

**PHARMESIS INTERNATIONAL LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200309641E)  
(the “**Company**”)

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**PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 4,100,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**

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**1. INTRODUCTION**

The board of directors (the “**Directors**”) of Pharmesis International Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 28 May 2024, entered into a subscription agreement (the “**Subscription Agreement**”) with Fei Yang (“**FY**”) pursuant to which FY agreed to subscribe for, and the Company agreed to allot and issue, 4,100,000 new ordinary shares (the “**Subscription Shares**”) in the capital of the Company (the “**Shares**”), at a price of S\$0.13 for each Share (the “**Subscription Price**”), for an aggregate subscription consideration of S\$533,000 (the “**Subscription**”).

**2. PROPOSED SUBSCRIPTION**

**2.1 Subscription Shares**

Subject to the terms and conditions of the Subscription Agreement, FY shall subscribe for, and the Company shall allot and issue, 4,100,000 Subscription Shares for an aggregate cash consideration of S\$533,000, at an issue price of S\$0.13 per Subscription Share.

The issue price represents a premium of approximately 62.5% to the volume weighted average price of S\$0.08 per share of the Company (“**Share**”) for trades done on the Shares on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 21 May 2024, being the most recent full market day on which the Shares were traded up to the day on which the Subscription Agreement was signed.

The Subscription Shares when issued shall be credited as fully paid-up and shall rank *pari passu* in all respects with all existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, the record date for which falls on or before completion of the Subscription (“**Completion**”).

On Completion, the 4,100,000 Subscription Shares subscribed by FY will represent approximately 12.93% of the enlarged issued share capital of the Company.

**2.2 Authority for allotment and issue of the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the general mandate granted by shareholders of the Company at the annual general meeting of the Company on 30 April 2024 (“**General Mandate**”).

As at the date of this announcement, no new Shares had previously been issued pursuant to the General Mandate. The Subscription Shares represent in aggregate 14.86% of the Company’s total number of issued Shares of 27,600,000 Shares (with no treasury shares) as at the date of this announcement. Accordingly, the proposed allotment and issue of the Subscription Shares is within the limit of the General Mandate.

## 2.3 Conditions Precedent

Completion under the Subscription Agreement is conditional upon the following conditions having been fulfilled or waived in accordance with the terms of the Subscription Agreement (as the case may be):

- (a) approval in-principle being granted by the SGX-ST pursuant to the additional listing application for the listing of and quotation for the relevant Subscription Shares on the Main Board of the SGX-ST (“**Additional Listing Application**”), and such approval not having been revoked or amended (and if the approval is subject to conditions, such conditions being acceptable to the Company and the Subscriber) and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the relevant Subscription Shares;
- (b) the allotment and issue of the relevant Subscription Shares not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to the Company; and
- (c) the representations, warranties and undertakings of the parties to the Subscription Agreement being true, accurate and correct in all material respects as if made on Completion, with reference to the then existing circumstances and the parties having performed in all material respects all of its respective material obligations under the Subscription Agreement to be performed on or before Completion.

If any of the aforesaid conditions are not fulfilled on or before 30 June 2024, the Subscription Agreement shall cease and determine and the Company and FY shall automatically be released from all their respective obligations thereunder, save for any liability arising from antecedent breaches.

Completion in respect of the Subscription Agreement is scheduled to take place on the date falling five (5) business days after satisfaction of the condition set out in paragraph 2.3(a) above or such later date as the Company and FY may agree in writing.

## 2.4 Application for the Listing of and Quotation for the Subscription Shares

The Company will be submitting the Additional Listing Application in due course and will make further announcements on this matter as and when appropriate.

## 3. **INFORMATION ON THE SUBSCRIBER**

FY graduated from the Wabash College in the United States and is the General Manager of a Precision Machinery Company in China. His insights in business management and development will provide the Company with a broader development vision. FY was introduced to the Company by Wu Xuedan, the Executive Director and Chief Executive Officer of the Company, who is an acquaintance of FY. No introducer or other fees has been or will be paid to Wu Xuedan in connection with his introduction of FY to the Company.

FY has represented and warranted to and undertaken with the Company under the Subscription Agreement that he is not a shareholder of the Company (save upon Completion taking place).

## 4. RATIONALE AND USE OF PROCEEDS

### 4.1 Rationale for the Subscription

The Company is undertaking the Proposed Placement to strengthen the financial position and cash position of the Group.

### 4.2 Use of Proceeds

Assuming the full allotment and issue of all the Subscription Shares, the net proceeds from the Subscription to be received by the Company, after deducting estimated expenses incurred in connection with the Subscription are expected to be approximately S\$483,000 (the “**Net Proceeds**”).

The Company intends to use the estimated Net Proceeds of S\$483,000 for its general working capital purposes in Singapore (comprising personnel & related expenses, office expenses, directors’ fees and professional fees).

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in the Company’s annual report. Where there is any material deviation from the stated use of the Net Proceeds set out in this announcement, the Company will announce the reasons for such deviation.

## 5. FINANCIAL EFFECTS

Pursuant to the allotment and issue of the Subscription Shares, the Company’s total number of issued Shares will increase from 27,600,000 Shares as at the date of this announcement, to 31,700,000 Shares immediately after Completion. The Subscription Shares represent 14.86% of the existing issued share capital of the Company and approximately 12.93% of the enlarged issued share capital of the Company immediately after Completion.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, the Group’s net asset value per Share and loss per Share were approximately RMB 1.96 yuan and RMB 18.8 cents respectively. For the purpose of computing the loss per Share of the Group after the Subscription, it is assumed that the Subscription was completed on 1 January 2023. For the purpose of computing the net asset value per Share of the Group after the Subscription, it is assumed that the Subscription was completed on 31 December 2023.

Based on the assumptions above and assuming that all the Subscription Shares are issued on the same date, the Group’s pro forma net asset value per Share and pro forma loss per Share, after adjusting for the issue of the Subscription Shares, would be approximately RMB 1.80 yuan and RMB 15.6 cents respectively (based on an exchange rate of S\$1:RMB 5.382 as at 31 December 2023).

The financial effects of the Subscription on the Group set out above are purely for illustrative purposes only and do not reflect the future financial position or performance of the Company or the Group after completion of the Subscription.

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial Shareholders has any interest, direct or indirect, in the Subscription (other than through their respective shareholdings in the Company) and/or the Subscriber.

**7. DOCUMENTS FOR INSPECTION**

Copies of the Subscription Agreement may be inspected at the registered office of the Company at 5 Kallang Section, #03-02, Singapore 349279 during normal business hours for a period of three (3) months commencing from the date of this announcement.

**8. 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 Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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.

**9. FURTHER ANNOUNCEMENTS**

The Company will continue to keep Shareholders updated and release announcements relating to the Proposed Transactions (including any material developments and progress made) as may be appropriate from time to time.

**10. CAUTION IN TRADING**

Shareholders and potential investors should note that the Subscription is subject to the fulfilment in accordance with the Subscription Agreement of, *inter alia*, the conditions set out above, and accordingly should exercise caution when trading in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

BY ORDER OF THE BOARD

Wu Xuedan  
Executive Director and Chief Executive Officer  
28 May 2024