ALPINA HOLDINGS LIMITED
(Company Registration No.: 202138650H)
(Incorporated in the Republic of Singapore on 8 November 2021)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WAN DORMITORY PTE. LTD. – ENTRY INTO SALE AND PURCHASE AGREEMENT

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1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of Alpina Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements of the Company dated 15 March 2023, 16 September 2023, 27 September 2023 and 16 October 2023 (the "**Announcements**") in relation to the proposed acquisition of the entire issued and paid-up share capital of Wan Dormitory Pte. Ltd. (the "**Proposed Acquisition**"). Unless otherwise defined or as the context otherwise requires, all capitalised terms used herein shall have the same meanings ascribed to them in the Announcements.

1.2 The Board is pleased to announce that pursuant to further discussions between the Company, Dacai Pte Ltd, a company incorporated in Singapore (the "**Vendor**")[1], and Mr. Dong Cai (collectively with the Vendor, the "**Warrantors**" and each a "**Warrantor**") (collectively, the "**Parties**"), the Parties have on 21 December 2023 entered into a conditional sale and purchase agreement ("**SPA**") in respect of the Proposed Acquisition.

1.3 The Company has further agreed to withdraw, within three (3) business days of the valid execution of the SPA, the Notice of Arbitration filed on 16 October 2023 with the Singapore International Arbitration Centre to commence arbitration proceedings against the Warrantors in respect of the disputes between the Company and the Warrantors arising out of or in connection with the Term Sheet.

2. INFORMATION ON THE VENDOR AND THE TARGET

All information in respect of the Vendor and the Target as set out in this announcement is based solely on information provided and representations made by the Vendor (as the case may be) to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

2.1 VENDOR

As at the date of this announcement, the Vendor is the sole shareholder of the Target and is

[1] As a result of an internal transfer of all the shares held in the Target by Mr. Dong Cai to the Vendor prior to the date of the SPA, the Vendor holds 100.0% of the entire issued and paid-up share capital of the Target as at the date of the SPA.

an independent third party who is unrelated to any of the Directors or controlling shareholders of the Company. The Vendor is a company involved in the wholesale of fruits and vegetables.

Mr. Dong Cai is the sole director of the Target, and together with his spouse, collectively own the entire issued and paid-up share capital of the Vendor.

2.2 TARGET

As at the date of this announcement, the Target is a private company limited by shares incorporated in Singapore and is the registered owner of a property situated at 180 Woodlands Industrial Park E5, Singapore 757512 (the "**Property**"). Based on representations made by the Warrantors as at the date of this announcement and due diligence conducted as at the Effective Date (as defined herein) on the Target by the Company, the Target is primarily engaged in the leasing of commercial units located on the Property, with a dormitory situated at the Property ("**Dormitory**") currently being leased to and operated by a separate licenced entity, Alliance Dormitory Private Limited ("**Alliance**"), which is an affiliate of the Warrantors. The Dormitory is not operated by the Target as previously set out in the announcement of the Company dated 15 March 2023. Accordingly, it is a Condition (as defined herein) that the relevant dormitory operation licence ("**Dormitory Licence**") be obtained by the Target prior to completion of the Proposed Acquisition ("**Completion**"), to enable the Target to undertake dormitory operations post-Completion, and operate the Dormitory in the manner which is currently operated by Alliance. Please refer to paragraph 4.1 of this announcement for further details.

3. THE PROPOSED ACQUISTION

3.1 Consideration

3.1.1 The purchase consideration for the acquisition of the Target Shares (the "**Consideration**") under the SPA is Singapore Dollars Twenty-Four Million and Five Hundred Thousand (S$24,500,000), subject to certain agreed adjustments as set out in paragraph 3.1.4 of this announcement. Upon Completion, the Company shall become the sole shareholder of the Target.

