

**7<sub>S</sub> ATELIER**  
**SEVENS ATELIER LIMITED**  
(Company Registration Number: 197902790N)  
(Incorporated in the Republic of Singapore)

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**PROPOSED ACQUISITION OF AN INDUSTRIAL PROPERTY – GRANT OF OPTION TO PURCHASE**

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The Board of Directors (the “**Board**” or the “**Directors**”) of Sevens Atelier Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Sevens Creation Pte. Ltd. (“**SC**”) has on 2 May 2023, been granted an option to purchase (the “**Option**” or “**OTP**”) an industrial property allocated at 60 Bendemeer Road, Singapore 339938 (the “**Property**”) by Olympia Engineering Pte Ltd (the “**Vendor**”) for a cash consideration of S\$4,150,000 (the “**Proposed Acquisition**”). The Option is granted upon payment of S\$41,500 (“**Option Fee**”), representing 1% of the Consideration (as defined below).

**1. INFORMATION RELATING TO THE PROPERTY AND THE VENDOR**

The Property is a 99-year leasehold single-storey building property and has a total land area of approximately 408.8 square meters, with remaining lease of approximately 40 years and 10 months. It is zoned by Urban Redevelopment Authority for B1 Light Industrial usage. It is currently occupied by the Vendor, who will vacate upon the sale.

The Vendor is a Singapore-incorporated entity and has a registered address at 60 Bendemeer Road, Singapore 339938. As shown on the Vendor’s website, it is principally dealing with trading and exporting of ISUZU automotive spare parts in Singapore. To the best of the Company’s knowledge, the Vendor, its director and shareholder and their respective associates are not related to the Company, Directors, substantial shareholder and their respective associates.

**2. SALIENT TERMS OF THE OPTION**

**2.1 PURCHASED CONSIDERATION**

The consideration of S\$4,150,000 (the “**Consideration**”, excluding GST) for the Proposed Acquisition was arrived at on a willing buyer willing seller basis, after taking into account the indicative valuation from a Singapore-based bank for similar properties within the vicinity. This property is highly sought after with scarcity of units in the market for sale, good transportation network and at a central location. The balance of the Consideration (after payment of the Option Fee) will be settled in the following manner:

- (a) A further deposit of S\$166,000 (representing 4% of the Consideration) paid upon exercise of the OTP;
- (b) The remaining S\$3,942,500 (representing 95% of the Consideration) will be payable upon completion of the Proposed Acquisition.

## 2.2 EXPIRY OF OPTION

The Option shall expire at 4.00 p.m. on 23 May 2023 and will be null and void if not exercised by SC in accordance with the terms of the Option. Upon exercise of the Option by SC, a further S\$166,000 (being 5% of the Consideration less the Option Fee), is payable to the Vendor's solicitors' escrow account, amount of which can be deducted from payment of the balance of the Consideration.

## 2.3 COMPLETION

Completion of the Proposed Acquisition is subject to satisfactory legal requisition replies from the relevant government departments and shall take place 3 months after such satisfactory, whereupon the balance of the Consideration shall be payable.

## 3. RATIONALE FOR THE TRANSACTION

By consolidating the Group's headquarter, management and corporate services, operations, and warehousing activities under one roof, the Proposed Acquisition is a strategic move to further consolidate the Group's corporate image and achieve a long-term saving to reduce the high cost of rental for its office and showroom in an accelerating rental market.

Towards the aim of centralizing our operations, the Group intends to re-build the acquired Property to house the showroom, with more designs and showcasing of projects and construction material samples, and administrative operation teams of the Group.

In addition, the Proposed Acquisition, upon re-building, will enable the Group to increase operational synergies and efficiencies and enhance better communication between management and operation, thus achieving greater interaction amongst the staff of the Group.

## 4. FINANCIAL EFFECTS

The Group intends to fund the Proposed Acquisition via a combination of internal generated funds and bank borrowings. The proforma financial effects of the Proposed Acquisition on the Group are set out below. The proforma financials are theoretical in nature and only for illustrative purposes. They may not represent the actual financial position and/or results of the Group's operations after the completion of the Proposed Acquisition and are not indicative of the future financial position and earnings of the Group.

