



BACUI TECHNOLOGIES INTERNATIONAL LTD.

(Incorporated in Singapore)

(Company Registration Number 199407135Z)

PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE COMPRISING UP TO 3,287,352,906 RIGHTS SHARES (AS DEFINED HEREIN) ON THE BASIS OF THREE (3) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF BACUI TECHNOLOGIES INTERNATIONAL LTD., HELD AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of Bacui Technologies International Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing a non-renounceable non-underwritten rights issue of up to 3,287,352,906 new ordinary shares in the issued share capital of the Company ("**Rights Shares**") at an issue price of S\$0.0015 for each Rights Share ("**Issue Price**") on the basis of three (3) Rights Share for every one (1) existing ordinary shares ("**Shares**") in the issued share capital of the Company, held by the Entitled Shareholders (as defined in paragraph 2.10 below) as at a time and date to be determined by the Directors, fractional entitlements to be disregarded (the "**Proposed Rights Issue**").

1.2 Summary of the Principal Terms

The principal terms of the Proposed Rights Issue are summarised below:

Principal Terms	Description
<i>Issue Price</i>	S\$0.0015 per Rights Share, payable in full upon acceptance and/or application.
<i>Discount (specifying benchmarks and period)</i>	<p>The Issue Price represents a discount of approximately 50% to the closing market price per Share based on trades done on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") of S\$0.003 on 27 June 2024, being the market day on which Shares are traded before the Proposed Rights Issue is announced ("Last Trading Day").</p> <p>Separately, the Issue Price represents a discount of 21.05 % to the theoretical ex-rights price of S\$0.0019 per Share.</p> <p>Note:</p>

	<p>(1) The theoretical ex-rights trading price is the theoretical market price of each Share on the basis that 3,287,352,906 Rights Shares (on a fully diluted basis) are issued pursuant to the Proposed Rights Issue, and is computed based on the closing price of S\$0.003 per Share for Shares traded on the Catalist Board of the SGX-ST on 27 June 2024, being the Last Trading Day.</p>
<i>Allotment Ratio</i>	<p>Three (3) Rights Shares for every one (1) existing ordinary share in the issued and paid-up share capital of the Company held as at the Books Closure Date to be determined, fractional entitlements to be disregarded.</p>
<i>Use of Proceeds</i>	<p>The Company intends to use the net proceeds from the Proposed Rights Issue for the partial repayment of amounts due to Shareholder and for general corporate and working capital purposes.</p> <p>For more details, please refer to paragraph 4 of this announcement (the “Announcement”).</p>
<i>Purpose of Issue</i>	<p>The net proceeds from the Proposed Rights will be used for the partial repayment of amounts due to Shareholder so as to improve the Group’s debt-to-equity position.</p> <p>Further, the Group’s operations are mainly in the PRC. The Proposed Rights Issue has been proposed to strengthen and improve the Group’s general working capital position (particularly funding accessible to the Group outside of the PRC), so as to enable the Group to meet its ongoing financial commitments. In particular, the additional funding will allow the Group to have access to funds to meet its financial commitments outside of the PRC in a timely manner. Separately, additional funds will also better position the Group to take advantage of opportunities for business growth if such opportunities arise.</p> <p>In addition, the Proposed Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to maintain their equity participation in the Company.</p> <p>For more details, please refer to paragraph 3 of this Announcement.</p>

The Proposed Rights Issue shall take place at a time and date to be determined by the Directors, at and on which the register of members of the Company and the transfer books will be closed

to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (the “**Books Closure Date**”).

An application will be made by the Company, through its Sponsor, to the SGX-ST for a listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST (the “**LQN**”).

In accordance with Rule 821 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the SGX-ST, the Books Closure Date shall only be determined after the LQN has been issued by the SGX-ST. The Company will make the appropriate announcements in due course when it receives the LQN from the SGX-ST and when the Books Closure Date is determined.

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue including procedures for acceptances and applications for the Rights Shares will be contained in an instructions booklet to be despatched by the Company to Entitled Shareholders in due course (the “**Instructions Booklet**”). A further announcement on the despatch of the Instructions Booklet will be made by the Company at the appropriate time.

Further details on the principal terms and conditions of the Proposed Rights Issue are set out in paragraph 2 below.

1.3 As at the date of this Announcement:

- (i) the existing issued and paid-up share capital comprise 1,089,507,148 Shares (“**Existing Issued Share Capital**”); and
- (ii) the Company has 6,277,154 options (“**Options**”) outstanding pursuant to the Arion Entertainment Singapore Limited Employee Shares Option Scheme (“**AES ESOS**”) and which are exercisable between 13 July 2017 and 13 July 2025 at an exercise price of S\$0.03 per Share.