3.1.2 Notwithstanding any required adjustments to the Consideration pursuant to the SPA, the maximum Consideration payable pursuant to the SPA is Singapore Dollars Twenty-Four Million and Five Hundred Thousand (S$24,500,000) ("**Consideration Cap**"). To the extent the Consideration (as adjusted) exceeds the Consideration Cap, the aggregate amount payable by the Company shall be equivalent to only the Consideration Cap.

3.1.3 The Consideration is inclusive of:

(a) the deposit of Singapore Dollars Four Hundred and Eighty Thousand (S$480,000) ("**Signing Deposit**") which was paid by the Company contemporaneously with the execution of the SPA; and

(b) an additional deposit of Singapore Dollars One Million, Nine Hundred and Twenty Thousand (S$1,920,000), which is payable by the Company within seven (7) calendar days after provision by the Warrantors and/or the Target of such documentary evidence, to the Company's satisfaction, of an application by the Target to the relevant governmental and/or regulatory authorities for the Dormitory Licence ("**Licence Deposit**").

3.1.4 *Pre-Completion adjustments*

Prior to Completion, the Consideration will be adjusted to account for each of the following:

(a) to add an amount equivalent to the aggregate amount of: (i) trade receivables with a 'past due' period of fewer than 31 days as at the date of Completion ("**Completion Date**"); (ii) other receivables (i.e., not arising from the Target's ordinary course of business) with a 'past due' period of fewer than 31 days as at the Completion Date and (iii) refundable deposit receivables, as at the Completion Date;

(b) to deduct an amount equivalent to the aggregate amount of: (i) trade receivables with a 'past due' period of 31 days or more as at the Completion Date; (ii) other receivables (i.e., not arising from the Target's ordinary course of business) with a 'past due' period of 31 days or more as at the Completion Date;

(c) to add an amount equivalent to the cash balance of the bank accounts of the Target as at the Completion Date;

(d) to deduct an amount equivalent to the Target's outstanding tax payables (which for the avoidance of doubt, would include all corporate tax and goods and services tax payables incurred by the Target up to and including the Completion Date);

(e) to deduct an amount equivalent to the aggregate amount of payables, accrued expenses, other payables, refundable deposit payables by the Target as at the Completion Date; and

(f) to deduct an amount equivalent to the aggregate amount of Accrued Rental Income as at the Completion Date, where "**Accrued Rental Income**" refers to such aggregate pro-rated rental income pursuant to the tenancy agreements received (or to be received in respect of such rental month) by the Target from the tenants of the Property, in respect of days of the rental month which have not yet elapsed as at the Completion Date.

3.2 Satisfaction of Consideration

The Consideration will be satisfied by the Company through a combination of the Group's internal resources, including the utilisation of the Group's IPO Proceeds (as defined herein), details of which are set out under paragraph 11 of this announcement, and the Bank Financing (as defined herein).

The Consideration (after deducting the Signing Deposit and the Licence Deposit (to the extent paid by the Company to the Vendor prior to Completion)) will be paid by the Company by way of bank transfer to the bank account of the Vendor on the Completion Date.

3.3 Determination of Consideration

The Consideration was arrived at after arm's length negotiations between the Company and the Warrantors and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the assignment of the Alliance Bed Licences (as defined herein) from Alliance to the Target, the requirement for the Warrantors to procure that the Target obtain the Dormitory Licence, the rationale for and benefits to the Group arising from the Proposed Acquisition (details of which are set out in paragraph 6 of this announcement), and an independent valuation of the Property commissioned by the Company (details of which are set out in

paragraph 7 of this announcement).

