SUNRISE SHARES HOLDINGS LTD.
(Company Registration No. 198201457Z)
Incorporated in the Republic of Singapore

PROPOSED ACQUISITION OF 100.0% OF THE SHARES IN THE ISSUED AND PAID-UP CAPITAL OF FALCON PACE SDN. BHD. AS AN INTERESTED PERSON TRANSACTION AND A DISCLOSEABLE TRANSACTION

For purposes of this announcement, the foreign exchange rate used for illustration purposes is RM1:S$0.287, being the exchange rate prevailing as at the date of this announcement.

1. INTRODUCTION

The Board of Directors ("**Board**" or "**Directors**") of Sunrise Shares Holdings Ltd. ("**Company**" and together with its subsidiaries, "**Group**") wishes to announce that the Company had on 21 November 2023 entered into a share sale agreement ("**Share Sale Agreement**") with Datuk Wira Boo Kuang Loon ("**Vendor**"), being the sole shareholder of Falcon Pace Sdn. Bhd. ("**Target Company**") for the acquisition of 100.0% of the shareholding interests in the Target Company ("**Sale Shares**") ("**Proposed Acquisition**"). Following completion of the Proposed Acquisition ("**Completion**"), the Company will hold 100.0% of the shareholding interests in the Target Company, and the Target Company will become a direct wholly-owned subsidiary of the Company.

The consideration for the Proposed Acquisition ("**Consideration**") is S$3,500,000, which shall be satisfied by:

(a) the cash payment of S$500,000 ("**Cash Consideration**") to the Vendor; and

(b) the issuance and allotment of 85,714,285 new shares in the issued share capital of the Company ("**Consideration Shares**") in favour of the Vendor, at the issue price of S$0.035 per Consideration Share ("**Issue Price**").

2. INFORMATION ON THE TARGET COMPANY, THE VENDOR AND THE SALE SHARES

2.1. The Target Company

2.1.1. The Target Company is a private company limited by shares and incorporated in Malaysia on 12 April 2019. The Target Company has an existing issued and paid-up capital of RM100,000 (S$28,700) represented by 100,000 ordinary shares, which are entirely held by the Vendor. As at the date of this announcement, the Target Company does not have any subsidiaries or associated companies. The principal activity of the Target Company is investment holding, and it started managing a 4-star hotel, The Pines Melaka ("**The Pines Melaka**"), in January 2023. The Target Company currently employs 68 staff.

2.1.2. As at the date of this announcement, the Target Company manages 196 rooms of The Pines Melaka, which is located at No. 33 Jalan Tun Sri Lanang, 75100 Melaka, Malaysia. The Pines Melaka, also known as 99 Residence, consists of 390 apartment units which was developed in 2015 and fully sold to different owners. These apartment units were then leased back and managed as hotel rooms by another private company in which the Vendor has certain interest

("**Private Company**") under a guaranteed rental return ("**GRR**") model. Under the GRR model, owners of the apartment units are entitled to receive a fixed rental from the Private Company which is computed based on 7.5% of the purchase price of each apartment unit. The Pines Melaka commenced its hotel operation in September 2015.

However, the Covid-19 pandemic in 2020 had severely affected the hotel industry in Malaysia, including The Pines Melaka. Consequently, owners holding 178 units terminated their tenancy agreements with the Private Company in 2022, while owners holding 196 units had signed new tenancy agreements with the Target Company based on a yield rental model. Tenancy agreements between the Target Company and owners holding the remaining 16 units are currently pending. Under the yield rental model, owners of the apartment units are entitled to receive different tiers of rental rate which is computed based on the occupancy rate of the hotel rooms. For illustration purposes, if the hotel occupancy rate is 70.0%, the rental shall be 7.0% of the purchase price of each apartment unit.

2.1.3. The hotel rooms currently managed by the Target Company range from the smaller Premier Rooms (31m^2) to the larger Two-Bedroom Executive Suites (91m^2) that are suitable for business travelers and holiday goers. The hotel is a short 20-minute drive from the Malacca International Airport and 110-minute drive from the Kuala Lumpur International Airport. It is the first hotel in Melaka to have poolside suites, and its rooms are among the largest in the city. The hotel's facilities include saltwater swimming pools, a restaurant, a children's playground, electric vehicle charger and gym facilities.[1]

2.2. The Vendor

2.2.1. The Vendor is a Malaysian citizen and a businessman with interests in a range of industries including real estate development and investment holding.

