



ELLIPSIZ LTD

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

INVESTMENT IN THE BUSINESS OF OPERATING INDOOR GOLF SIMULATOR CENTRES

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Ellipsiz Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly owned subsidiary, E Golfing Pte. Ltd. (“**E Golfing**”), has today entered into a Collaboration Agreement (the “**CA**”) with UPlay Ventures Pte. Ltd. (“**UPlay**”) (collectively, the “**Parties**”) to collaborate in developing and operating indoor golf simulator centres in Singapore (the “**Business**”).

2. INFORMATION ON E GOLFING

E Golfing is a company incorporated on 30 September 2024 as a special purpose vehicle for the Company’s venture into the Business. On incorporation, E Golfing has an issued and paid-up share capital of S\$1 comprising 1 ordinary share, and its principal activities are the provision of products and services in relation to amusement and recreational activities.

3. INFORMATION ON UPLAY

UPlay, an affiliate of NTUC Club, is a phygital (physical + digital) concierge of curatorial recreation experiences to enhance the social well-being of workers. It works with unions and companies to extend these experiences for deeper engagement with their members and workers.

Uplay will promote the viability and popularity of digital golf through My Golf Kaki (“**MGK**”) membership (a golf community powered by Uplay in making golf affordable and accessible to workers which currently has about 10,000 members) and NTUC Union and Link membership.

4. SCOPE OF THE COLLABORATION

4.1 Both Parties have agreed to inaugurate the collaboration with setting up two indoor golf simulator centres in Singapore (the “**Centres**”).

4.2 E Golfing shall:

- (i) provide the initial capital investment sum of S\$5 million for renovation and fitting out of the Centres, purchase of golf simulator machines, IT-related systems, furniture and equipment (the “**Investment**”); and
- (ii) maintain continual and efficient operation of the Centres, manage staffing, finance and administration matters.

The initial capital investment sum, based on indicative quotations and estimates from vendors and service providers, shall be satisfied in cash by the Company from its internal resources.

4.3 Uplay shall:

- (i) procure the grant of the leases of the Centres at agreed preferred rental rates and terms;
- (ii) provide management services in supervising and advising on the Business including revenue and cost management, and the maintenance of the golf simulator machines and related equipment;
- (iii) provide marketing services to promote the viability and popularity of digital golf and the Business through all its marketing channels to reach members of MGK, Orchid Country Club and Aranda Country Club, and to organise tournaments or activities to attract participation from these members; and
- (iv) grant to E Golfing a non-exclusive, non-transferable licence to use MGK's name, logos and/or service and trademarks for the sole purposes of the Business.

4.4 Uplay shall be paid the following fees:

- (i) in respect of the leases of the Centres, the rental will be based on an escalating fixed rent component plus 1% of gross revenue being the variable rent component per month;
- (ii) in respect of the management services, a sum of 1% of gross revenue per year; and
- (iii) in respect of the marketing services and licence, a sum of 4% of gross revenue for the third year and 8% of gross revenue from the fourth year onwards, with no fee payable for the first two years.

5. RATIONALE FOR THE INVESTMENT

The closure of multiple outdoor golf courses in recent years in Singapore has created a huge gap in the market, even as demand for golfing continues to grow. Indoor golf facilities provide a convenient, year-round, and technology-driven alternative, appealing to both avid and time-conscious golfers. Moreover, younger generations are increasingly drawn to tech-enabled experiences, such as simulators, which offer interactive and social engagement. The Company sees an opportunity in this market to capitalise on these trends.

In collaboration with an established business partner, Uplay, which has a large and growing membership base, the Company is not only leveraging their industry expertise but also tapping into an existing, engaged customer group. This move aligns with shifting consumer preferences and supports the Company's strategy of diversifying earnings to reduce reliance on the cyclical semiconductor industry. Additionally, by applying technological expertise, the indoor golfing experience can be enhanced, setting the Company's offering apart and tapping into another revenue stream to ensure long-term growth and sustainability.

6. FINANCIAL EFFECTS OF THE INVESTMENT

For illustrative purposes only, as the Business is a new venture that has yet to generate revenue and will only incur capital expenditures at the outset, there will be no change to the Group net tangible assets ("NTA") per ordinary share in the issued and paid-up share capital of the Company ("Shares") and Group loss per Share ("LPS") before and after the Investment. Based on the audited financial statements of the Group for the financial year ended 30 June 2024 ("FY2024"), being the most recently completed financial year, the NTA per Share and LPS before and after the Investment are expected to remain at 56.59 cents and (2.31) cents respectively.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest audited financial statements of the Group for FY2024 (being the latest announced financial statements of the Group), the relative figures in relation to the Investment computed on the applicable bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”) are as follows:

Rule 1006 of the Listing Manual	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits.	Not applicable ⁽¹⁾
(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.	17.8% ⁽²⁾
(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 ⁽³⁾
(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 ⁽⁴⁾

Notes:-

- (1) Not applicable as E Golfing is a newly incorporated company and the Business is a new venture.
- (2) Based on the initial capital investment sum of S\$5 million and the Company’s market capitalisation of approximately S\$28.1 million, determined by multiplying 166,213,885 Shares (excluding treasury shares) by the volume weighted average price of S\$0.169 per Share on 10 October 2024, being the market day immediately preceding the date of the CA.
- (3) Not applicable as there were no equity securities issued by the Company.
- (4) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Investment constitutes a discloseable transaction under Chapter 10 of the Listing Manual.

8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Investment or the Business. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholder of the Company and their respective associates has any interest, direct or indirect, in the Investment or the Business (other than through their respective shareholdings in the Company, if any).

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the CA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 54 Serangoon North Avenue 4, #05-02, Singapore 555854 (with prior appointment) for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Lim Poh Yeow
Company Secretary
11 October 2024