



5E RESOURCES LIMITED
(Company Registration Number: 202136285K)
(Incorporated in Singapore)
(the “Company”)

PROPOSED ACQUISITION OF INDUSTRIAL LAND IN MALAYSIA

1. INTRODUCTION

The Board of Directors (the “**Board**”) of 5E Resources Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, 5E Resources Sdn. Bhd. (the “**5ER**”) had, on 20 June 2024, entered into a conditional sale and purchase agreement (“**SPA**”) with Kumpulan Kenderaan Malaysia Berhad (the “**Vendor**”) to acquire a piece of leasehold industrial land at PLO 321, Jalan Perak Dua, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Bahru, Johor Darul Ta’zim, Malaysia (the “**Property**”) (the “**Proposed Acquisition**”).

Unless otherwise stated, all currency translations of Singapore Dollar (“**S\$**”) and Ringgit Malaysia (“**RM**”) used are based on the exchange rate of RM3.4864 to S\$1.00 as at 19 June 2024, the date immediately preceding the date of this announcement.

2. INFORMATION ON THE PROPERTY AND THE VENDOR

2.1 Information on the Property

The Property has an area measuring approximately 2.0234 hectares. It has a leasehold interest of 60 years expiring on 14 July 2046 and held under H.S(D) 134653, PTD 71200, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, Malaysia.

The 5ER is currently renting the Property from the Vendor pursuant to the tenancy agreement dated 10 February 2022 (“**Tenancy Agreement**”) between the Vendor and the 5ER. A portion of the land is currently used as a warehouse to store the recycled products and it also serves as a logistic hub, while the other part of the land will be used to house waste treatment facilities. Upon the completion of transfer of Property, the Tenancy Agreement will be terminated.

2.2 Information on the Vendor

The Vendor is a private company incorporated in Malaysia, having its registered office and principal place of business at No.38, Jalan Chow Kit, 50350 Kuala Lumpur, Malaysia. The Vendor, its director(s) and shareholder(s) and their respective associates are not related to the Company, its directors and controlling shareholders, or their respective associates. As of the date of this announcement, the Vendor does not hold any shares in the capital of the Company directly or indirectly.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The 5ER is currently renting the Property and construction is on-going for the purpose of the expansion of the waste treatment facilities of the 5ER. The Board is of the view that this Proposed Acquisition will provide a greater degree of certainty as the Group is investing heavily in constructing buildings and installation of machineries as well to mitigate the risk of termination of tenancy or unfavourable terms of tenancy during renegotiations. The Proposed Acquisition is also expected to result in rental cost-savings in the long term.



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4. PRINCIPAL TERMS OF THE SPA

4.1 Consideration for the Property

The Consideration for the Proposed Acquisition is RM13,000,000 (equivalent to an aggregate of approximately S\$3,728,775) (the "**Consideration**"). The Consideration was arrived at based on arm's length negotiations between the 5ER and the Vendor and on a willing-buyer and willing-seller basis, *inter alia*, market value of properties in the surrounding area.

4.2 Condition Precedent

The Proposed Acquisition is subject and conditional upon the 5ER obtaining the State Authority Consent to transfer the Property in favour of the 5ER ("**State Consent**") within a period of six (6) months from the date of the SPA (the "**Initial Period**"). If the application for the State Consent is rejected or not granted within the Initial Period, the Vendor shall automatically grant to the 5ER a further term of three (3) months or any further extension as the 5ER deems fit (the "**Extended Period**").

The SPA shall become unconditional upon the 5ER's solicitors' receipt of the State Consent (the "**Unconditional Date**").

In the event of non-satisfaction of the condition precedent within the Initial Period and/or the Extended Period, the Vendor and 5ER may mutually agree to grant further extension to the 5ER or terminate the SPA and the Vendor and/or the Vendor's solicitors shall refund all monies paid by the 5ER free from interest within fourteen (14) days from the date of receipt of written notice from the 5ER or the 5ER's solicitors, failing which the Vendor shall pay interest at the rate of 8% per annum calculated on daily basis on such sum covenanted to be refunded from the said fourteen (14) days until the date of actual refund. Thereafter the SPA shall be null and void and of no further effect whatsoever and neither party hereto shall have any claim whatsoever against the other.