2.2.2. The Vendor is the Executive Director and Chief Executive Officer of the Company and is also a controlling Shareholder (as defined below) of the Company. As of the date of this announcement, the Vendor holds 69,012,815 shares in the Company, representing 32.97% of the total number of issued shares of the Company ("**Shares**"). As such, the Vendor is an interested person of the Company under Rule 904(4)(a) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**" and reference herein to a "**Rule**" shall refer to any Catalist Rule unless otherwise specified).

2.2.3. On 10 July 2023, the Vendor acquired its current shareholding of 69,012,815 Shares in the Company from Sunrise Wealth Management Pte. Ltd ("**July 2023 Acquisition**"). Prior to the July 2023 Acquisition, the Vendor did not own or control any Shares in the Company. As a consequence to the July 2023 Acquisition, the Vendor made a mandatory general offer ("**Offer**") for all the Shares other than those already owed, controlled and agreed to be acquired by him, in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers ("**Takeover Code**"). The Offer lapsed on 28 August 2023 with no change to the shareholding of the Vendor. Please refer to the announcements dated 10 July 2023, 19 July 2023, 26 July 2023, 31 July 2023, 11 August 2023 and 28 August 2023 for more information on the July 2023 Acquisition and the Offer.

[1] https://www.thepines-melaka.com/

2.2.4. Save as disclosed above, the Vendor does not have any connection (including business relationship or dealings) with the Company, its Directors and (as far as the Company is aware) the substantial Shareholders (as defined below) of the Company.

2.3. The Sale Shares

2.3.1. Number of Sale Shares

The Sale Shares comprise 100,000 ordinary shares in the Target Company and represent 100.0% of the entire issued and paid-up share capital of the Target Company. The Sale Shares are entirely held by the Vendor.

The paid-up share capital of the Target Company was recently increased from RM1 (comprising one (1) share of the Target Company) to RM100,000 (comprising 100,000 shares of the Target Company) in October 2023.

2.3.2. Net Profit

The Target Company's financial year end is 30 June. Based on its latest unaudited management account for the financial year ended 30 June 2023, the Target Company recorded a net profit after tax of RM655,834 (S$188,224). For the unaudited three (3) months period from 1 July 2023 to 30 September 2023, the Target Company recorded a net profit after tax of RM262,245 (S$75,264).

2.3.3. Net Asset Value ("**NAV**")

Based on the unaudited management accounts of the Target Company for the financial year ended 30 June 2023 and the unaudited three (3) months period ended 30 September 2023, the NAV attributable to the Sale Shares is RM638,203 (S$183,164) as at 30 June 2023 and RM900,448 (S$258,429) as at 30 September 2023.

2.3.4. Valuation

There is no open market value for the Sale Shares as they are not publicly traded. The Company has, however, commissioned an independent valuer, FHMH Corporate Advisory Sdn Bhd, the corporate advisory arm of Baker Tilly Malaysia ("**Valuer**"), to assess and determine the value of the Sale Shares ("**Valuation Report**"). The Valuation Report will be included in the Circular to be issued by the Company in due course.

2.3.5. Further information in relation to, among others, the Proposed Acquisition, the business and financial information of the Target Company will be set out in the circular ("**Circular**") to be issued to shareholders of the Company ("**Shareholders**") in due course.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Group's main business activity is in the provision of property consultancy, management and related services and it had currently secured property consultancy services for two (2) projects located in Zhuhai, China. Following the July 2023 Acquisition, whereby the Vendor emerged as the new largest controlling Shareholder of the Company, the Group has been actively pursuing other business opportunities which can enhance Shareholders' value.

The Proposed Acquisition is part of the Group's efforts to expand its core business into the Southeast Asia hospitality market, which includes Malaysia, in order to generate additional revenue streams to the Group, as well as mitigate the concentration risk of the Group in the China market. After the re-opening of the border, the Malaysian tourism industry showed positive signs of recovery with improving occupancy rates and average daily room rates arising from pent-up demand for hotel rooms, especially in Melaka which is one of the most visited cities in Malaysia.

The Pines Melaka is a 4-star hotel strategically located within the city centre of Melaka, with close proximity to the UNESCO world heritage sites and easy access to major roads. It is one of the most established hotels in Melaka and is managed by an experienced hotel management team previously under the Private Company and, since January 2023, under the Target Company.

