



ECON HEALTHCARE (ASIA) LIMITED
(Company Registration Number: 200400965N)
(Incorporated in Singapore on 28 January 2004)

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- (I) **ENTRY INTO SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF AMBULANCE MEDICAL SERVICE PTE. LTD.**
- (II) **PROPOSED DIVERSIFICATION OF BUSINESS**
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1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of Econ Healthcare (Asia) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 29 November 2023 entered into a sale and purchase agreement (the "**SPA**") with Dr. Sim Kah Ming ("**Dr. Sim**") and Ms. Ong Ching See ("**Ms. Ong**", and together with Dr. Sim, the "**Sellers**") in relation to the Company's proposed acquisition of the entire issued share capital (collectively, the "**Sale Shares**") of Ambulance Medical Service Pte. Ltd. (the "**Target**") from the Sellers (the "**Proposed Acquisition**"). Upon completion of the Proposed Acquisition (the "**Completion**"), the Target will become a wholly-owned subsidiary of the Company.
- 1.2 In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the shareholders of the Company (the "**Shareholders**"), the Company intends to diversify its business and expand its core business to include the provision of emergency ambulance services and medical transport services (collectively, the "**Ambulance Services Business**") (the "**Proposed Diversification**"). The Company intends to convene an extraordinary general meeting (the "**EGM**") to seek approval of the Shareholders for the Proposed Acquisition and the Proposed Diversification.

2. RATIONALE FOR THE PROPOSED ACQUISITION AND THE PROPOSED DIVERSIFICATION

- 2.1 The Group has over 36 years developed its business to one of the largest private nursing home operators in Singapore and Malaysia. The Group is currently involved in two (2) key business segments, namely:
- (a) **Medicare Centres and Nursing Homes** – the provision of residential nursing care services, home care services, rehabilitation services (such as physiotherapy), clinical services and TCM treatments in our medicare centres and nursing homes; and

- (b) **Other Operations and Ancillary Services** – the provision of healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore,

(collectively, the "**Existing Businesses**").

In connection with the Group's expansion plans through, among others, joint ventures, strategic collaborations, mergers and acquisitions or investments, the Group has identified the Ambulance Services Business as part of the Group's strategy to diversify its business in order to enhance its service offerings that are complementary to the Group's existing core business and integrate with its existing network of medical centres and nursing homes.

- 2.2 The Target, being a company which has obtained the relevant licences to conduct the Ambulance Services Business in Singapore (such licences, the "**Target Licences**"), provides an opportunity for the Group to comprehensively integrate the Ambulance Services Business into the healthcare ecosystem established within the Group. The operation of the Ambulance Services Business represents a natural extension of the Group's Existing Businesses in running medicare centres and nursing homes as the Group will be able to fulfil its residents' and patients' transportation needs (whether for emergencies or otherwise) with its own internal resources. The incorporation of emergency ambulance services and medical transport services into the Group's service offerings will enhance the Group's overall ability to serve its residents and patients with a more comprehensive suite of care services available.
- 2.3 Beyond the provision of emergency ambulance services and medical transport services in Singapore within the Group's eco-system, the Proposed Diversification may potentially lead to fresh business opportunities for the Group to provide services to other third-party clients or customers within the healthcare industry. The Group does not plan to restrict the Proposed Diversification to any specific geographical market, and each potential investment or expansion into the Ambulance Services Business will be evaluated by the Board on its merits.
- 2.4 Overall, the Board believes that the Proposed Diversification represents an opportunity to establish a new and complementary business segment for the Group that is synergistic with its Existing Businesses.
- 2.5 The Group had previously been involved in the provision of ambulance services in Singapore but had ceased to do so prior to the Company's listing on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in 2021, as (a) the Group had decided to outsource the provision of ambulance services to third party providers in order to focus on its Existing Businesses; and (b) the ambulance services business operated by the Group at the time did not have the capability of being scaled up for expansion beyond providing services within the Group as it did not have a ready pool of resources to tap on in order to expand or scale up its operations at that time.

Following Completion of the Proposed Acquisition, the Group intends to carry out the Ambulance Services Business through the Target and leverage on the existing expertise and resources of the Target to assist in undertaking the Ambulance Services Business more effectively and efficiently.