The SPA shall be governed by and construed in accordance with the laws of Malaysia.

4.3 Payment of Consideration

The 5ER has, as at the date of this announcement, paid to the Vendor's solicitors a deposit amounting to RM1,300,000 equivalent to 10% of the Consideration, which shall be treated as part payment of the Consideration.

Pursuant to the SPA, the balance of the Consideration shall be paid to the Vendor within three (3) months from the Unconditional Date (the "**Completion Date**").

Simultaneously with the execution of the SPA, the Vendor shall execute and deposit with the 5ER's solicitors a valid and registrable Memorandum of Transfer ("**MOT**") in respect of the Property in favour of the 5ER and with the Vendor's solicitors the issue document of title to be dealt with in accordance with the SPA.

The 5ER is entitled to effect the transfer of the Property by presenting the MOT for registration at the land registry within seven (7) working days from the date of receipt of the original issue



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document of title of the Property and all other relevant documents for registration upon full payment of the Consideration.

The Consideration will be funded by the Group’s internal financial resources.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) are as follows:

Rule 1006	Base	Relative Figure (%)
(a)	the net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b)	Rule 1006(b) – the net profits attributable to the assets acquired, compared with the Group’s profits	Not applicable ⁽²⁾
(c)	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	8.66% ⁽³⁾
(d)	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 ⁽⁴⁾
(e)	Rule 1006 (e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group’s proved and probable reserves	Not applicable ⁽⁵⁾

Note:

- (1) This basis is not applicable as the Proposed Acquisition relates to an acquisition of asset.
- (2) This basis is not applicable as there are no net profits attributable to the Property.
- (3) Based on the Consideration of RM13,000,000 (equivalent to an aggregate of approximately S\$3,728,775), is compared to the Company’s market capitalisation as at 19 June 2024 of approximately S\$43,042,236, which is computed based on 141,122,084 ordinary shares in issue (excluding treasury shares) and the weighted average price of S\$0.305 per share on 19 June 2024, being the last market day on which the Company’s shares transacted preceding the date of the SPA.
- (4) This basis is not applicable as there are no equity securities issued as consideration for the Proposed Acquisition.
- (5) This basis is not applicable as the Company is not a mineral, oil and gas company.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Bases and Assumptions

The financial effects of the Proposed Acquisition are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, being the most recently completed financial year. The financial effects are presented for illustration purposes only and are neither indicative nor do they represent the actual financial effects of the Proposed Acquisition on the net tangible assets (“**NTA**”) per share, the earnings per share (“**EPS**”) of the Group, nor do they



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represent the actual future financial position or financial performance of the Group following the completion of the Proposed Acquisition.

6.2 NTA

Assuming the Proposed Acquisition was completed on 31 December 2023, the financial effects of the Proposed Acquisition on the consolidated NTA of the Group are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group (RM'000)	111,595	112,619
Number of issued shares ('000)	146,518	146,518
NTA per share (RM'cents)	7.62	7.69

6.3 EPS

Assuming that the Proposed Acquisition was completed on 1 January 2023, the financial effects of the Proposed Acquisition on the earnings per share of the Group are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit after tax (RM'000)	21,561	22,253
Weighted average number of issued shares ('000)	133,657	133,657
EPS (RM'cents)	16.13	16.65

7. NO SERVICE CONTRACT

As at the date of this announcement, 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.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the directors or controlling shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Acquisition, other than through their respective shareholdings in the Company.

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



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Where information in this announcement has been extracted from published or otherwise publicly available source 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 047912 for a period of three (3) months commencing from the date of this announcement:

- (a) the SPA;
- (b) the Tenancy Agreement; and
- (c) the constitution of the Company

11. FURTHER ANNOUNCEMENT

The Company will update the shareholders if there are any material developments and will make the necessary announcements on SGXNET in compliance with the Catalist Rules.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully as there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Lim Te Hua
Executive Director and Chief Executive Officer
20 June 2024

This announcement has been reviewed by the Company’s sponsor, RHT Capital 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 Mr. Leong Weng Tuck at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.