4. SALIENT TERMS OF THE SPA

4.1 Conditions

Completion is subject to certain conditions ("**Conditions**") being fulfilled or waived, which include, amongst others, the following:

(a) the Warrantors' warranties being true and accurate and not misleading;

(b) the approval by the Company's financial institution(s) in relation to the grant of banking facility/ies required by the Company for purposes of the Proposed Acquisition ("**Bank Financing**");

(c) there being no event or matter in respect of the Target and/or the Property which results in a material adverse change;

(d) there being no compulsory acquisition or intended acquisition by the Head Lessor (as defined herein) or any other competent authority of the whole or any part of the Property which, in the reasonable opinion of the Company will have an adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Target or on the Property, in each case, taken as a whole, and no notice of such compulsory acquisition or intended acquisition has been given, by the Head Lessor or any other competent authority;

(e) there being no outstanding written notice from the government or statutory authorities and received by the Target which would adversely affect the use of the Property for the purpose for which it is used as at the Effective Date;

(f) there being no unsatisfactory legal requisition replies received by the Company in respect of the Property;

(g) there being no breach of the pre-completion undertakings of the Warrantors on or before Completion;

(h) the receipt of the Head Lessor's written confirmation (dated no earlier than the date the SPA was entered into) that there are no subsisting breaches of the Head Lease (as defined herein), there are no outstanding monies owing by the Target under the Head Lease, and there is no pending action by the Head Lessor to re-enter the Property and terminate the Head Lease;

(i) the execution of a deed of assignment in respect of the Alliance Bed Licences, to effect the assignment of the Alliance Bed Licences from Alliance to the Target;

(j) the execution of deeds of surrender in respect of each of the Vendor Related TA (as defined herein); and

(k) the Target having received the Dormitory Licence, on such conditions as the Company deems satisfactory in its sole and absolute discretion.

For purposes hereof:

"**Alliance Bed Licences**" means the occupation agreements entered into by Alliance with third parties for their occupation of dormitory space and/or beds within the dormitory situated on the Property operated by Alliance;

"**Effective Date**" means 12 September 2023;

"**Head Lease**" means State Lease No. 26639 dated 5 February 2008, as varied by a Supplemental Lease dated 28 June 2010 and a Second Supplemental Lease dated 4 October 2010, issued by the Head Lessor to the Target in respect of the Property;

"**Head Lessor**" means the President of the Republic of Singapore and his successors-in-office; and

"**Vendor Related TA**" means each of the tenancy agreements for leases of the following units of the Property entered into between the Target and its affiliated persons / entities: units #02-05/06/07/03, #02-09, #02-02, #02-03, #02-04 and the dormitory premises on the 3rd level of the Property.

4.2 Termination and discharge of bank loan, mortgage and other charges

On Completion, the Warrantors shall procure the repayment and termination of the Target's existing outstanding loan from DBS Bank Ltd (together with any interest accrued thereon), and procure the full and final discharge of all existing charges of the Target (including but not limited to the existing mortgage taken out over the Property) with effect from Completion, and provide documentary evidence thereof to the Company's satisfaction. The quantum of such bank loan outstanding as at the date of the SPA is approximately S$11.47 million.

4.3 Deposit refund scenarios

In the event Completion does not take place by the Long-Stop Date (as defined herein) and/or the SPA is terminated prior to Completion for any reason, the Vendor undertakes to refund the Signing Deposit and the Licence Deposit (to the extent paid by the Company to the Vendor) in full to the Company, save for in the following scenarios whereby the Signing Deposit shall not be refundable to the Company:

(a) in the event of termination of the SPA due to breach or non-fulfilment of the Company's Completion obligations; or

(b) in the event Completion does not proceed by the Long-Stop Date due to non-fulfilment of the Condition in paragraph 4.1(b) of this announcement.

For purposes hereof:

"**Long-Stop Date**" means 31 January 2024 or such other date as the Parties may agree in writing, or as otherwise extended in accordance with the SPA.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES IN RELATION TO THE PROPOSED ACQUISITION

5.1 The relative figures computed on the bases set out under Rule 1006 of the Singapore Exchange

Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are set out below:

BASE OF CALCULATION		RELATIVE FIGURES (%)[1]
(a)	Net asset value ("**NAV**") of the assets to be disposed of, compared with the Group's NAV	Not applicable[2]
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	172.79%[3]
(c)	Aggregate value of the Consideration given compared with the Company's market capitalisation of approximately S$34.10 million[4] based on the total number of issued shares in the Company ("**Shares**"), excluding treasury shares	71.84%
(d)	Number of equity securities issued by the Company as consideration for the proposed acquisition, compared with the number of equity securities previously in issue	Not applicable[5]
(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 or gas company, but not to an acquisition of such assets	Not applicable[6]

Notes:

(1) Percentage figures are rounded to the nearest two (2) decimal places.