2.6 The Board believes that the Proposed Acquisition and the Proposed Diversification will bring value to the Company and its Shareholders as it will provide the following benefits to the Group:

(a) **Additional and recurrent revenue streams**

The Board is of the view that the Ambulance Services Business is expected to provide additional and recurrent revenue streams for the Group. The Group will venture into the Ambulance Services Business prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

(b) **Enhance Shareholders' value**

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth opportunities. It may provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long-term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(c) **Wider network of business opportunities**

The Target is an established player in the provision of private ambulance services industry in Singapore and has its own business portfolio of clients which consists of, amongst others, hospitals, healthcare institutions, dialysis centres, uniformed institutions (e.g. prison services), nursing homes, education institutions, sports clubs and event organisers. The Board believes that the Ambulance Services Business will provide the Group with greater access to a larger client base, and represents the opportunity to explore, evaluate and establish a new and profitable business segment which may potentially lead to fresh business opportunities for the Group.

3. INFORMATION ON THE SELLERS AND THE TARGET

3.1 Information on the Target

The Target is an exempt private company limited by shares incorporated in Singapore on 7 April 2007. As at the date of this Announcement, the Target has an issued and paid-up share capital of S\$250,000 comprising 250,000 ordinary shares. The Sellers collectively hold 100% of the issued and paid-up share capital of the Target.

The Target is principally engaged in the business of ambulance and medical evacuation services and also provides event medical standby services, with an operating fleet of 57 ambulances as at the date of this Announcement.

3.2 Information on the Sellers

Dr. Sim and Ms. Ong hold 60% and 40% of the issued and paid-up share capital of the Target, respectively, and are the directors of the Target.

Each of the Sellers is an independent third party of the Company and is not related to any of the Directors or the controlling Shareholders of the Company and their respective associates. As at the date of this Announcement, the Sellers do not have any interest in the Shares of the Company.

3.3 Financial Information of the Target

Based on the management accounts of the Target as at 30 June 2023:

- (a) the book value of the Sale Shares was approximately S\$11,037,171¹ as at 30 June 2023;
- (b) the net tangible asset value represented by the Sale Shares was approximately S\$11,037,171¹ as at 30 June 2023; and
- (c) the profit before tax attributable to the Sale Shares amount to approximately S\$665,323 for the six (6) month period ended 30 June 2023.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

4.1 Aggregate Consideration

- (a) The aggregate consideration payable to the Sellers (the "**Aggregate Consideration**") for all the Sale Shares on Completion is S\$8,800,000, which is subject to post-completion adjustments as provided for in the SPA. The Aggregate Consideration shall be satisfied partially in cash and partially by ordinary shares in the capital of the Company, on the following basis:
 - (i) an aggregate of S\$7,000,000 shall be paid in cash (the "**Cash Consideration**") to the Sellers in accordance with the specified proportions set out in the SPA; and
 - (ii) the balance consideration amount of S\$1,800,000 shall be fully satisfied by the allotment and issuance of an aggregate of 8,910,891 new ordinary shares in the capital of the Company (each, a "**Consideration Share**" and collectively, the "**Consideration Shares**") to Dr. Sim, at the issue price of S\$0.202 per Consideration Share (the "**Issue Price**").

¹ This includes, for the same period: (a) the net book value represented by the four (4) Properties (as defined below) of approximately S\$4,653,882; (b) the existing loans obtained by the Target of approximately S\$5,169,131; and (c) the amounts due from the Sellers (as directors of the Target) to the Target of approximately S\$7,584,307.

- (b) The Aggregate Consideration was arrived at after arm's length negotiations between the Company and the Sellers and on a willing-buyer and willing-seller basis, taking into account, *inter alia*:
 - (i) the net asset value of the Target of S\$3,968,113 as at 30 June 2023, which excludes, for the same period: (A) the net book value represented by the four (4) Properties (as defined below) of approximately S\$4,653,882; (B) the existing loans obtained by the Target of approximately S\$5,169,131; and (C) the amounts due from the Sellers (as directors of the Target) to the Target of approximately S\$7,584,307;
 - (ii) the financial position and performance of the Target for the six (6)-month period ended 30 June 2023; and
 - (iii) the rationale for the Proposed Acquisition and Proposed Diversification as set out in paragraph 2 of this Announcement.