In the event that all the Options are exercised, the Company will issue 6,277,154 new Shares (“**Option Shares**”) and the issued share capital of the Company will increase to 1,095,784,302 Shares (“**Enlarged Issued Share Capital**”). Based on the Enlarged Issued Share Capital, aggregate number of Shares proposed to be issued under the Proposed Rights Issue will be 3,287,352,906 Rights Shares.

1.4 In connection with the Proposed Rights Issue, Xinlong Investment Holding Limited (“**Xinlong**”), a substantial shareholder, has provided the Company with an irrevocable undertaking (“**Irrevocable Undertaking**”) pursuant to which it has undertaken to the Company to, *inter alia*:

- (a) accept, subscribe and pay for all its entitlements to the Rights Shares based on its existing shareholding as at the date of the Irrevocable Undertaking; and
- (b) make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue after satisfaction of all valid applications and excess applications (if any) for the Rights

Shares.

For more details on the Irrevocable Undertaking, please refer to paragraph 6.1 below.

- 1.5 As at the date of this Announcement, there are amounts owing to Mr Yang Ran, substantial shareholder and Executive Director of the Company, aggregating approximately S\$4.2 million. The amounts outstanding are unsecured, interest-free and repayable on demand.

2. PRINCIPAL TERMS OF THE PROPOSED RIGHTS ISSUE

2.1 Basis of Provisional Allotment

Pursuant to the Proposed Rights Issue, up to 3,287,352,906 Rights Shares will be offered at the Issue Price, on a pro rata, non-renounceable and non-underwritten basis of three (3) Rights Share for every one (1) Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

For illustration purposes, for every existing 1,000 Shares held by a Shareholder who is an Entitled Shareholder, he or she will be at liberty to accept or decline his or her provisional allotment of 3,000 Rights Shares.

2.2 Size of the Proposed Rights Issue

Maximum Scenario

Having regard to the Irrevocable Undertaking, based on the Company's Existing Issued Share Capital comprising 1,089,507,148 Shares and assuming the Options are exercised in full and the Option Shares are allotted and issued on or prior to the Books Closure Date, the Company will allot and issue 3,287,352,906 Rights Shares under the Proposed Rights Issue ("**Maximum Scenario**").

The Rights Shares in the Maximum Scenario represent, in aggregate:

- (a) 300.0% of the Existing Issued Share Capital together with the Option Shares to be issued on exercise of the Options; and
- (b) 75.0% of the enlarged issued share capital of the Company comprising 4,383,137,208 Shares.

Minimum Scenario

Having regard to the Irrevocable Undertaking, based on the Company's Existing Issued Share Capital comprising 1,089,507,148 Shares and assuming none of the Options are exercised, the Company will allot and issue 3,268,521,444 Rights Shares under the Proposed Rights Issue ("**Minimum Scenario**").

The Rights Shares to be issued in the Minimum Scenario represent, in aggregate:

- (i) 300.0% of the Existing Issued Share Capital; and
- (ii) 75.0% of the enlarged issued share capital of the Company comprising 4,358,028,592 Shares.

2.3 Authority to issue the Rights Shares

The Company intends to seek the approval of the shareholders of the Company ("**Shareholders**") for the Proposed Rights Issue and the issuance of the Rights Shares at an extraordinary general meeting to be convened by the Company ("**EGM**").

A circular (the "**Circular**") containing, *inter alia*, the notice of the EGM and information relating to the Proposed Rights Issue will be despatched to Shareholders in due course.

2.4 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept (in full or in part), or decline, their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares ("**Excess Rights Shares**") in excess of their provisional allotments under the Proposed Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

AS THE PROPOSED RIGHTS ISSUE IS MADE ON A NON-RENOUNCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES CANNOT BE RENOUNCED IN PART OR IN WHOLE IN FAVOUR OF A THIRD PARTY, OR TRADED ON THE SGX-ST.

2.5 Scaling Down of Subscriptions

Depending on the level of subscription for the Rights Shares, the Company may, if necessary and upon the approval of the SGX-ST, scale down the Rights Shares subscribed by any Shareholder to avoid placing such Shareholder and/or parties acting in concert with it (as defined in the Singapore Code on Take-overs and Mergers (the "**Code**")) in the position of

incurring an obligation to make a mandatory general offer under the Code as a result of other Entitled Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

2.6 Ranking of the Rights Shares

The Rights Shares will be payable in full upon acceptance and/or application.

