

THE PROPOSED ACQUISITION OF BUSINESS

1. INTRODUCTION

The board of directors ("**Board**" or, "**Directors**") of V2Y Corporation Ltd. ("**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company's subsidiary, Evertrust F&B Pte. Ltd. ("**Evertrust F&B**"), has on 10 October 2024 entered into a sale and purchase agreement (the "**SPA**") with Urban Exchange Pte. Ltd. (the "**Seller**") for the acquisition of the business assets (the "**Business Assets**") used in the operations of the Seller's food and beverage (F&B) business operations of a coffee shop with 7 food stalls and 1 beverage stall (the "**Business**") from the Seller (the "**Proposed Acquisition**").

The relative figures under Rules 1006 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") exceeds 5% but does not exceed 75%. Accordingly, the Proposed Acquisition constitutes a "disclosable transaction" pursuant to Rule 1006 of the Catalist Rules.

2. INFORMATION ON THE SELLER AND THE BUSINESS ASSETS

The Seller is a private company limited by shares incorporated under the laws of Singapore on 28 June 2024. Its business activities are the operation of restaurant and the wholesale trade of a variety of goods without a dominant product. As at the date of this announcement, the issued and paid-up share capital of the Seller is S\$100,000 divided into 100,000 ordinary shares. The sole director and shareholder of the Seller is the Chia Kai Yean. Chia Kai Yean is not related to the Directors, the Company's directors, substantial shareholders and/or their respective associates.

The Seller operates the Business at Block 603 Clementi West Street 1, #01-43, Singapore 120603 (the "**Business Premise**").

The Business Assets comprise utensils and equipment used in the course of the Seller's Business which are located in or on the Business Premise. There is also a security deposit paid by the Seller in an amount of S\$90,000 to the licensor of the Business Premise (the "**Rental Security Deposit**") in respect of the use of the Business Premise under the existing licence granted to the Seller (the "**Rental Contract**").

The Group intends to acquire the Business Assets and procure a novation of the Rental Contract from the Seller. It is contemplated under the terms of the Proposed Acquisition that upon completion, the Group will operate the Business at the current Business Premise.

The Seller is not related to any of the Company's directors, substantial shareholders of the Company and/or their respective associates. As at the date of this announcement, the Seller does not hold any shares in the capital of the Company ("**Share**") directly or indirectly.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Group's existing core business focuses on providing third party administration and value-added services to help the brand partners in the computer, communication and consumer electronics sector manage and execute their extended warranty and accidental damage protection programmes in more than 12 countries in Asia. The Company had sought shareholders' approval and the shareholders' have approved the diversification of the Group's existing core business to include (a) the F&B retail business, involving the operation of restaurants and food stalls serving food and beverages; (b) the food catering business, and (c)

the business of trading and distribution of food and food products in the extraordinary general meeting held on 8 October 2024 (the “**New Business**”).

Following the completion of the placement of S\$500,000 on 31 July 2024 and conversion shares of S\$900,000 on 30 September 2024 through the issuance of 33,783,784 and 60,810,810 new ordinary shares in the Company respectively, the Company is taking steps to grow the New Business with the acquisition of a hot-pot chain on 28 August 2024 and after seeking shareholders’ approval for the diversification into the New Business on 8 October 2024.

Based on the financial effects of the Proposed Acquisition as set out in Section 0 of this announcement, the Company does not expect the Proposed Acquisition to have a significant adverse impact on the earnings, net tangible assets or net asset value of the Group.

The Board is therefore of the view that the Proposed Acquisition is in the interest of the Group. However, Shareholders should note that there is no assurance that the Proposed Acquisition will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

4.1. Purchase and Sale of Business Assets

Subject to the terms and conditions of the SPA, the Seller shall sell, as the legal and beneficial owner of the Business Assets, and Evertrust F&B shall purchase, free from Encumbrances (as defined in the SPA) and together with all rights, title and interest in and to all the Business Assets.

Title to and beneficial ownership of, the Business Assets shall pass on the completion of the sale and purchase of the Business Assets (“**Completion**”). As from Completion, all the Business Assets shall, pending any necessary legal assignment, novation or registration, be held by the Seller on trust for Evertrust F&B absolutely. PROVIDED ALWAYS that all the Business Assets are sold and transferred on Completion, Evertrust F&B may represent itself as carrying on the Seller’s Business and having taken over the same. For the avoidance of doubt, if not all the Business Assets are sold and transferred on Completion, Evertrust F&B may represent itself as carrying on the Seller’s Business only in respect of the Business Assets which are successfully sold and transferred, while the Seller may carry on representing itself as carrying on the Seller’s Business in respect of the Business Assets which are not sold and transferred.

4.2. Purchase Price

The aggregate purchase price for the Business Assets shall be the sum of **S\$580,000** (the “**Purchase Price**”), which shall be payable in full on Completion Date.