The Board is of the view that the Proposed Acquisition offers an opportunity for the Group to acquire new business revenue streams and explore new hospitality market in Malaysia.

The satisfaction of bulk of the consideration for the Proposed Acquisition by way of the Consideration Shares will reduce the cash outlay by the Group for the Proposed Acquisition.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1. The Proposed Acquisition

Subject to the terms and conditions of the Share Sale Agreement, the Company shall purchase from the Vendor, and the Vendor agrees to sell to the Company the Sale Shares which represent 100.0% of the Target Company's entire issued and paid-up share capital.

4.2. Consideration

4.2.1. Consideration

The Consideration for the Proposed Acquisition is S$3,500,000, which shall be satisfied by:

(a) the Cash Consideration of S$500,000 to the Vendor; and

(b) the issuance and allotment of 85,714,285 Consideration Shares in favour of the Vendor at the Issue Price of S$0.035 per Share.

4.2.2. Issuance and Allotment of Consideration Shares

All Consideration Shares will be issued free of any pre-emptive rights or rights of first refusal and free of any mortgage, charge, lien or encumbrance.

The Proposed Acquisition is conditional upon, amongst others, the receipt and non-withdrawal of the listing and quotation notice from the SGX-ST for the listing of and quotation of the Consideration Shares on the Catalist Board of the SGX-ST. The Company will be making an application to the SGX-ST through the Sponsor for the listing and quotation of the Consideration Shares in due course and will make further announcement upon the receipt of the in-principle approval of the Consideration Shares from the SGX-ST.

4.2.3. Issue Price of Consideration Shares

The Consideration Shares shall be issued at the Issue Price of S$0.035 per Share. The Issue Price of S$0.035 per Share is equivalent to the volume weighted average price ("**VWAP**") of the Shares on 17 November 2023, being the market day preceding the date of the Share Sale Agreement where trades were conducted.

4.2.4. Basis for Consideration

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor and on a "willing-buyer willing-seller" basis after taking into consideration the results of the financial due diligence undertaken by the Company, the rationale and benefits of the Proposed Acquisition as set out in paragraph 3 above.

4.3. Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, among others, the following conditions having been fulfilled (each a "**Condition Precedent**") within one (1) month from the date of the Share Sale Agreement or such extended date as may be mutually agreed in writing between the Parties:

(a) The outcome of the legal and financial due diligence exercises is to the satisfaction of the Company;

(b) Issuance of the formal Valuation Report with a valuation satisfactory to the Company in its reasonable discretion, provided always that the value of the Sale Shares set out in the Valuation Report shall not be lower than the Consideration. In the event the value of the Sale Shares set out in the formal valuation report is lower than the Consideration, the Parties shall renegotiate and make the necessary announcement;

(c) The Vendor receiving a waiver from the Securities Industry Council ("**SIC**") from the requirement to make a mandatory general offer under the Takeover Code, and any conditions attached to such waiver being satisfactory to the Company in its reasonable discretion (the "**Whitewash Waiver**") and the satisfaction of all the conditions set out by the SIC in the Whitewash Waiver and the satisfaction of all the conditions set out by the SIC in the Whitewash Waiver (including but not limited to the issuance of an opinion from the Independent Financial Adviser to be appointed ("**IFA**");

(d) The Company obtaining such approval(s) as may be required from the SGX-ST in respect of transactions contemplated in the Share Sale Agreement, including the purchase of the Sale Shares and the issue of the Consideration Shares;

(e) The Company satisfying all conditions and/or requirements imposed by the SGX-ST and the Catalist Rules with respect to the transactions contemplated by the Share Sale Agreement, including but not limited to the requirements in Chapter 9 of the Catalist Rules, and the issuance of the opinion from the IFA that transaction contemplated by the Share Sale Agreement as an interested person transaction ("**IPT**") as defined in the Catalist Rules is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders;

(f) The receipt and non-withdrawal of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Consideration Shares on the Catalist Board of the SGX-ST;

(g) The approval of the directors and the shareholders of the Company at an extraordinary general meeting ("**EGM**") to be convened in respect of all the transactions contemplated herein (including but not limited to the acquisition of the Sale Shares as an IPT to be settled by way of the Cash Consideration and the issuance of the 85,714,285 Consideration Shares, and the Whitewash Resolution);

(h) Other Approvals

(i) If required, the approval or consent of any government in any jurisdiction, whether federal, state, provisional, territorial or local, any authority of any government, any non-government regulatory authority and any other third parties which the Company or the Vendor may be required to obtain for the purchase of the Sale Shares contemplated herein and for the issuance of the Consideration Shares; and

(ii) any other Condition Precedents as may be required arising from the outcome of the legal and/or financial due diligence exercise conducted on the Target Company.

