

9R LIMITED

(Company Registration No. 199307300M)
(Incorporated in Singapore)

(1) COMPLETION OF THE PROPOSED ACQUISITION

(2) ALLOTMENT OF 69,165,000 NEW ORDINARY SHARES TO BODY POWER SDN BHD

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's circular dated 14 December 2023.

1. Introduction

The board of directors (the "**Board**") of 9R Limited (the "**Company**") refers to the Company's previous announcements dated 14 July 2023, 3 December 2023, 5 January 2024 and 9 January 2024 (together, the "**Announcements**") and the circular dated 14 December 2023 in relation to the proposed acquisition of (i) Lavish Pearl Sdn Bhd; (ii) Booming Gain Sdn Bhd; (iii) Redbox (1st Avenue) Sdn Bhd; (iv) Sunlight Ventures Sdn Bhd; (v) Lovely Pyramid Sdn Bhd; (vi) Majestic Glory Sdn Bhd; and (vii) Cheer Bonanza Sdn Bhd as a major transaction.

2. Conversion of Conditions Precedent to Conditions Subsequent

2.1 In accordance with the terms and conditions of the SPA, 9R Leisure had on 6 February 2024 converted the following Conditions Precedent into Conditions Subsequent, each to be fulfilled subsequent to the Completion Date:

- (i) Body Power obtaining the necessary approvals and/or consents from the landlords of the Target Companies for the intended change of shareholding and shareholder of the Target Companies;
- (ii) Body Power initiating the renewal application process for the applicable licences of the Target Companies which will expire prior to the Completion Date; and
- (iii) Body Power procuring the formal written renewal of the tenancy of the karaoke business outlet entered into by Redbox (1st Avenue) Sdn Bhd and Majestic Glory Sdn Bhd.

2.2 In addition, Body Power shall procure the settlement or waiver of (where applicable) of the outstanding rentals and late payment interest due and owing by Sunlight Ventures Sdn Bhd to MTrustee Berhad in connection with the tenancy of 170-07-03A/05/06, Plaza Gurney, Persiaran Gurney, 10250 Penang, subsequent to the Completion Date.

3. Waiver of Completion Deliverable

3.1 Pursuant to the terms of the SPA, on the Completion Date, on allotment of the Consideration Shares, Body Power shall deliver to 9R Leisure, among others, a written release of all amounts owed by the Target Companies to Body Power and/or its Affiliates whereafter Body Power shall cease to have any claim over any such amounts owing by the Target Companies (the "**Release**").

3.2 Prior to Completion, Body Power had informed 9R Leisure that the Release would not be delivered to 9R Leisure on the Completion Date.

3.3 The commercial understanding between 9R Leisure and Body Power in connection with the Release had been that, upon acquisition of the Target Companies by 9R Leisure, all debts owing both by the Target Companies to Body Power and by Body Power to the Target Companies would be waived. As at the Completion Date, the amount owed by Body Power to the Target Companies exceeded the amount owed by the Target Companies to the Vendor. As such, the non-delivery of the Release by Body Power resulted in a net amount owing by the Vendor to the Target Companies, such amount being an enforceable collection to the Group following Completion.

3.4 Taking into account the foregoing commercial considerations, the Directors are of the view that waiving the Vendor's requirement to deliver the Release on the Completion Date is in the best

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interests of the Company and Group and have accordingly waived the requirement for the Vendor to deliver the Release on the Completion Date.

4. Completion of the Proposed Acquisition

The Board is pleased to announce that the Proposed Acquisition had completed on 6 February 2024 (“**Completion Date**”). Following Completion, the Target Companies have become indirect wholly-owned subsidiaries of the Company.

5. Allotment of the Consideration Shares

- 5.1 Pursuant to the terms of the SPA, the portion of the Consideration to be settled on the Completion Date comprises a sum of RM14.5 million (approximately S\$4,149,900) to be satisfied by the allotment and issuance of 69,165,000 Consideration Shares to Body Power or a related entity of Body Power.
- 5.2 The Board wishes to announce that pursuant to Completion in relation to the Proposed Acquisition, the Company has on 6 February 2024 allotted and issued 69,165,000 new ordinary shares in the capital of the Company to Body Power at an issue price of S\$0.06 for each Consideration Share.
- 5.3 The Consideration Shares will be credited as fully-paid and shall rank *pari passu* in all respects with the existing Shares in the capital of the Company at the time of the allotment and issuance of the Consideration Shares, save for rights to any dividends, rights, allotments or distributions, the record date of which falls prior to the date of issuance of the Consideration Shares.
- 5.4 Following the allotment and issuance of the Consideration Shares, the total issued share capital of the Company has increased from 1,010,730,765 Shares (excluding 159,230 treasury shares) to 1,079,895,765 Shares (excluding 159,230 treasury shares) and Body Power will hold a total of 112,665,044 Shares, representing approximately 10.43% of the total issued share capital of the Company (on an enlarged basis immediately after the allotment and issuance of the Consideration Shares).
- 5.5 The listing and quotation of the Consideration Shares on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) is expected to take place on or around 7 February 2024.
- 5.6 A further Consideration sum of RM2.5 million (approximately S\$715,500) shall be satisfied by the allotment and issuance of 11,925,000 Consideration Shares by the Company to Body Power or a related entity of Body Power upon the 9R Leisure’s satisfaction of any or all of the Conditions Subsequent (including any Conditions Precedent that shall have been converted to Conditions Subsequent) being fulfilled by the Vendor.
- 5.7 In the event the Target Companies fulfil certain conditions as set out in the SPA, Body Power shall be entitled to an Earn-Out Amount of RM 4 million in aggregate, to be satisfied by the allotment and issuance of Earn-Out Shares by the Company to Body Power or a related entity of Body Power.

BY ORDER OF THE BOARD OF
9R Limited

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director
6 February 2024

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*This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").*

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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