4.2 Source of Funds for the Cash Consideration

- (a) The Cash Consideration payable pursuant to paragraph 4.1(a)(i) of this Announcement above will be funded entirely by proceeds raised by the Company in connection with its initial public offering and listing on the Catalist Board on 19 April 2021 ("**IPO Proceeds**").
- (b) The utilisation of the IPO Proceeds is in line with its intended use as set out in the offer document dated 9 April 2021 in relation to the Company's initial public offer and subsequent announcements on the use of the IPO Proceeds released by the Company on 26 May 2023, 8 June 2023 and 9 November 2023.

4.3 Consideration Shares

- (a) The Consideration Shares will be credited as fully-paid and shall rank *pari passu* in all respects with the then-existing ordinary shares of the Company (the "**Shares**"), including the right to receive all dividends declared, made or paid on or after Completion.
- (b) The Issue Price of S\$0.202 is equivalent to approximately the average daily closing price of the Shares on the SGX-ST for the preceding one (1) month immediately prior to the date of the SPA.
- (c) The number of Consideration Shares to be issued to the Sellers on Completion represents approximately 3.47% of the existing issued and paid-up share capital of the Company of 257,000,000 Shares (excluding treasury shares) and approximately 3.35% of the enlarged issued and paid-up share capital of the Company of 265,910,891 Shares (excluding treasury shares) following Completion.

- (d) The Consideration Shares will be allotted and issued to the Sellers pursuant to the general share issue mandate (the "**General Mandate**") granted by the Shareholders at the annual general meeting of the Company held on 27 July 2023 ("**2023 AGM**"). The General Mandate authorises the Directors to, *inter alia*, allot and issue new Shares up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM may be issued other than on a pro rata basis to existing shareholders of the Company. As at the date of the 2023 AGM, the Company had 257,000,000 Shares in issue (excluding treasury shares).
- (e) As at the date of this Announcement, no Shares have been issued by the Company since the 2023 AGM under the General Mandate. Accordingly, as at the date of this Announcement, the maximum number of Shares that may be issued other than on a pro rata basis pursuant to the General Mandate is 128,500,000 Shares. Accordingly, the proposed allotment and issue of the Consideration Shares falls within the limit of the General Mandate.
- (f) For the purposes of Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Company confirms that the allotment and issuance of the Consideration Shares does not result in the transfer of a controlling interest in the Company to any of the Sellers.
- (g) The Company will be making an application to the SGX-ST through its sponsor, DBS Bank Ltd. (the "**Sponsor**"), for the listing and quotation of the Consideration Shares on the Catalist Board in due course.

4.4 **Moratorium**

Dr. Sim shall not, *inter alia*, sell, transfer or otherwise dispose of the Consideration Shares or any interest thereof, or attempt or propose to do any of the foregoing (the "**Restrictions**") for a period of six (6) months following the date of Completion (the "**Completion Date**") (such period, the "**First Lock-Up Period**") and the period of six (6) months following the end of the First Lock-Up Period (such period, the "**Second Lock-Up Period**"). The Restrictions shall apply to all Consideration Shares issued to Dr. Sim for the First Lock-Up Period and to at least 50% of the Consideration Shares issued to Dr. Sim for the Second Lock-Up Period.

4.5 **Conditions Precedent**

Completion is conditional upon certain conditions being satisfied or waived (as the case may be) in accordance with the SPA, including but not limited to the following:

- (a) the Sellers and the Target completing the sale of four (4) commercial units located at Oxley Bizhub (the "**Properties**") from the Target to a nominee of the Sellers, such that the Target will not own any property as at Completion;
- (b) the Target, as lessee, and the Sellers' nominee, as lessor, entering into lease agreements for the Target's leaseback of certain Properties for its business operations;

- (c) the Sellers and the Target procuring the repayment, discharge and/or cancellation (as the case may be) of existing loans, borrowings and securities obtained by the Target;
- (d) the Target obtaining consent from or issuing written notifications to certain major customers of the Target in respect of the Proposed Acquisition and the change of control of the Target;
- (e) the Company having obtained at the EGM, the approval of the Shareholders for the Proposed Acquisition and the Proposed Diversification;
- (f) the Company having obtained the approval-in-principle from the SGX-ST for the listing and quotation of all the Consideration Shares; and
- (g) all approvals, waivers and exemptions required by the Company from the SGX-ST for the Proposed Acquisition (if any are required) being obtained.