The Purchase Price was arrived at on a willing buyer, willing seller basis taking into account, *inter alia*, a one-time takeover fee of S\$202,000, the estimated value of the Business Assets of S\$288,000, the Rental Security Deposit and the potential benefits and strategic merits of the Proposed Acquisition.

No independent valuation was conducted in respect of the Proposed Acquisition.

The Purchase Price will be paid in cash and will be funded by the Group’s internal cash resources.

4.3. Conditions

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the following conditions having been fulfilled (or waived by Evertrust F&B in writing) (including but not limited to):

- (a) the Rental Novation Deeds in connection with the Rental Contracts having been entered into with the relevant lessors;
- (b) the results of the due diligence exercise carried out by Evertrust F&B on the Business Assets and the Rental Contracts being satisfactory to the Company in its sole and absolute discretion; and
- (c) the Seller having settled any and all fines, penalties, liabilities, damages and payments owing or payable to any government bodies and third-party claims relating to the Assets arising in connection with any incidents occurring before 9.00 a.m. on Completion Date.

4.4. **Obligation prior to Completion**

Pursuant to the SPA, the Seller undertakes to Evertrust F&B that between the date of the SPA and the Completion Date, the Seller shall, *inter alia*,

- (a) cause the Seller's Business to be conducted only in the normal and ordinary course and shall not make (or agree to make) any payment other than routine payments in the normal and ordinary course of trading;
- (b) not sell, assign, transfer, lease or otherwise dispose of any of the Business Assets;
- (c) preserve and maintain the Business Assets in good and safe repair and condition having regard to fair wear and tear, regularly and adequately maintain the Business Assets where such maintenance is usually required, preserve and maintain the Business Assets in working order, ensure that none of the Business Assets are in a defective or in need of renewal or replacement, such conditions being satisfactory to Evertrust F&B in its sole and absolute discretion;
- (d) assist Evertrust F&B, to the fullest extent possible, in Evertrust F&B's conduct of the due diligence exercise on the Business Assets and the Rental Contracts.

The Seller has also undertaken to Evertrust F&B to procure the novation of the Rental Contract to Evertrust F&B, and the release and discharge of the Seller ("**Rental Novation Deed**"). In the event where a Rental Novation Deed is not successfully executed and obtained in respect of the Rental Contract entered into by the Seller on or before the Completion Date, such Rental Contract shall not be novated or transferred, and the Purchase Price shall be adjusted to reflect the exclusion of the corresponding rental rights and obligation.

4.5. **Completion**

On Completion, and subject to compliance with the Seller's obligations under the SPA, Evertrust F&B shall pay the Purchase Price to the Seller on 11 October 2024 or such other date as may be agreed in writing between the Seller and Evertrust F&B in writing ("**Completion Date**").

Subject to payment of the Purchase Price by Evertrust F&B:

- (a) beneficial ownership in each Business Asset sold, along with the risk of loss and damage, shall pass to Evertrust F&B on Completion, with effect from 12.00 a.m. on 12 October 2024;
- (b) there shall be no physical delivery of the Business Assets, save for those which are not located in the Business Premise and are in the possession of the Seller, in which event, Evertrust F&B shall take delivery of such Business Assets on Completion.

4.6. **Remedies for Evertrust F&B**

The SPA provides that Evertrust F&B may by written notice given to the Seller at any time prior to Completion, terminate the SPA upon the occurrence of any one of the following facts, events, or matters (whether existing or occurring on or before the date of the SPA or arising or occurring thereafter, and whether or not such events amount to repudiatory breaches):

- (a) any breach of the Seller’s warranties as if the Warranties were repeated on Completion by reference to the facts or circumstances then existing;
- (b) a breach of any undertaking, and/or agreement required to be performed or caused to be performed by the Seller under the SPA on or before the Completion Date;
- (c) the Seller or Evertrust F&B having received notice of any injunction or other order, directive, or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA or indicating that the consummation of the transactions may be restrained or prohibited; or
- (d) the relevant authorities having enacted or proposed any legislation (including any subordinate legislation) that would prohibit, restrict, or delay the implementation of any of the transactions contemplated by the SPA or the operations of Evertrust F&B.

5. THE PROPOSED ACQUISITION AS A DISCLOSEABLE TRANSACTION

Based on the latest announced audited financial statements of the Company for the financial year ended 31 December 2023 (“FY2023”), the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition are set out below.