4.4. Completion

Subject to the satisfaction or waiver of the Conditions Precedent, Completion shall be within 14 days from fulfilment of the last of the Conditions Precedent.

4.5. Source of Funds

The Cash Consideration of S$500,000 for the Proposed Acquisition shall be funded by the Group's internal resources.

5. MANDATE FOR ISSUE OF SHARES – SPECIFIC SHAREHOLDERS' APPROVAL

Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless such issue of shares or convertible securities or such grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806.

The Company will not be relying on the general mandate previously obtained from Shareholders at the latest annual general meeting of the Company held on 28 June 2023 for the allotment and issue of the Consideration Shares. The allotment and issue of the Consideration Shares will be made pursuant to a specific mandate. As such, the Company will be seeking specific Shareholder's approval for the allotment and issue of the Consideration Shares in accordance with Rules 803, 805(1) and 812(2) of the Catalist Rules at an EGM of the Company to be convened.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

6.1. Relative Figures

Based on the latest announced financial statements of the Group i.e. the unaudited financial statements of the Group for the nine (9)-month period ended 30 September 2023 ("**9M2023**") and the unaudited management accounts of the Target Company for the nine (9)-month period from 1 July 2022 to 31 March 2023 (as the Target Company's financial year end is 30 June), the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Catalist Rules are set out in the table below.

Rule	Base	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
1006(b)	The net profits or net loss attributable to the assets acquired, compared with Group's net profits or net loss.(1)	-38%(2)
1006(c)	The aggregate value of the consideration given or received(3), compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	48%(4)
1006(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	41%(5)
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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) For the purpose of computation of these figures, "**net profits**" or "**net loss**" means profit or loss (as the case may be) including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(2) Calculated based on (a) the net profit of approximately S$195,106 attributable to the Sale Shares based on the Target Company's unaudited management accounts for the nine (9)-month period from 1 July 2022 to 31 March 2023, as the Target Company's financial year end is 30 June, and (b) the Group's net loss of S$509,000 for 9M2023.

(3) Pursuant to Rule 1003(3), where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares (being the VWAP of such shares transacted on the market day preceding the date of the share sale agreement) or the net asset value ("**NAV**") represented by such shares, whichever is higher. For purpose of Rule 1003(3), the VWAP of the Shares on 17 November 2023 being the market day preceding the date of the Share Sale Agreement where trades were conducted is S$0.035 per Share and the NAV per Share is S$0.0153. Accordingly, the value of the Consideration Shares is S$3,000,000 using the VWAP of S$0.035 per Share (which is higher than the NAV per Share) and the aggregate value of the consideration given for the purposes of calculating the relative figures under Rule 1006(c) is S$3,500,000.

(4) Calculated based on (a) the value of the consideration for the Proposed Acquisition of S$3,500,000; and (b) the Company's market capitalisation of approximately S$7,330,000 derived by multiplying the issued share capital of the Company as at the date of this announcement of 209,337,290 Shares by the VWAP of S$0.035 per Share on 17 November 2023 (being the market day preceding the date of the Share Sale Agreement where trades were conducted). The Company does not have any treasury shares.

(5) Calculated based on (a) the number of Consideration Shares, being 85,714,285 Shares, and (b) the number of Shares in the issued share capital of the Company, being 209,337,290 Shares as at the date of this announcement.

6.2. The Proposed Acquisition under Chapter 10 of the Catalist Rules as a discloseable transaction

6.2.1. Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules ("**Practice Note 10A**"). Paragraph 4.1 of Practice Note 10A further provides that in some cases, tests based on, amongst others, profits under Rule 1006(b) may involve a negative figure in the numerator, denominator or both, which may not give a meaningful indication of the significance of the transaction to the issuer, including situations concerning a loss-making issuer and an acquisition of a profitable asset by a loss-making issuer.