4.6 Termination

The Company may elect to terminate the SPA at any time prior to the Completion Date in the event certain events occur, including but not limited to the following:

- (a) the Target Licences being cancelled, terminated or revoked;
- (b) any material agreements entered into with certain major customers of the Target being terminated or the relevant major customer issuing a written notice threatening to suspend such agreement;
- (c) the Sellers have not complied with their pre-closing undertakings as set out in the SPA, in any material respect; or
- (d) any material adverse change occurring in relation to the Target.

4.7 Longstop Date

If all of the conditions precedent under the SPA (save for those whose compliance with which has been waived in accordance with the terms of the SPA) have not been fulfilled on or before 5.00 p.m. (Singapore time) on 29 February 2024, the SPA shall lapse and no party shall have any claim against any other party under it, save for any claim arising from antecedent breaches of the SPA.

4.8 Service Contracts

- (a) It is intended that pursuant to the SPA, each of Dr. Sim and Ms. Ong will enter into service contracts with the Target for an initial term of three (3) years (and subject to renewal thereafter), commencing from the Completion Date, on such terms and subject to such conditions to be mutually agreed between the Company, the Target and the respective Sellers (collectively, the "**Service Contracts**").

- (b) In connection with the Service Contracts, it is expected that (i) Dr. Sim will be engaged as the Medical Director of the Target and be involved in, amongst others, the day-to-day management of the provision of the emergency ambulance services and medical transport services by the Target, and (ii) Ms. Ong will be engaged as the Head of Operations of the Target and be responsible for, amongst others, overseeing the general management and supervision of the Ambulance Services Business operated by the Target, including overseeing various administrative functions such as managing booking, customer relations and invoice and quotations.
- (c) Dr. Sim and Ms. Ong had also been appointed as key officers of the Target as required pursuant to the Target Licences. Subject to the terms of the Service Contracts and where required by the Target, both Dr. Sim and Ms. Ong may fulfil such roles as the key officers of the Target during the term of their Service Contracts with the Target.
- (d) It is contemplated that the Service Contract for Ms. Ong will stipulate certain performance targets for two (2) financial years post-Completion, that if met by Ms. Ong, will entitle her to performance payments by the Target for each of the respective financial years, subject to the terms and conditions as set out in her Service Contract.
- (e) For the avoidance of doubt, no person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition or the Proposed Diversification and no service contracts in relation thereto is proposed to be entered into by the Company.

5. CHAPTER 10 OF THE CATALIST RULES

- 5.1 Based on the Group's latest announced unaudited consolidated financial results for the six (6) months ended 30 September 2023 ("HY2024") and the Target's unaudited financial statements for the six (6) months ended 30 June 2023, 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	Bases	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable, as the Proposed Acquisition is not a disposal.
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	34.8% ⁽¹⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	16.70% ⁽²⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	3.47% ⁽³⁾

Rule	Bases	Relative Figure
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable, as the Company is not a mineral, oil and gas company.

Notes:

