’s father. Both Mr Raymond Lum and Mr David Lum are controlling shareholders of LCH. The controlling shareholder of the Company is Bevrian Pte Ltd and Mr David Lum is the legal and beneficial owner of Bevrian Pte Ltd. In respect of the Joint Venture, CBPL, being a subsidiary of the Company, is an “entity at risk” and LCH is an “interested person” within the definitions set out in Chapter 9 of the listing manual of the SGX-ST (the “**Listing Manual**”). Accordingly, the Joint Venture between CBPL and Bluesky REI constitutes an IPT under Chapter 9 of the Listing Manual.

CBPL and Bluesky REI have today entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) in relation to the Joint Venture to govern the business and affairs of the Purchaser. The Shareholders’ Agreement was arrived at on normal commercial terms and the risks and rewards of the Joint Venture partners in the Purchaser are in proportion to their investment. Under the terms of the Shareholders’ Agreement, CBPL shall nominate 2 directors and Bluesky REI shall nominate 1 director to the board of the Purchaser and the president director shall be a director nominated by CBPL. The board of commissioners of the Purchaser shall comprise 1 commissioner, nominated by CBPL.

Neither LCH nor its associates have an existing equity interest in the Joint Venture prior to the participation of CBPL in the Joint Venture.

#### 3.2 Value of IPT

The aggregate value of all IPTs (including the Joint Venture and excluding transactions which are less than S\$100,000) entered into by the Group with LCH for the current financial year commencing on 1 July 2019 up to the date of this announcement is approximately S\$3.6 million, representing approximately 3.6% of the Group’s latest audited net tangible assets as at 30 June 2019 of S\$101.0 million.

Save as disclosed herein, there were no IPT (excluding transactions which are less than S\$100,000) entered into between the Group and other interested persons for the current financial year commencing on 1 July 2019 up to the date of this announcement.

### 3.3 Audit and Risk Committee Statement

The Audit and Risk Committee of the Company is of the view that the Joint Venture is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

## 4. **RATIONALE FOR THE LAND ACQUISITION AND THE JOINT VENTURE**

The Land Acquisition is an investment opportunity for the Company. The Land Acquisition could expand the Group's investment portfolio into the property/property-related business. Taking into consideration the location of the site, the layout of the plots and the size of the Land, the Board is of the view that there are a variety of potential tourism-related uses for the Land.

LCH is in the property-related business and has an established network, expertise, know-how and resources including experience personnel and management team in such business. The Board believes that the Joint Venture is beneficial to the Group as it enables the Group to tap on the expertise and network of its Joint Venture partner in relation to the potential uses of the Land.

The Company will evaluate various possible options and will make announcements of any material developments at the appropriate juncture.

## 5. **FINANCIAL EFFECTS OF THE LAND ACQUISITION**

### Pro forma financial effects

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the Land Acquisition on the Group set out below are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Land Acquisition on the Group net tangible assets ("NTA") per ordinary share in the issued share capital of the Company ("Share") and the Group earnings per Share ("EPS"), nor do they reflect the future financial performance and/or position of the Company and/or the Group.

The following *pro forma* financial effects of the Land Acquisition have been prepared based on the audited financial statements of the Group for the financial year ended 30 June 2019 with the following assumptions:

- (a) for the purpose of computing the financial effects of the Land Acquisition on the Group NTA per Share, the Land Acquisition is assumed to have been completed on 30 June 2019;
- (b) for the purpose of computing the financial effects of the Land Acquisition on the Group EPS, the Land Acquisition is assumed to have been completed on 1 July 2018; and
- (c) the transaction costs in relation to the Land Acquisition are disregarded for the purposes of computing the financial effects.

## NTA per Share

	Before the Land Acquisition	After the Land Acquisition
NTA (S\$'000)	100,956	100,956
Number of Shares ('000)	167,128	167,128
NTA per Share (cents)	60.41	60.41

## EPS

	Before the Land Acquisition	After the Land Acquisition
Net loss attributable to shareholders (S\$'000)	(515)	(578) <sup>1</sup>
Weighted average number of Shares ('000)	167,128	167,128
EPS (cents)	(0.31)	(0.35)

### Note:

(1) Impact of loss of interest income as a result of utilisation of internal resources to fund the Land Acquisition.

## 6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Land Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Listing Rule	Bases	Relative Figures (%)
Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable <sup>(1)</sup>
Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	5.4% <sup>(2)</sup>

<b>Listing Rule</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(3)</sup>
Rule 1006(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.	Not applicable <sup>(4)</sup>

**Notes:**

- (1) The Land Acquisition is for a piece of vacant land.
- (2) The Company's market capitalisation is determined by multiplying 167,128,185 Shares by the volume weighted average price of the Shares on 8 October 2019 (being the market day immediately preceding the date of the Land Acquisition) of S\$0.4012 per Share.
- (3) No equity securities is issued by the Company as consideration for the Land Acquisition.
- (4) The Company is not a mineral, oil and gas company.

As the applicable relative figure computed on the basis set out above exceeds 5% but does not exceed 20%, the Land Acquisition constitutes a disclosable transaction under Rule 1010 of the Listing Manual.

## **7. SERVICE CONTRACTS**

No person will be appointed as a director of the Company in connection with the Land Acquisition and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

## **8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the directors or the controlling shareholder of the Company has any interest, direct or indirect, in the Land Acquisition, except through their respective shareholdings (if any) in the Company.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The TPs are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office<sup>2</sup> at 54 Serangoon North Avenue 4 #05-02, Singapore 555854 for a period of 3 months from the date of this announcement.

**By order of the Board**

**CHNG HEE KOK**

Chairman

9 October 2019

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<sup>2</sup> Prior appointment with the Company will be appreciated.