



ELLIPSIZ LTD

Company Registration No. 199408329R
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 20% EQUITY INTEREST IN ISE CAPITAL MANAGEMENT PTE. LTD.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Ellipsiz Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today entered into a conditional sale and purchase agreement (the “**SPA**”) with Ms Yayoi Yoshikawa (the “**Vendor**”) to acquire from the Vendor an aggregate of 20,000 ordinary shares (the “**Sale Shares**”) in ISE Capital Management Pte. Ltd. (“**ICM**”), representing 20% of the issued and paid-up share capital of ICM (the “**Proposed Acquisition**”).

2. INFORMATION ON ICM

ICM is a company incorporated in Singapore on 20 July 2019 and is an investment holding company. As at the date of this announcement, ICM has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares. ICM is majority owned by Mr Hikonobu Ise, Honorary Advisor and owner of ISE Foods Inc. Japan (“**ISE Japan**”), the top egg producer in Japan and the sixth largest egg producer in the world.

ICM holds 70% of the issued and paid-up share capital in ISE Foods Holdings Pte. Ltd. (“**IFH**”), a company incorporated in Singapore. On 10 September 2021, IFH and the Singapore Food Agency (“**SFA**”) signed a memorandum of understanding (“**MOU**”) for IFH to develop and operate the fourth egg farm in Singapore. The MOU sets out the understanding between IFH and SFA on the development of: (i) an egg layer farm; (ii) a day-old-chick hatchery; (iii) a parent layer farm; and (iv) a parent pullet farm (collectively, the “**Farms**”). The Farms will be developed in phases and are expected to be completed in 2026.

The Proposed Acquisition allows the Company to make its foray into the agri-food industry and partner with an established player and market leader in the egg business. It serves as a foothold from which there could be potential opportunities for the Company to consider the agri-food sector and increasing its investment in this business in the future.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

The salient terms of the Proposed Acquisition are as follows:

3.1 Consideration and Payment

The aggregate consideration for the Sale Shares is S\$2,000,000 (the “**Consideration**”). The Company had paid a refundable deposit of S\$500,000 (the “**Deposit**”) to the Vendor upon execution of the SPA. The Deposit shall form part of the payment of the Consideration on completion of the sale and purchase of the Sale Shares (“**Completion**”).

On Completion, the Sale Shares shall be transferred to the Company or to such person(s) as it may direct.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor on a willing-buyer willing-seller basis taking into account, *inter alia*, the potential of IFH in being granted four plots of land and requisite licences to develop and operate the fourth egg farm in Singapore, and the participation with an established industry player in the business.

The net tangible asset value and book value of ICM as at 31 October 2021 were each approximately S\$98,000. No valuation was commissioned on the Sale Shares.

The Consideration shall be satisfied in cash by the Company from its internal resources.

3.2 **Conditions Precedent**

The obligation of the Company and the Vendor to complete the Proposed Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- 3.2.1 lands to be used for the establishment and operation of the Farms as contemplated in the MOU having been alienated by the relevant governmental authorities for such purposes, and definitive agreements for the lease of such lands having been entered into between the relevant ICM Group Companies (as defined below) and the relevant governmental authorities, such alienation of the lands and agreements for the leases being on terms which are satisfactory to the Company in its sole and absolute discretion;
- 3.2.2 if required, the purchase of the Sale Shares having been approved by shareholders of the Company ("**Shareholders**") at a general meeting of the Company or at any adjournment thereof;
- 3.2.3 completion of the sale and purchase of all the Sale Shares taking place simultaneously;
- 3.2.4 the business of ICM and its subsidiaries (collectively the "**ICM Group Companies**" and each an "**ICM Group Company**") having been carried on in a reasonably satisfactory manner and each of the ICM Group Company not having disposed of any material assets or assumed or incurred any material liabilities (including contingent liabilities) other than those in the ordinary course of business;
- 3.2.5 the Vendor not having breached the SPA and all representations, warranties and undertakings made by the Vendor contained in the SPA are true, accurate, complete and not misleading, as if repeated at any time before and on Completion, by reference to the facts and circumstances then existing;
- 3.2.6 there being no circumstance amounting to or event of, force majeure occurring that may have a material adverse effect on the businesses, operations, prospects or conditions (financial or otherwise) of the Company, the Vendor and the ICM Group Companies; and
- 3.2.7 all necessary consents or approvals being granted by third parties, bankers, financial institutions or governmental or regulatory authorities or competent authorities having jurisdiction over the Company's purchase of all the Sale Shares being obtained, and all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the sale and purchase of all the Sale Shares and to carry on the

business of the ICM Group Companies and where any abovementioned consent or approval is subject to any conditions, such conditions being reasonably acceptable to the Company.

If any one of the conditions precedent is not fulfilled or waived such that Completion does not take place, or if for any reason Completion does not take place, on or before 30 June 2022 or such other later date falling no later than three months from 30 June 2022 as the Company shall in its sole discretion decide (the "**Long Stop Date**"), the SPA shall cease and determine.

In the event that Completion does not take place by the Long Stop Date, the Vendor shall refund the Deposit to the Company.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholder and their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company, if any).

5. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office¹ of the Company at 54 Serangoon North Avenue 4, #05-02, Singapore 555854 for a period of three months from the date of this announcement.

6. CAUTIONARY STATEMENT

The Board would like to advise Shareholders that, although the SPA has been entered into, the completion of the Proposed Acquisition is subject to conditions precedent being fulfilled and there is no assurance that completion of the Proposed Acquisition will take place or that any transaction will materialise. Accordingly, Shareholders are advised to exercise caution in dealings in the Company's shares. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company in relation to the Proposed Acquisition carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chow Ching Sian
Johnie Tan Wee Liang
Company Secretaries
18 November 2021

¹ Prior appointment is required.