



ONEAPEX

ONEAPEX LIMITED

(Company Registration Number: 201020806C)

(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF 90% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF CHEW'S FOOD INTERNATIONAL LIMITED

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or the "**Directors**") of OneApex Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 22 April 2020, entered into a conditional sale and purchase agreement ("**SPA**") with Mr. Chew Eng Hoe (the "**Purchaser**") pursuant to which the Company agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Company, 90% of the issued and paid-up share capital of Chew's Food International Limited ("**CFIL**") ("**Sale Shares**"), on the terms and subject to the conditions of the SPA ("**Proposed Disposal**").
- 1.2. Upon completion of the Proposed Disposal, CFIL will cease to be a subsidiary of the Company.

2. PROPOSED DISPOSAL

2.1. Information on CFIL

CFIL is a trading company incorporated in Hong Kong on 6 May 2010 and a 90% subsidiary of the Company. The core business of CFIL is the trading of generic and designer eggs and other food products in Hong Kong ("**Egg Trading Business**").

2.2. Information on the Purchaser

The Purchaser is a Singaporean citizen and is currently a director of CFIL. Prior to the mandatory unconditional cash offer by Goldhill Trust Pte. Ltd. for all the issued ordinary shares in the capital of the Company ("**Offer**"), the Purchaser was a shareholder of the then-controlling shareholder of the Company, Fenghe Investment Holding Pte. Ltd. He has since ceased to be a Director and tendered his resignation as the managing director of the Company with effect from 20 November

2018 following the close of the Offer. At present, he has extended his employment contract with the Company up to 19 May 2020 and has been solely responsible for managing and overseeing the overall operations of CFIL.

The Purchaser is not related to any of the Directors and the controlling shareholders of the Company or any of their respective associates. As at the date of this announcement, the Purchaser does not own any shares in the Company, whether directly or indirectly.

2.3. **Financial information relating to CFIL**

Based on the Group's audited consolidated financial statements for the financial year ended 30 September 2019 ("**FY2019 Results**"), (i) each of the book value and net tangible assets ("**NTA**") of CFIL amounted to approximately S\$684,000; and (ii) the net profit attributable to CFIL amounted to approximately S\$197,000.

The estimated net proceeds from the Proposed Disposal (after deducting estimated expenses to be incurred in connection therewith of approximately S\$20,000) is approximately S\$330,000 ("**Net Proceeds**"). The Net Proceeds represent a deficit of S\$354,000 vis-à-vis the book value of CFIL. Accordingly, the Proposed Disposal will result in a loss on disposal of approximately S\$354,000.

2.4. **Rationale for the Proposed Disposal**

On 31 January 2019, the Company had sought and received approval from the shareholders of the Company ("**Shareholders**") ("**Shareholder Approval**") for, *inter alia*, the proposed adoption of a general mandate pursuant to Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the Proposed Diversification (as defined in the circular dated 9 January 2019 issued by the Company to the Shareholders (the "**Circular**").

On 10 May 2019, the Company had announced in its unaudited consolidated financial statements for the half year ended 31 March 2019 that, among others, the Group was looking to dispose of the Egg Trading Business under CFIL in line with its long term strategy of focusing on the Property Business and the Financial Investments Services Business (both as defined in the Circular). Since then, the Company had sought and managed to successfully negotiate the Proposed Disposal with the Purchaser.

Following the Shareholder Approval, the Board believes that the Proposed Disposal is in the best interest of the Group as:

- (a) the current management of the Company and the Board do not have the relevant experience nor expertise, and does not intend to continue running the Egg Trading Business. The Purchaser has been solely responsible for managing and overseeing the Egg Trading Business since the close of the Offer;