The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a “record date” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.7 Non-underwritten basis of the Proposed Rights Issue

The Proposed Rights Issue will not be underwritten. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Proposed Rights Issue. After taking into consideration the aforementioned, the Irrevocable Undertaking, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not feasible nor practical for the Proposed Rights Issue to be underwritten by a financial institution.

2.8 No Prospectus or Offer Information Statement

As the Proposed Rights Issue will be made pursuant to the exemptions invoked under Section 273(1)(ce) of the Securities and Futures Act 2001 of Singapore (the “**SFA**”), no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore (the “**MAS**”).

2.9 Approvals and Conditions

The Proposed Rights Issue is subject to, *inter alia*:

- (a) a waiver (“**Whitewash Waiver**”) having been granted by the Securities Industry Council of Singapore (the “**Council**”) of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:
 - (i) Xinlong subscribing for its pro rata entitlement of the Rights Shares and applying for excess Rights Shares pursuant to the Irrevocable Undertaking; and
 - (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,

and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;

- (b) approval having been obtained from the Shareholders at a general meeting for:
 - (i) the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and
 - (ii) the waiver of the rights of the independent shareholders of the Company to receive a general offer from Xinlong and parties acting in concert with it for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue ("**Whitewash Resolution**"); and
- (c) the LQN having been granted by the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company.

2.10 Eligibility to Participate in the Proposed Right Issue

The Company proposes to provisionally allot the Rights Shares to the Entitled Shareholders, comprising the Entitled Depositors and the Entitled Scripholders (both as defined below). Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Information Booklet together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar (as defined herein), as the case may be.

"Entitled Depositors" are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) market days ("**Market Day**" being a day on which the SGX-ST is open for securities trading) prior to the Books Closure Date provided CDP with addresses in Singapore for the service of notices and documents.

"Entitled Scripholders" are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company's share registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) ("**Share Registrar**") valid transfers of their Shares and the share certificates relating thereto for registration up to 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date provided the Share Registrar with addresses in Singapore for the service of notices and documents.

As the Proposed Rights Issue is made on a non-renounceable basis, Entitled Shareholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares or (b) eligibility to apply for Excess Rights Shares.

2.11 CPF Investment Scheme

Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) under the Central Provident Fund Investment Scheme may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet.

2.12 Foreign Shareholders

The distribution of the Instructions Booklet and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Instructions Booklet and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”) and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 4 SHENTON WAY, #02-01 SGX CENTRE 2, SINGAPORE 068807 OR (II) BACUI TECHNOLOGIES INTERNATIONAL LTD. C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.) 80 ROBINSON ROAD #02-00 SINGAPORE 068898, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

3. **RATIONALE OF THE PROPOSED RIGHTS ISSUE**

As at the end of the financial period ended 31 December 2023, the Group’s audited cash and cash equivalents stood at approximately S\$9.932 million, of which S\$9.743 million was maintained in accounts held by the Group with banks and financiers situated in the People’s Republic of China (the “**PRC**”). Funds flowing out of and into the PRC are firmly regulated as the PRC has adopted a strict system of foreign exchange controls. Accordingly, the Group’s cash within the PRC may not be readily accessible to the Company outside of the PRC.

As at the date of this Announcement, the amounts due to shareholder remains outstanding. Additionally, while the Group’s main operations are based in the PRC, the Company also incurs, from time to time, operational, administrative and regulatory costs outside of the PRC. These comprise and include directors’ fee and professional fees (such as those payable to its external

and internal auditors and its legal advisors), as well as annual fees payable to the SGX-ST and the Company's continuing sponsor.

The Proposed Rights Issue has been proposed to strengthen and improve the Group's general working capital position (particularly funding accessible to the Group outside of the PRC), so as to enable the Group to meet its ongoing financial commitments. In particular, the additional funding will allow the Group to partially repay the amounts due to Shareholder, and to have access to funds to meet its financial commitments outside of the PRC in a timely manner. The partial repayment of the amounts due to Shareholder will also improve the Group's net asset position.

In addition, the Proposed Right Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to maintain their equity participation in the Company.

4. USE OF PROCEEDS

The gross proceeds from the Proposed Rights Issue under the Maximum Scenario and Minimum Scenario are approximately S\$4.931 million and S\$4.903 million, respectively. After taking into consideration estimated expenses of approximately S\$0.2 million, the estimated net proceeds from the Proposed Rights Issue in the Maximum Scenario and Minimum Scenario are expected to be approximately S\$4.731 million and S\$4.703 million, respectively.