6.2.2. Pursuant to paragraph 4.4(b) of Practice Note 10A, in the case of an acquisition of a profitable asset by a loss-making issuer (being the applicable scenario for the Proposed Acquisition), where the relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75% and the net profit attributable to the asset to be acquired exceeds 5.0% of the consolidated net loss of the issuer (taking into account only the absolute value), the issuer must, in relation to the transaction, immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013.

6.2.3. However, notwithstanding the Proposed Acquisition not requiring shareholders' approval pursuant to Chapter 10 of the Catalist Rules, the Proposed Acquisition will be subject to the specific approval of Shareholders for, amongst others, the issue of the Consideration Shares as described in paragraph 5 of this announcement, as an interested person transaction as described under paragraph 8 of this announcement below, as well as for the Whitewash Resolution as described under paragraph 9 of this announcement below.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1. Bases and Assumptions

7.1.1. The financial effects of the Proposed Acquisition on the share capital, loss per Share ("**LPS**") and net tangible assets ("**NTA**") per Share of the Group have been prepared based on (a) the latest audited financial statements of the Group for financial year ended 31 December 2022 ("**FY2022**") and (b) the latest unaudited management accounts of the Target Company for the financial year ended 30 June 2023.

The *pro forma* financial effects of the Proposed Acquisition are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the Proposed Acquisition.

7.1.2. The financial effects of the Proposed Acquisition have been computed based on the following assumptions:

(a) the financial effects on the Group's NTA and the NTA per Share have been computed assuming that the Proposed Acquisition was completed on 31 December 2022;

(b) the financial effects on the Group's net loss and LPS have been computed assuming that the Proposed Acquisition was completed on 1 January 2022; and

(c) any costs and expenses in connection with the Proposed Acquisition have been disregarded.

7.2. Share Capital

	Before Completion	Allotment of new Shares	After Completion
Number of Shares	209,337,290	85,714,285[(1)]	295,051,575
Issued and paid-up share capital (S$)	25,668,295	3,000,000	28,668,295

Note:

(1) Based on the Issue Price of S$0.035 per Consideration Share, an aggregate of 85,714,285 Consideration Shares will be issued following Completion.

7.3. NTA per Share

	Before Completion	After Completion
Consolidated NTA attributable to Shareholders	S$3,802,090	S$3,485,254[(1)]
Number of Shares	209,337,290	295,051,575
Consolidated NTA per Share attributable to Shareholders (Singapore cents)	1.82	1.18

Note:

(1) Calculated by (a) adding NTA of the Target Company as at 30 June 2023 of S$183,164; and (b) less Cash Consideration to the Vendor of S$500,000. The Group may record significant goodwill arising from the Proposed Acquisition in view of the low NTA of the Target Company compared to the Consideration paid for the Target Company.

7.4. LPS

	Before Completion	After Completion
Consolidated net loss	(1,873,884)	(1,685,660)[(1)]
Weighted average number of issued Shares	209,337,290	295,051,575
Consolidated LPS (Singapore cents)	(0.90)	(0.57)

Note:

(1) Calculated by adding the net profit of the Target Company based on the unaudited management account for the financial year ended 30 June 2023 of approximately S$188,224.

8. INTERESTED PERSON TRANSACTION

8.1. The Proposed Acquisition as an IPT

The Vendor is the Executive Director and Chief Executive Officer of the Company and is also a controlling Shareholder of the Company. As of the date of this announcement, the Vendor holds 69,012,815 Shares in the Company, representing 32.97% of the total number of issued Shares of the Company. As such, the Vendor is deemed an interested person of the Company within the meaning of Chapter 9 of the Catalist Rules *vis-a-vis* the Company, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalist Rules.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

8.2. NTA of the Group

Based on the Group's latest audited financial statements for FY2022, as at 31 December 2022, the NTA of the Group was S$3,802,090 and 5.0% of the latest audited NTA of the Group is S$190,105.

8.3. Value of interested person transaction

The Consideration of S$3,500,000 for the Proposed Acquisition represents approximately 92% of the latest audited NTA of the Group. Accordingly, as the value of the Consideration represents more than 5.0% of the latest audited NTA of the Group, approval of Shareholders will be required for the Proposed Acquisition, in accordance with Chapter 9 of the Catalist Rules.

Pursuant to Rule 919 of the Catalist Rules, the Vendor and his associates must not vote on the resolutions nor accept appointments as proxies unless specific instruction as to voting are given.