- (b) the Company had previously approached several prospective parties (including the Purchaser) with regards to the proposed divestment of its shareholding in CFIL. However, given that the activities of the Egg Trading Business are specialised and limited to a specific geographical market, the Company was unable to proceed with any meaningful or serious discussions with the other parties either due to a lack of interest or comparatively unattractive proposals. Accordingly, the Board decided to proceed with the Proposed Disposal with the Purchaser after considering all other alternative proposals or divestment options available to the Company in relation to its shareholding interest in CFIL;
- (c) the Proposed Disposal will enable the Group to unlock the value of the assets in CFIL, to streamline and focus the utilisation of its resources (including the proceeds from the Proposed Disposal) into its Property Business and Financial Investments Services Business (both as defined in the Circular); and
- (d) as at the date of this announcement, save for the offer from the Purchaser, the Board has not received any other firm or formal offer for its shareholding interest in CFIL, which is comparable in nature, size and scope to the Proposed Disposal. Accordingly, the Board decided to proceed with the Proposed Disposal with the Purchaser after considering all other alternative proposals or divestment options available to the Company in relation to its shareholding interest in CFIL.

2.5. Principal terms of the Proposed Disposal

2.5.1. Sale Shares

Subject to the terms and conditions of the SPA, the Sale Shares shall, at Completion (as defined below) be free from all encumbrances and together with all rights, entitlements and benefits now and hereafter attaching thereto as of and including the date of Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion).

2.5.2. Consideration

Pursuant to the SPA, the aggregate consideration for the Sale Shares is S\$350,000 (“**Consideration**”), to be satisfied fully in cash. The Consideration was arrived at after arms’ length negotiations between the Company and the Purchaser, on a ‘willing-buyer willing-seller’ basis, and after taking into account, *inter alia*, the following:

- (a) the Valuation Report (as defined below);
- (b) the Company’s limited success in disposing of CFIL, details of which are set out in paragraph 2.4 of this announcement; and

- (c) the rationale for and benefits to the Group arising from the Proposed Disposal, details of which are set out in paragraph 2.4 of this announcement.

The Company had, on 28 May 2019 commissioned Cushman & Wakefield VHS Pte Ltd to conduct an independent valuation to determine the market value of the Sale Shares. Based on a preliminary valuation, the indicative value of the Sale Shares is between HKD3.5 million to HKD4.5 million as at 31 December 2019, (or equivalent to approximately S\$644,000 to S\$829,000 (the “**Valuation Report**”), based on an exchange rate of HKD5.429 to S\$1.00 as extracted from the Business Times 22 April 2020. The valuation methodology has adopted the income approach as the primary approach, and uses both the market approach and cost approach as cross checks.

The Consideration shall be payable by the Purchaser to the Company on the date of Completion.

2.5.3. Conditions Precedent

Completion of the Proposed Disposal (“**Completion**”) is subject to and conditional upon, *inter alia*, the fulfilment (or such waiver agreed by both the Purchaser and the Company in writing) of the following conditions (“**Conditions Precedent**”):

- (a) the warranties provided by the Purchaser and the Company (as the case may be) under the SPA being true in all material respects on and as of date of Completion with the same force and effect as though made on and as of the date of Completion;
- (b) at the Purchaser's cost and expense, the assignment of the trademark (registration number 9443494) registered with the People's Republic of China to CFIL;
- (c) the approval of the Proposed Disposal by the Shareholders at a general meeting of the Company to be convened; and
- (d) all necessary approvals, consents and waivers from third parties, governmental or regulatory body or relevant competent authority, including but not limited to the Sponsor (as defined below) and/or Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the Proposed Disposal being granted or obtained, being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such approvals, consents and/or waivers are granted or obtained subject to any conditions, and if such conditions affect any of the parties, such conditions being acceptable to the Company and the Purchaser, and if such conditions are to be fulfilled before Completion, such conditions being fulfilled before Completion.

2.5.4. Completion

Subject to the terms and conditions of the SPA, Completion shall take place within five (5) business days from fulfilment and/or written waiver (such written waiver in respect of the Conditions Precedent to be fulfilled by the Purchaser, if any, only to be provided after consultation with the Sponsor) of all the Conditions Precedent or such other date as the Company and Purchaser may mutually agree in writing.

2.6. **No Service Contracts**

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

2.7. **Use of proceeds**

The Company intends to utilise the Net Proceeds for its general working capital requirements.