The Company intends to use the net proceeds as follows:

Use of Net Proceeds	Maximum Scenario		Minimum Scenario	
	Amount (\$ million)	Percentage of Net Proceeds	Amount (\$ million)	Percentage of Net Proceeds
Repayment of amounts due to Shareholder	4.2	88.78	4.2	89.30
General working capital purposes	0.531	11.22	0.503	10.70

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of such proceeds, as the funds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report, in accordance with the Catalist Rules. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of net proceeds for working capital in its announcement and the annual report.

Where there is any material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation.

5. LISTING AND QUOTATION OF THE RIGHTS SHARES

An application will be made by the Company, through its Sponsor, to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist Board of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the LQN.

6. IRREVOCABLE UNDERTAKING

6.1 Irrevocable Undertaking

As at the date of this Announcement, Xinlong, a substantial shareholder, has provided the Company with the Irrevocable Undertaking that, *inter alia*:

- (a) as at the Books Closure Date, the number of Shares held by Xinlong will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
- (b) it shall, not later than the last day for acceptance and payment of the Rights Shares, subscribe for and pay in full for and/or procure the subscription of and payment in full for its pro rata entitlement to the Rights Shares under the Proposed Rights Issue in relation to Shares held by it as at the Books Closure Date, in accordance with the terms and conditions of the Proposed Rights Issue;
- (c) it shall make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue after satisfaction of all valid applications and excess applications (if any) for the Rights Shares;
- (d) it shall not sell, transfer or otherwise deal with any of the Shares that it owned or controlled as at the date of the Irrevocable Undertaking, during the period commencing from the date of the Irrevocable Undertaking and ending on the completion of the Proposed Rights Issue; and
- (e) it shall vote all its Shares in favour of the Proposed Rights Issue at the EGM to be convened by the Company to seek Shareholders' approval for the Proposed Rights Issue, including the allotment and issue of the Rights Shares (if allowed).

Xinlong shall procure confirmations from financial institutions that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking. Separately, each of Xinlong, Xinlong Development Limited and Mr Yang Ran has confirmed that it/he has not been offered additional benefits in connection with the giving of the Irrevocable Undertaking by Xinlong.

6.2 Condition of the Irrevocable Undertaking

The Irrevocable Undertaking will be subject to and conditional upon:

- (a) the Whitewash Waiver having been granted by the Council of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:
 - (i) Xinlong subscribing for its pro rata entitlement of the Rights Shares and applying for excess Rights Shares pursuant to the Irrevocable Undertaking; and
 - (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights;
- (b) approval having been obtained from the Shareholders at the EGM for:
 - (i) the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and
 - (ii) the Whitewash Resolution;
- (c) the LQN having been granted by the SGX-ST for the Rights Shares Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (d) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Issue.

6.3 Information on Xinlong

Xinlong is an investment holding company incorporated in the British Virgin Island, having its registered address at Unit 8, 3/F, Qwomar Trading Complex, Blackbume Road, Port Purcell, Road Town, Tortola, British Virgin Islands, VG1110. Xinlong is wholly-owned by Xinlong Development Limited, an investment holding company incorporated in the British Virgin Islands.

Xinlong Development Limited is wholly-owned by Mr Yang Ran, an Executive Director of the Company.

As at the date of this Announcement, Xinlong directly holds 155,555,555 Shares representing approximately 14.28% of the issued share capital of the Company.

7. WHITEWASH WAIVER

7.1 Pursuant to Rule 14.1 of the Code, except with the Council's consent, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately, on the basis set out in Rule 14, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares ("**Mandatory Offer**").

7.2 Takeover implications arising from the Irrevocable Undertaking

Pursuant to the terms of the Irrevocable Undertaking, Xinlong will, *inter alia*, subscribe for and/or procure the subscription of its pro rata entitlement to the Rights Shares and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue.

Depending on the level of subscription by the Entitled Shareholders, Xinlong and parties acting in concert with it may incur an obligation under Rule 14.1 of the Code to undertake a general offer for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue.

For illustration, in a Minimum Scenario:

- (a) if Entitled Shareholder(s) elect to partially apply for an aggregate 2,116,020,420 Rights Shares, comprising (a) their respective pro rata entitlement of the Rights Shares; and/or (b) excess Rights Shares ("**Takeover Scenario I**"), pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 1,152,501,024 Rights Shares; and
- (b) if Entitled Shareholders elect **not to** apply for any of their respective pro rata entitlement of the Rights Shares or excess Rights Shares ("**Takeover Scenario II**"), then pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 3,268,521,444 Rights Shares.

