

ELLIPSIZ LTD

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

EXERCISE OF SHARE OPTION UNDER INVESTORS' AGREEMENT

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meanings respectively ascribed to them in the announcement released by Ellipsiz Ltd entitled "Mandatory Conditional Cash Offer for Lum Chang Holdings Limited" dated 17 November 2020 (the "Announcement").

1. INTRODUCTION

The board of directors (the "**Board**") of Ellipsiz Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcement in relation to the mandatory conditional cash offer (the "**Offer**") made by United Overseas Bank Limited for and on behalf of RMDV Investments Pte. Ltd. (the "**Offeror**" or "**RMDV**"), for all of the issued ordinary shares in the capital of Lum Chang Holdings Limited ("**LCH**") (excluding treasury shares) (the "**LCH Shares**") other than those LCH Shares already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it. RMDV is a special purpose vehicle owned by the Consortium Members with an issued and paid-up share capital of S\$100 comprising 100 ordinary shares of which the Company holds 10 shares.

The Offer was declared unconditional in all respects on 25 November 2020 and closed on 18 January 2021. At the close of the Offer, RMDV held an aggregate of 137,559,212 LCH Shares.

It was stated in paragraph 4.2 of the Announcement that one of the terms in the Investors' Agreement entered into among the Consortium Members and the Offeror was that, each of the Consortium Members has an option to request RMDV to distribute LCH Shares owned by RMDV to them (the "**Share Option**") in accordance with their respective proportionate shareholding percentages in RMDV.

2. EXERCISE OF SHARE OPTION

The Board wishes to inform that the Company (but not the other Consortium Members) has exercised the Share Option set out above, and has requested RMDV to distribute the LCH Shares owned by RMDV to the Company to the extent of the Company's shareholding percentage in RMDV by way of a repayment of the shareholder's loan given by the Company to RMDV, in kind. Notwithstanding that the conditions for the exercise of the Share Option have not been met in full, RMDV and the other Consortium Members have acceded to the Company's request.

The amount of shareholder's loan owing by RMDV to the Company as at the date of the exercise notice of the Share Option was approximately S\$4.8 million. Based on the Company's 10% shareholding interest in RMDV, 13,755,922 LCH Shares are to be distributed to the Company in repayment of the shareholder's loan.

Forthwith after the transfer of the LCH Shares to the Company pursuant to the distribution, the Company will become a shareholder of LCH, holding directly 3.65% of the issued share capital of LCH.

3. RATIONALE FOR EXERCISE OF SHARE OPTION

The Board is of the view that it is in the interest of the Company to hold the LCH Shares directly as the Company would then have absolute control over its intention for them.

4. SHARE BUYBACK BY RMDV

The Board also wishes to inform that following completion of the distribution of the LCH Shares by RMDV to the Company, RMDV will also be buying back all the Company's 10 shares in RMDV for a consideration of S\$10. The Company will no longer be a shareholder in RMDV after its shares are bought back.

5. FINANCIAL EFFECTS OF THE EXERCISE OF SHARE OPTION

The investment in RMDV (through which the LCH Shares are held) was accounted for as investment in associate in compliance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Pursuant to a purchase price allocation required following the close of the Offer, the Group had recognised a provisional negative goodwill of approximately S\$4.0 million as part of its share of results of associate (RMDV) in its income statement for the first half-year ended 31 December 2020. Upon completion of the share buyback and the Company exiting from RMDV, the aforesaid provisional negative goodwill recognised in the first half-year ended 31 December 2020 will be reversed from the income statement.

The LCH Shares that the Company holds directly following the distribution of LCH Shares by RMDV to the Company will be accounted for as financial assets in compliance with SFRS(I).

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in the Announcement and this announcement, none of the directors of the controlling shareholder of the Company has any interest, direct or indirect, in the Share Option, other than through their respective shareholdings (if any) in the Company.

By order of the Board
CHOW CHING SIAN
JOHNIE TAN WEE LIANG
Company Secretaries
14 June 2021