



SUBSCRIPTION OF SHARES IN ASSOCIATED COMPANY – DC ALLIANCE PTE LTD

1. Introduction

The Board of Directors (the “**Board**”) of Figtree Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Figtree Real Estate Pty Ltd (“**FRE**”), a wholly-owned subsidiary of Figtree Developments Pte. Ltd, which in turn is a wholly-owned subsidiary of the Company, had on 17 September 2020, entered into a shareholders’ agreement (the “**Agreement**”) with the existing shareholders of DC Alliance Pte Ltd (“**DC Alliance**”), who are unrelated third parties, to subscribe for 2,750,000 shares or 27.5% stake in the enlarged share capital of DC Alliance for a cash consideration of A\$2.75 million (approximately S\$2.74 million) (the “**Subscription**”).

2. Information on DC Alliance

DC Alliance is a company incorporated in Singapore. Its principal business activity is that of investment holding. It wholly owns Pier DC Pty Ltd (“**Pier DC**”) through its wholly-owned subsidiary, DCA1 Pte Ltd (“**DCA1**”). DCA1 is a company incorporated in Singapore with its principal business activity being that of investment holding. Pier DC is a company incorporated in Australia. Pier DC designs, builds and operates tier-certified data centres in Australia and the Asia Pacific region. Pier DC currently owns and operates a ready-for-service Tier III co-location data centre in Perth, Western Australia’s, Canning Vale industrial area, which is located approximately 20km from Perth’s Central Business District, and approximately 24km from Perth Airport. The data centre was built approximately 4 years ago and the facility has a technical area of 2,200m², with a capacity for 1,000 racks and up to 8MW of power. Pier DC is also a GovNext ICT programme approved member, with most of its existing customers mainly from the government segment.

Upon completion of the Subscription, DC Alliance’s share capital will be increased from A\$2.875 million to A\$10.0 million.

The unaudited net asset value and net loss of DC Alliance’s group as at 15 September 2020, before the completion of the shares subscription by FRE, is approximately A\$14.5 million and A\$0.78 million respectively.

3. Rationale for the Subscription

Through this investment, the Group will hold a strategic stake in a ready-for-service Tier III data centre in Perth, a growing regional innovation hub due to its high speed, high capacity undersea data cables that link it to Asia. This will position the Group well to ride on the vibrant demand for data centres in Australia, which is on the rise due to growing trends in cloud adoption, demand for smart devices, as well as wireless networking technologies.

With DC Alliance’s design and build expertise in data centres, the Group will be able to gain fit-for-purpose design capabilities catered to such facilities. There is also room for further growth and once ramped up, this investment will serve to further broaden and stabilise the Group’s base of recurring income.

As part of its plans, DC Alliance intends to expand the capacity of the data centre, as well as to provide cutting edge amenities like business continuity space, an area which is highly relevant in today's uncertain environment.

4. Purchase Consideration

DC Alliance intends to increase the share capital from A\$2.875 million to A\$10.0 million of which the Group intends to have a 27.5% stake. The purchase consideration of A\$2.75 million (the "**Consideration**") for the Subscription shall be fully satisfied in cash.

The Consideration shall be payable upon the completion of the Purchase. The Consideration was arrived after taking into account, *inter alia*, the prospects of DC Alliance, commercial merits of the Subscription and the net asset value of DC Alliance, of approximately S\$14.5 million.

The Subscription will be funded by internal resources.

5. Principal Terms of the Agreement

- (a) The Agreement provides that the DC Alliance group shall undertake the business of designing, building and operating data centres, with a secondary business of trading of goods and services, commodities, commercial products, exchange listed stocks and shares when opportunity arises, and such other businesses and activities as may from time to time be approved by the board of directors of DC Alliance.
- (b) The board of directors of DC Alliance shall comprise of four directors, with one director nominated by the Group. The Group will also be entitled to nominate one director to the board in all subsidiaries of DC Alliance.
- (c) The Agreement provides that various matters (such as cessation of business, acquisition/disposal of any substantial interest in any other business, material changes in nature of business) may only be decided with the written consent of at least 51% of the shareholder majority, including the consent from the nominated director of the Group.
- (d) If a shareholder of DC Alliance proposes to transfer any of their shares to a third party, such shareholder shall first make an offer to sell such shares to existing shareholders.
- (e) If DC Alliance issues any new or additional shares in the share capital of the company, these shares shall be offered to existing shareholders as is required to allow each shareholder to maintain its prevailing shareholding proportion in DC Alliance.

6. Requirements of Chapter 10 of the Catalist Rules

Pursuant to the requirements of Chapter 10 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”), the Board of Directors is of the view that the Subscription is a transaction which is in, or in connection with, the ordinary course of the Company’s business, as:

- (a) the asset to be acquired is part of the Company’s existing principal business (in accordance with paragraph 2.4 of Practice Note 10A of the Catalist Rules); and
- (b) the Subscription does not change the Company’s risk profile (in accordance with paragraph 2.5 of Practice Note 10A of the Catalist Rules).

7. Financial Effects

The Subscription is not expected to have a material impact on the earnings per share and net tangible asset value per share of the Group for the current financial year ending 31 December 2020.

8. Interest of Directors and Controlling Shareholders

None of the Company’s Directors or controlling shareholders as well as any of their respective associates, have any interest, direct or indirect, in the Subscription (other than through their interests in the shares of the Company).

9. Directors’ Service Contract

No person is proposed to be appointed as a director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. Document for Inspection

A copy of the Agreement is available for inspection at the registered address of the Company at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Siaw Ken Ket @ Danny Siaw

Managing Director

17 September 2020

About Figtree Holdings Limited

Founded in 2009, Figtree Holdings Limited (“Figtree” or the “Company”, and together with its subsidiaries and associates, the “Group”), is a provider of commercial and industrial real estate solutions. The Group typically acts as the main contractor for its projects in Singapore, covering new construction, A&A works on

existing buildings as well as refurbishment and upgrading of existing buildings. In China and Malaysia, the Group provides design, project and construction management consulting services.

The Group has established a strong presence in China in the property development sector with a diverse portfolio of residential, commercial and industrial properties. The Group continues to explore suitable property development and investment opportunities in Australia.

Figtree was listed on SGX Catalist on 11 November 2013.

*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 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 Ms Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.