7.3 The shareholding of Xinlong (a) as at the date of this Announcement; and (b) immediately upon completion of the Proposed Rights Issue for each of Takeover Scenario I and Takeover Scenario II are as follows:

Illustration of shareholding interest of the Undertaking Shareholder pursuant to the Takeover Scenario 1 and Takeover Scenario II

	Number of Shares held by Xinlong	Approximate percentage of the Existing Issued Share Capital⁽¹⁾	Approximate percentage of the enlarged issued share capital⁽¹⁾⁽²⁾
<i>As at the date of this Announcement</i>	155,555,555 ⁽³⁾	14.28%	-
<i>Immediately upon completion of the Proposed Rights Issue:</i>			
- Assuming Takeover Scenario I	1,308,056,579	-	30.00%
- Assuming Takeover Scenario II	3,424,076,999	-	78.57%

Notes:

- (1) Percentage figures are rounded down to the nearest two decimal places.
- (2) Based on an enlarged issued share capital of the Company comprising 4,358,028,592 Shares as a result of the Minimum Scenario.
- (3) Held directly by Xinlong. As at the date of this Announcement, Xinlong does not hold any indirect interest in the Company.

7.4 As illustrated above, depending on the level of subscription by Entitled Shareholders, the subscription of Rights Shares by Xinlong pursuant to the Irrevocable Undertaking may cause Xinlong's holding of Shares to increase from approximately 14.28% of the Existing Issued Share Capital to 30.0% or more of the enlarged issued share capital. Accordingly, the fulfilment of the obligations under the Irrevocable Undertaking by Xinlong may result in Xinlong incurring an obligation to make a Mandatory Offer for the Company pursuant to Rule 14.1 of the Code unless such obligation is waived by the Council on such terms and conditions as it may impose.

7.5 In view of the above, an application was made, on behalf of the Company and Xinlong to the Council for the Whitewash Waiver. Upon receipt of the Council's ruling on the Whitewash Waiver, the Company will update the Shareholders accordingly.

8. ADJUSTMENTS TO OPTIONS UNDER THE AES ESOS

As a consequence of the Proposed Rights, adjustments will be made to the number of Options and/or the exercise price of the Options. The Company will make the appropriate announcement and notify holders of the Options of such adjustments in due course.

9. INDEPENDENT FINANCIAL ADVISOR

The Company will appoint an independent financial adviser ("**IFA**") to advise the Directors who are considered to be independent for the purpose of making a recommendation to the independent Shareholders in respect of the Whitewash Resolution in due course. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Circular to be despatched to Shareholders in due course.

10. PREVIOUS EQUITY FUND RAISING IN THE PAST 12 MONTHS

The Company has not undertaken any previous equity fund raising in the past 12 months.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Xinlong, a substantial Shareholder holding 14.28% interest in the issued share capital of the Company, is wholly-owned by Xinlong Development Limited, an investment holding company incorporated in the British Virgin Islands. Xinlong Development Limited is wholly-owned by Mr Yang Ran, an Executive Director of the Company.

Save as disclosed in this Announcement, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Proposed Rights Issue other than through their respective shareholding interests, direct and/or indirect, in the Company (if any).

12. OPINION OF DIRECTORS

- 12.1 The Directors are of the opinion that after taking into consideration the Group's internal resources and present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Rights Issue will strengthen the financial position and capital base of the Group, and provide the Group additional funds to repay the amounts due to Shareholder and to funds to meet its financial commitments outside of the PRC in a timely manner.
- 12.2 The Directors are of the opinion, after taking into consideration the rationale for the Proposed Rights Issue as set out in paragraph 3 of this Announcement that the Proposed Rights Issue is in the interests of the Company.

- 12.3 In determining the discount as set out in paragraph 1.2 of this Announcement, the Directors had taken into consideration the closing price of the Shares as at 26 June 2024 and the theoretical ex-rights price computed on the same.

13. 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 Rights Issue and the Group which are relevant to the Proposed Rights Issue, 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.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Irrevocable Undertaking will be available for inspection by the Shareholders at the registered office of the Company at 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906 a during normal office hours for three (3) months from the date of this Announcement.

15. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Proposed Rights Issue is subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Proposed Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
BACUI TECHNOLOGIES INTERNATIONAL LTD.

YEO KAN YEN
Independent Non-Executive Chairman

28 June 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.