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of assets to be disposed of, compared with the Company’s net asset value	Not applicable to an acquisition of assets ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired, compared with the Company’s net profit	Not applicable ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued ordinary shares in the capital of the Company (excluding treasury shares)	9.74% ⁽⁴⁾
(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 Company’s proved and probable reserves	Not applicable to an acquisition ⁽⁶⁾

Notes:

- (1) This is not applicable as the Company is not disposing any assets pursuant to the Proposed Acquisition.
- (2) Net profits is defined to be profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) The Group’s intention is to acquire the Business Assets and takeover the Rental Contracts from the Seller. There are no profit or loss attributable to the Business Assets and Rental Contracts.
- (4) This is calculated based on the sum of S\$830,000, being the previous acquisition of S\$250,000 that was entered and announced on 28 August 2024 and the Proposed Acquisition of S\$580,000, and the Company’s market capitalisation of S\$8,521,129.54. The market capitalisation of the Company was computed based on the issued share capital of the Company of 448,480,502 Shares and the volume weighted average price of S\$0.019 per Share, based on trades transacted on 9 October 2024 (being the last market day preceding the date of the SPA on which the Shares were transacted).
- (5) Rule 1006(d) of the Catalist Rules is not applicable as the Company is not issuing consideration shares as consideration for the Proposed Acquisition.

(6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed based on Rule 1006(c) exceeds 5% but does not exceed 75%, the Proposed Acquisition would constitute a “disclosable” transaction as defined under Chapter 10 of the Catalist Rules.

Based on the aggregate purchase consideration, being the previous acquisition of S\$250,000 that was entered and announced on 28 August 2024, and the Proposed Acquisition of S\$580,000 (the “**Aggregated Acquisition**”), the Aggregated Acquisition does not constitute a major transaction as defined under Chapter 10 of the Catalist Rules. Therefore, Shareholders’ approval at a general meeting is not required for the Proposed Acquisition.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent 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 represent the actual future financial position or financial performance of the Group after completion of the Proposed Acquisition.

6.1. Bases and Assumptions

For illustrative purposes only, the financial effects set out below have been prepared based on the latest audited accounts of the Group for FY2023, based on the following bases and assumptions:

- (a) for the purposes of computing the effect of the NTA per Share of the Group and gearing of the Group, it is assumed that the Proposed Acquisition was completed on 31 December 2023;
- (b) for the purposes of computing the effect of the Proposed Acquisition on the EPS, it is assumed that the Proposed Acquisition has been completed on 1 January 2023; and
- (c) the transaction costs incurred for the Proposed Acquisition are insignificant and ignored for computational purposes.

6.2. Share capital

The Proposed Acquisition will not have any impact on the issued and paid-up share capital of the Company.

6.3. EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net earnings attributable to Shareholders (S\$'000)	(921)	(921)
Weighted average number of shares (excluding treasury shares) ('000)	353,885,908	353,885,908
EPS ⁽¹⁾ (Singapore cents)	(0.26)	(0.26)

	Before the Aggregated Acquisition	After the Aggregated Acquisition
Net earnings attributable to Shareholders (S\$'000)	(921)	(929)
Weighted average number of shares (excluding treasury shares) ('000)	353,885,908	353,885,908
EPS ⁽¹⁾ (Singapore cents)	(0.26)	(0.26)

Notes:

- (1) Basic earnings per share amounts are calculated by dividing net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

6.4. NTA per share

	Before the Proposed Acquisition	After the Proposed Acquisition
Group's NTA as at 31 December 2023 (S\$'000)	(137)	(339)
Number of issued shares (excluding treasury shares) ('000)	353,885,908	353,885,908
Group's NTA per share ⁽¹⁾ (Singapore cents)	(0.04)	(0.10)

	Before the Aggregated Acquisition	After the Aggregated Acquisition
Group's NTA as at 31 December 2023 (S\$'000)	(137)	(442)
Number of issued shares (excluding treasury shares) ('000)	353,885,908	353,885,908
Group's NTA per share ⁽¹⁾ (Singapore cents)	(0.04)	(0.12)

	Before the Proposed Acquisition and Aggregated Acquisition	After the Proposed Acquisition and Aggregated Acquisition
Company's NTA as at 31 December 2023 (S\$'000)	201	201
Number of issued shares (excluding treasury shares) ('000)	353,885,908	353,885,908
Company's NTA per share (Singapore cents)	0.06	0.06

Notes:

(1) NTA is calculated as Net Equity less Goodwill and Intangible Assets.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests, direct or indirect, in the Company.

8. SERVICE CONTRACTS

No person will be appointed to the Board in connection with the Proposed Acquisition and no service contracts in relation thereto will be entered into by the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 16 Raffles Quay, #17-03 Hong Leong Building, Singapore 048581 for a period of three (3) months from the date of this announcement.

10. FURTHER UPDATES

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 of the SGX-ST.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares 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 read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

12. 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 this 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.

**BY ORDER OF THE BOARD
V2Y CORPORATION LTD.**

Ang Wei Yang Felix
Executive Director and Chief Executive Officer

10 October 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. Khong Choun Mun at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.