(i) Effect of the Proposed Acquisition on net tangible liability ("**NTL**")

For the purpose of illustration and assuming that the Proposed Acquisition had been completed on 31 December 2022 ("**FY2022**"), being the end of the most recently completed financial year, and based on the Group's FY2022 audited consolidated financial statements, and the Consideration of S\$4,150,000 the effect on the NTL per share of the Group as at 31 December 2022, would be as follows:

|                           | <b>Before the Proposed Acquisition</b> | <b>After the Proposed Acquisition</b> |
|---------------------------|--|---------------------------------------|
| NTL per share, S\$ cents) | 0.91                                   | 0.91                                  |

Note: the above NTL per share is computed based on assumption that the Proposed Acquisition is 20% funded through internal resources and the remaining 80% through bank loan.

(ii) Effect of the Proposed Acquisition on loss per share (“LPS”)

Assuming that the Proposed Acquisition had been completed on 1 January 2022, being the beginning of the most recently completed financial year, the effect on the LPS of the Group for FY2022 would be as follows:

|                | Before the Proposed Acquisition | After the Proposed Acquisition |
|----------------|---------------------------------|--------------------------------|
| LPS, S\$ cents | 1.93                            | 2.07                           |

Note: the above LPS are computed based on assumptions that:

- i) Depreciation is calculated based on the remaining useful life of the Property acquired; and
- ii) the Proposed Acquisition is 20% funded through internal resources and the remaining 80% through bank loan.

**5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST (“CATALIST RULES”) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

For illustrative purposes only, based on the latest announced and audited consolidated financial statements of the Group for the full year ended 31 December 2022, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

| Bases of Computation   | Relative figure  |
|--|--|
| Catalist Rule 1006(a) - Net asset value of the assets to be disposed, compared with the Group's net asset value  | Not applicable as this is an acquisition of asset.   |
| Catalist Rule 1006(b) - The net profits attributable to the assets acquired, compared with the Group's net profits.  | Not applicable as the Property does not generate profits.  |
| Catalist Rule 1006(c) - Aggregate value of the purchase consideration to be given <sup>(1)</sup> , compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares. <sup>(2)</sup> | 15.50%   |
| Catalist Rule 1006(d) - Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.   | Not applicable as there are no equity securities issued as consideration for the Proposed Acquisition. |
| Catalist 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 as the company is not a mineral, oil and gas company.                                   |

As the relative figure as computed under Catalist Rule 1006(c) above exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Catalist Rules.

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<sup>1</sup> For the purpose of computation of the ratio under Rule 1006(c), purchase consideration is mainly represented by the Consideration of S\$4,150,000.

<sup>2</sup> The market capitalization of the Company is based on 214,202,036 Shares in issue as at 28 April 2023 (being the last trading day immediately preceding the date of the grant of the OTP) and the weighted average price of S\$0.125 of the Shares transacted on the SGX-ST on the same date of S\$26.78 million.

## **6. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

The Directors and controlling shareholders and their respective associates are not related to the Vendor, its shareholder(s) or their respective associates. Other than through their respective shareholdings (if any) in the Company, none of the Directors and controlling shareholder or their respective associates, has any interest, direct or indirect, in the Proposed Acquisition.

## **7. DOCUMENTS FOR INSPECTION**

A copy of the OTP is available for inspection during normal business hours at the registered office of the Company at 60 Paya Lebar Road, Paya Lebar Square, #10-14, Singapore 409051 for a period of three (3) months from the date of this announcement:

## **8. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## **9. FURTHER ANNOUNCEMENTS**

Completion of the Proposed Acquisition is subject to the condition as mentioned under paragraph 2.3 in this announcement. There is no certainty that the Proposed Acquisition will complete. The Company will make the necessary announcements when there are further material updates and developments in respect of the Proposed Acquisition.

## **10. DIRECTORS SERVICE CONTRACTS**

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

## 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 and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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.

### By Order of the Board

Jeffrey Hong Eng Leong  
Chief Executive Officer and Executive Director  
2 May 2023

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*

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