8.4. Total value of interested person transactions

The aggregate value of all interested person transactions entered into by the Group for the current financial year beginning 1 January 2023 and up to the date of this announcement (excluding transactions which are less than S$100,000 and the Proposed Acquisition) is S$170,000, being the management consultancy fee charged by the Group to Hong Kong Sunrise Asset Management ("**HKSAM**"), a company wholly owned by Mr Wong Siu Fai, the substantial Shareholder of the Company. The consultancy and management service agreement between the Company and HKSAM was terminated on 22 March 2023.

Save as disclosed above and the Proposed Acquisition, since the current financial year beginning 1 January 2023 and up to the date of this announcement, there are no other interested person transactions over S$100,000 entered into by the Group with the Vendor (as an interested person).

8.5. Independent Financial Adviser and Opinion of Audit Committee

In accordance with Rule 921 of the Catalist Rules, the Company has appointed Xandar Capital Pte. Ltd. as its IFA to opine on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and minority Shareholders.

The IFA's opinion will be included in the Circular to be issued to Shareholders in connection with the EGM to seek Shareholders' approval for the Proposed Acquisition.

The audit committee ("**Audit Committee**") will form its views on the Proposed Acquisition as an interested person transaction after taking into account the opinion of the IFA. The views of the Company's Audit Committee on the Proposed Acquisition will be set out in the Circular.

9. THE WHITEWASH WAIVER

The Consideration Shares represent 41% of the existing share capital of the Company comprising 209,337,290 Shares, and 29% of the enlarged share capital of the Company comprising 295,051,575 Shares, following Completion and issuance of the Consideration Shares to the Vendor.

The issuance of the Consideration Shares to the Vendor will result in his shareholding interest in the Company increasing from 69,012,815 Shares, representing 32.97% of the existing share capital of the Company to 154,727,100 Shares, representing 52.44% of the enlarged share capital of the Company, which in turn will trigger an obligation on the part of the Vendor (and his concert parties) to make a mandatory general offer under Rule 14 of the Takeover Code for all the Shares in issue not already owned, controlled or agreed to be acquired by the Vendor and his concert parties. An application will be made to the SIC for a waiver of such obligation ("**Whitewash Waiver**"). Subject to the receipt of the Whitewash Waiver, the Company will also seek approval from independent Shareholders in respect of a whitewash resolution ("**Whitewash Resolution**") for the waiver of their rights to receive such a mandatory general offer from the Vendor and/or their Concert Parties pursuant to Rule 14 of the Takeover Code.

Xandar Capital Pte. Ltd. has been appointed as the IFA to advise the Directors who are independent for the purposes of the Whitewash Resolution on whether the terms of the Proposed Acquisition are fair and reasonable and the Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the independent Shareholders of the Company. The IFA's opinion will be included in the Circular.

The Audit Committee will form its views on the Proposed Acquisition for the purposes of the Whitewash Resolution after taking into account the opinion of the IFA. The Audit Committee's view on the Proposed Acquisition will be set out in the Circular to be despatched in due course.

10. CIRCULAR TO SHAREHOLDERS

The Proposed Acquisition is conditional upon the Company having obtained the relevant Shareholders' approval under, among others, Chapters 8 and 9 of the Catalist Rules, and the Whitewash Resolution. A Circular to Shareholders containing, among others, information in respect thereof will be issued to Shareholders in due course.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the Vendor who is the Executive Director and Chief Executive Officer of the Company and is also a controlling Shareholder of the Company, none of the Directors or their associates or, as far as the Company is aware, has any interest, direct or indirect, in the Proposed Acquisition.

The Vendor will abstain, and has undertaken to ensure that his associates will abstain, from voting on the resolutions in relation to the Proposed Acquisition and the Whitewash Resolution and will not accept appointments as proxies in relation to such resolutions unless specific voting instructions have been given by the Shareholders.

12. 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 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 (including information on the Target Company as set out in paragraph 2.1 of this announcement), 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 the announcement in its proper form and context.

13. TRADING CAUTION

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Completion of the Proposed Acquisition is subject to certain conditions. 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. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

14. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep Shareholders informed as and when there are further material updates and developments in respect of the Proposed Acquisition.

15. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Sale Agreement is available for inspection by Shareholders at the Company's registered office at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Anthony Ang Meng Huat
Executive Director

21 November 2023

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*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**)", in compliance with Rule 226(2)(b) of the Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST and 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.

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