Pending deployment of the Net Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short-term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

2.8. **Relative figures for the Proposed Disposal under Rule 1006 of the Catalyst Rules**

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalyst Rules and the FY2019 Results are as follows:

Rule 1006	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	5.20% ⁽¹⁾
(b)	The net profits/(losses) attributable to the assets acquired or disposed of, compared with the Group's net profits/(losses) ⁽²⁾	-14.54%
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation	2.18% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for the proposed acquisition, as compared with the number of equity securities previously in issue	Not applicable

(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable
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Notes:

- (1) Computed based on (i) the net asset value of the assets to be disposed of, that is, of CFIL which amounted to approximately S\$684,000; and (ii) the net asset value of the Group which amounted to approximately S\$13,155,000 as at 30 September 2019.
- (2) Net profits/(losses) is defined to be profit or loss before income tax, excluding non-controlling interests and extraordinary items. The net profit before income tax attributable to the Sale Shares based on 90% of CFIL's financial results for FY2019 is S\$197,000. The Group's net loss before tax based on the FY2019 Results is S\$1,355,000.
- (3) Computed based on (i) the Consideration of S\$350,000; and (ii) the Company's market capitalisation of approximately S\$16,054,620. Under Rule 1002(5) of the Catalist Rules, the market capitalisation of the Company is determined by multiplying the number of shares in issue (being 84,498,000 shares) by the weighted average price of S\$0.19 on 17 March 2020 (being the last market day on which the shares of the Company were traded prior to the date of signing of the SPA).

Notwithstanding that none of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 50%, the Proposed Disposal is deemed to constitute a "Major Transaction" under Chapter 10 and Practice Note 10A of the Catalist Rules on the basis that this would result in a material change to the nature of the Group's business given that CFIL is the main contributor to the Group's revenue and the only profitable subsidiary of the Company, hence Shareholders should have an opportunity to consider and vote on the future direction of the Group's business in respect of the Proposed Disposal. Accordingly, the Proposed Disposal is subject to the approval of the Shareholders at a general meeting to be convened.

2.9. Financial effects of the Proposed Disposal

2.9.1. Bases and assumptions

The pro forma financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company or the Group after the Completion.

The pro forma financial effects of the Proposed Disposal have been prepared based on the FY2019 Results, and on the following bases and assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal was completed on 30 September 2019;

- (b) the financial effect on the consolidated loss per share (“LPS”) is computed based on the assumption that the Proposed Disposal was completed on 1 October 2018; and
- (c) the expenses to be incurred in connection with the Proposed Disposal are estimated to be approximately S\$20,000.

2.9.2. NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	13,155	12,801
Number of Shares	84,498,000	84,498,000
NTA per Share (cents)	15.57	15.15

2.9.3. LPS

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to Shareholders (S\$'000)	1,393	1,747
Weighted average number of issued shares	84,498,000	84,498,000
LPS (cents)	1.65	2.07

2.10. **Interests of the Directors and Controlling Shareholders**

None of the Directors, controlling shareholders or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than in their capacity as Directors or Shareholders, where applicable).

3. EGM AND CIRCULAR

An extraordinary general meeting of the Company (“**EGM**”) will be convened in due course to obtain Shareholders’ approval for the Proposed Disposal. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (collectively, the “**Regulations**”).

In line with the provisions under the Regulations, a circular containing further details on the Proposed Disposal (“**Disposal Circular**”) and enclosing a notice of the EGM (“**Notice of EGM**”) in connection therewith will be uploaded onto SGXNET and made available on the Company’s website at the URL <http://oneapex.wixsite.com/home/investor-relations>. Shareholders will need an internet browser and PDF reader to view these documents on SGXNET and the Company’s website.

Shareholders should note that printed copies of the Disposal Circular or the notice of EGM will NOT be despatched to them.

The Company will make further announcements relating to the Proposed Disposal and the EGM as and when necessary via SGXNET and the Company’s website.

4. 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 Disposal 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.

5. CAUTION IN TRADING

Shareholders should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. Shareholders ought to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza, Singapore 048624 for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

TAN PEI HONG, ALEX (CHEN PEIFENG)

Executive Director and Chief Executive Officer

22 April 2020

This announcement has been prepared by the Company and reviewed by the Company's Sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

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.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.