- (1) Based on the unaudited consolidated financial statements of the Group for HY2024, the net profits of the Group were approximately S\$1,914,000. Based on the management accounts of the Target for the six (6) months ended 30 June 2023, the net profits of the Target were approximately S\$665,323
 - (2) The Aggregate Consideration of S\$8,800,000 is compared against the Company's market capitalisation of S\$52,685,000, which is computed based on 257,000,000 Shares (excluding treasury shares) in issue and the volume weighted-average trading price of S\$0.205 on 28 November 2023, being the last full trading day on the SGX-ST immediately prior to the date of the SPA.
 - (3) The amount of 8,910,891 Consideration Shares is compared against the 257,000,000 Shares (excluding treasury shares) currently in issue.
- 5.2 As the relative figures computed on the bases set out in Rules 1006(b) and 1006(c) exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.
- 5.3 In accordance with the SGX-ST's recommended practices in relation to diversification of business, if an issuer has not operated in a new business space and did not provide sufficient information about the proposed new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction (the "**First Major Transaction**") involving the proposed new business, or where any of figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 20%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.
- 5.4 Accordingly, notwithstanding that the Proposed Acquisition constitutes a discloseable transaction and is not subject to Shareholders' approval under the Catalist Rules, the Company will be seeking Shareholders' approval for the Proposed Acquisition in connection with the Proposed Diversification, as it represents the Group's first foray into the Ambulance Services Business, which is a new business sector for the Group since its listing on the Catalist Board of the SGX-ST in 2021. Shareholders should note that the ordinary resolution relating to the Proposed Acquisition (the "**Proposed Acquisition Resolution**") will be contingent on the passing of the ordinary resolution relating to the Proposed Diversification (the "**Proposed Diversification Resolution**"). In the event the Proposed Diversification Resolution is not approved by Shareholders, none of the Proposed Diversification Resolution and the Proposed Acquisition Resolution will be passed.

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 The *pro forma* financial effects of the Proposed Acquisition on the Company's share capital and Group's net tangible assets ("**NTA**") per Share and earnings per Share ("**EPS**") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Completion of the Proposed Acquisition.

6.2 The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 March 2023 and the Target's latest available audited financial statements for the financial year ended 31 December 2022, on the following bases and assumptions:

- (a) the share capital of the Company as at the date of this Announcement comprises 257,000,000 Shares (excluding treasury shares);
- (b) Completion of the Proposed Acquisition had taken place on 31 March 2023 for the purpose of illustrating the financial effects on the NTA;
- (c) Completion of the Proposed Acquisition had taken place on 1 April 2022 for the purpose of illustrating the financial effects on the EPS; and
- (d) the expenses incurred in connection with the Proposed Acquisition amount to approximately S\$279,000.

6.3 Share Capital

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Issued and paid-up share capital of the Company (S\$'000)	28,255	30,055
Number of issued ordinary shares in the capital of the Company (excluding treasury shares) ⁽¹⁾	257,000,000	265,910,891

Note:

- (1) As at the date of this Announcement, the Company does not hold any Shares in treasury.

6.4 NTA per Share

Assuming Completion of the Proposed Acquisition had taken place on 31 March 2023, the *pro forma* financial effects of the Group's NTA per Share would be as follows:

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
NTA ⁽¹⁾ attributable to the owners of the Company (S\$'000)	38,758	42,969
Number of issued ordinary shares in the capital of the Company (excluding treasury shares)	257,000,000	265,910,891
NTA per Share (Singapore cents)	15.08	16.16

Note:

(1) NTA means total assets less the sum of total liabilities and intangible assets.

6.5 EPS

Assuming Completion of the Proposed Acquisition had taken place on 1 April 2022, the *pro forma* financial effects of the Group's EPS would be as follows:

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Number of issued ordinary shares in the capital of the Company (excluding treasury shares)	257,000,000	265,910,891
EPS ⁽¹⁾ (Singapore cents)	1.89	2.73

Note:

(1) EPS does not include the expenses incurred in connection with the Proposed Acquisition, which amount to approximately S\$279,000.

7. EXISTING TRANSACTIONS BETWEEN THE TARGET AND WEST POINT HOSPITAL (SINGAPORE) PTE. LTD.

7.1 As at the date of this Announcement:

- (a) the Target had entered into a services agreement dated 1 January 2022 with West Point Hospital (Singapore) Pte. Ltd. ("**West Point**"), pursuant to which the Target is engaged in the provision of vehicles on-site for emergency ambulance services and medical transport services to West Point for a two (2) year period commencing from 1 January 2022 to 31 December 2023; and
- (b) in connection with the foregoing, the Target has also been engaged by West Point to provide ambulance crew support services,

(collectively, the "**West Point Transactions**").