(2) This basis is not applicable as the Proposed Acquisition is in relation to the acquisition (and not a disposal) of assets.

(3) Based on the unaudited profit before tax of the Target for the six-month financial period ended 30 June 2023 ("**1H2023**") of approximately S$0.49 million and the unaudited profit before tax of the Group for 1H2023 of approximately S$0.29 million.

(4) The market capitalisation of the Company is calculated by multiplying the number of issued Shares (excluding treasury shares), being 184,340,000 Shares, by the volume weighted average market price of S$0.185 per Share on 19 December 2023, being the last market day on which the Shares were traded prior to the date of the SPA.

(5) This basis is not applicable as there will be no issuance of equity securities by the Company as part of the Consideration.

(6) This basis is not applicable as the Proposed Acquisition does not involve a disposal of mineral, oil and gas assets by the Company.

5.2 The relative figure calculated in accordance with the basis set out under Rule 1006(b) of the Catalist Rules exceeds 100% and the relative figure calculated in accordance with the basis set out under Rule 1006(c) of the Catalist Rules exceeds 20% but is less than 75%.

Pursuant to Rules 1014(2) and 1015(8) of the Catalist Rules, Rules 1014 and 1015 of the Catalist Rules do not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b). Accordingly, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules and the approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company will not be required.

6. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Group notes that there is a shortage of dormitories in Singapore, and the Group has faced difficulties in expanding its foreign worker workforce due to the lack of available dormitories. Accordingly, the Group intends to acquire the Target as an investment, as well as for the Group's own use as additional dormitory space for its workers.

7. FINANCIAL INFORMATION OF THE TARGET

Book Value and Net Tangible Assets ("**NTA**")

Based on unaudited financial statements of the Target as at 30 June 2023, the book value and NTA attributable to the Target Shares as at 30 June 2023 was approximately S$11.38 million.

Latest Available Open Market Value

The open market value of the Target Shares is not available as the Target Shares are not listed or traded on any securities exchange. No valuation of the Target Shares was conducted or commissioned for the purpose of the Proposed Acquisition.

The Company has commissioned PREMAS Valuers & Property Consultants Pte Ltd to perform a desktop valuation of the Property as at 13 October 2023 ("**Valuation Date**") for purposes of the Proposed Acquisition ("**Valuation Report**"). Pursuant to the Valuation Report:

(a) the Valuation Report and valuation therein had been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2022 Edition;

(b) the Property had been valued as at the Valuation Date on the basis of "**Market Value**" (being the estimated amount for which a Property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion), and

(c) the Market Value of the Property as at the Valuation Date was S$24.50 million.

Net Profits

Based on unaudited financial statements of the Target for the financial year ended 31 December 2022 ("**FY2022**") and 1H2023, the unaudited profit before tax of the Target for

FY2022 and 1H2023 was approximately S$0.69 million and S$0.49 million respectively.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Group are set out below. The financial effects are shown for illustrative purposes only and do not necessarily reflect the exact future financial position and performance of the Group immediately after Completion. The financial effects set out below have been calculated using the audited consolidated financial statements of the Group for FY2022.

NTA per Share

Assuming that the Proposed Acquisition had been completed on 31 December 2022, the effect of the Proposed Acquisition on the NTA per Share as at 31 December 2022 will be as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA as at 31 December 2022 (S$'000)	28,035	27,530
Number of Shares ('000)	184,340	184,340
NTA per Share as at 31 December 2022 (S$ cents)	15.21	14.93

Earnings per Share ("**EPS**")

Assuming that the Proposed Acquisition had been completed on 1 January 2022, the effect of the Proposed Acquisition on the EPS for FY2022 will be as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit attributable to Shareholders for FY2022 (S$'000)	2,036	2,544
Weighted average number of Shares (excluding treasury shares) ('000)	184,340	184,340
EPS for FY2022 (S$ cents)	1.10	1.38

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in their respective capacity as Directors and Shareholders (as applicable)) and controlling shareholders of the Company or their respective associates, has any interest, direct or indirect, in the Proposed Acquisition.

10. SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the

Company and any such person.

11. UPDATE AND CHANGE IN USE OF THE IPO PROCEEDS

The Board refers to the Company's offer document dated 21 January 2022 ("**Offer Document**") in relation to the Company's initial public offering ("**IPO**") and wishes to announce that it has decided to re-allocate S$5.50 milion in aggregate of the proceeds from the IPO ("**IPO Proceeds**"), of which S$3.00 million was originally allocated for expansion of the Group's existing business and S$2.50 million was originally allocated for strengthening and accelerating the extension of the Group's integrated facilities management ("**IFM**") services, towards the Proposed Acquistion. The Board has also decided to concurrently re-allocate S$20,000 of the IPO Proceeds originally to be used for payment of IPO expenses, and which remains unutilised following completion of the IPO, for the Group's general working capital.

As the Group does not currently have any specific plan identified for the expansion of the Group's existing business and/or to strengthen and accelerate the extension of the Group's IFM services, the Board has decided to re-allocate such amount of the IPO Proceeds to be used towards the Proposed Acquisition, as the Proposed Acquisition presents a more immediate funding requirement for the Group. This will also enable the Group to utilise its existing funds for its operational and working capital requirements. As such, the Board is of the view that such re-allocation of the IPO Proceeds is in the best interests of the Group.

Pursuant to the above-mentioned re-allocation, the following table summarises the utilisation of the IPO Proceeds as at the date of this announcement:

Use of IPO Proceeds	**Allocation of IPO Proceeds (as disclosed in the Offer Document) (S$'000)**	**Amount of IPO Proceeds to be re-allocated (S$'000)**	**Revised allocation of IPO Proceeds (S$'000)**	**IPO Proceeds utilised as at the date of this announcement (S$'000)**	**Balance of IPO Proceeds (S$'000)**
Expanding existing business	3,000	(3,000)	-	-	-
Strengthening and accelerating the extension of IFM services	2,500	(2,500)	-	-	-
General working capital	2,591	20	2,611	(1,107)	1,504
Payment of IPO Expenses[(1)]	1,829	(20)	1,809	(1,809)	-
Proposed Acquisition[(2)]	-	5,500	5,500	(480)	5,020
Total	9,920	-	9,920	(3,396)	6,524

Notes:

(1) "IPO Expenses" refers to listing and application fees, professional fees, placement commissions and miscellaneous expenses (as disclosed in the Offer Document).

(2) This is intended to comprise payment of the Signing Deposit, the Licence Deposit and the balance amount of the Consideration on Completion, and the future principal and interest payment of the Bank Financing.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 54 Senoko Road, Woodlands East Industrial Estate, Singapore 758118 during normal business hours for a period of three (3) months from the date of this announcement:

(a) the SPA; and

(b) the Valuation Report.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the matters set out herein, including any further announcements in relation to the withdrawal of the arbitration proceedings against the Warrantors.

14. CAUTIONARY STATEMENT

Shareholders ought to exercise caution when trading or dealing in their Shares. Shareholders should be cautioned that there is no assurance that the Proposed Acquisition will be completed as the Completion will be subject to certain Conditions being fulfilled. The Company will make the necessary announcements as and when there are further material developments in relation to the Proposed Acquisition. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential advisers should consult their stock brokers, bank managers, solicitors, accountants, tax advisers or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Low Siong Yong
Executive Chairman and Chief Executive Officer

21 December 2023

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*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor ("**Sponsor**"), United Overseas Bank Limited, for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST. 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 Lim Hoon Khiat, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.