7.2 Pursuant to the West Point Transactions, West Point has made monthly payments of approximately S\$7,265 (excluding goods and services tax) to the Target for the services rendered by the Target, comprising (a) S\$2,000 for the provision of vehicles on-site for emergency ambulance services and medical transport services, and (b) approximately S\$5,265 for the provision of ambulance crew support services (depending on the number of ambulance crew required by West Point from time to time).

7.3 Mr. Ong Chu Poh, the Executive Chairman and Group Chief Executive Officer of the Company as well as a controlling Shareholder of the Company, is a 49% shareholder of West Point. The remaining 51% shareholding of West Point is held by Ms. Josephine Leong, who is an employee of the Group and is employed as the director of corporate planning and the business unit head for ECON Careskill Training Centre. Ms. Josephine Leong is the managing director of West Point and is in charge of the day-to-day operations of West Point as well as the strategic decision-making and business expansion initiatives of West Point. For completeness, it is noted that the primary business activity of West Point is that of the operation of clinics and other general medical services, with such business not being the same as or similar to, and therefore not wholly or partly in competition with the Existing Businesses.

7.4 The West Point Transactions accounted for approximately 1.10% of the Target's revenue for the six (6)-month period ended 30 June 2023. Based on the management accounts of the Target as at 30 June 2023, the value of West Point Transaction amounted to approximately S\$43,590, representing approximately 0.11% of the latest NTA of the Group for the six (6) months ended 30 September 2023 of S\$38,789,000.

7.5 On Completion of the Proposed Acquisition, the Target will be a wholly-owned subsidiary of the Company and regarded as an "entity at risk" pursuant Chapter 9 of the Catalist Rules. West Point, as an associate of Mr. Ong Chu Poh, is an "interested person" of the Group and accordingly, the West Point Transaction constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

7.6 After Completion of the Proposed Acquisition, the Group will continue to assess the transactions undertaken by the Target and will comply with the relevant provisions of Chapter 9 of the Catalist Rules. In the event any of the transactions entered into between the Target and West Point involve recurring transactions of a revenue or trading nature or necessary for the day-to-day operations of the Group, the Group will consider seeking a general mandate to be obtained from the Shareholders of the Company under Chapter 9 of the Catalist Rules.

7.7 For the avoidance of doubt, the Sellers are third parties who are not related to the Company, the Directors or any of the controlling Shareholders of the Company and their respective associates. The Proposed Acquisition in and of itself does not fall within the definition of an "interested person transaction" for the purposes of Chapter 9 of the Catalist Rules.

8. UNDERTAKING FROM CONTROLLING SHAREHOLDER

Mr. Ong Chu Poh, who legally and beneficially owns or has an interest in 207,000,000 Shares, representing approximately 80.54% of the total number of issued Shares as at the date of this Announcement, has undertaken to the Company, *inter alia*, to vote in favour of all resolutions which are proposed at the EGM to approve the Proposed Acquisition, the Proposed Diversification and all matters relating or incidental thereto.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or other controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition or the Proposed Diversification, other than by reason only of their directorships and/or shareholdings in the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA will be available for inspection during normal business hours for three (3) months from the date of this Announcement at the registered office of the Company at 160 Changi Road, #05-01-13, Hexacube, Singapore 419728.

11. CIRCULAR AND EGM

The Company will be convening an EGM to seek approval of the Shareholders for the Proposed Acquisition and the Proposed Diversification, notice of which will be announced in due course. A circular containing, *inter alia*, further information on the Proposed Acquisition and the Proposed Diversification will be despatched to Shareholders in due course.

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 Proposed Diversification and the Group, 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.

13. CAUTIONARY STATEMENT; FURTHER ANNOUNCEMENTS

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The Proposed Acquisition and/or the Proposed Diversification are subject to certain conditions (including the approval of the Shareholders at the EGM) and as at the date of this Announcement, there is no certainty or assurance that the Proposed Acquisition and/or the Proposed Diversification will be completed. 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

Ong Chu Poh
Executive Chairman and Group Chief Executive Officer
29 November 2023

This Announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this Announcement. This Announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Announcement.

The contact persons of the Sponsor are Mr Goh Chyan Pit, Managing Director and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.