



ONEAPEX

ONEAPEX LIMITED

(Company Registration Number: 201020806C)

(Incorporated in the Republic of Singapore)

**PROPOSED DISPOSAL OF 30% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
TUAS SEATOWN DORMITORY PTE. LTD.**

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's wholly-owned subsidiary, OneFortune Holdings Pte. Ltd. ("**OneFortune**"), has on 22 April 2024 entered into a conditional sale and purchase agreement ("**SPA**") with Amwich Ptd. Ltd. ("**Purchaser**"), pursuant to which OneFortune has agreed to sell to the Purchaser, and the Purchaser has agreed to acquire from OneFortune, 300,000 ordinary shares representing 30% of the total issued and paid-up share capital ("**Sale Shares**") of Tuas Seatown Dormitory Pte. Ltd ("**Tuas Seatown**"), the Company's associated company, on the terms and subject to the conditions of the SPA ("**Proposed Disposal**").
- 1.2. Upon completion of the Proposed Disposal, Tuas Seatown will cease to be an associated company of the Group.

2. PROPOSED DISPOSAL

2.1. Information on Tuas Seatown

Tuas Seatown is a company incorporated in Singapore on 26 September 2019 and has an issued and paid-up share capital of S\$10 comprising of 1,000,000 ordinary shares. Tuas Seatown is principally engaged in the business of hostels and dormitories for students, workers and other individuals, operating a three-storey workers' dormitory at 69H Tuas South Avenue 1 Seatown Industrial Center, Singapore 637509 ("**Property**").

As at the date of this announcement, the shareholders of Tuas Seatown are Etrek Network Building Pte. Ltd. (40%), OneFortune (30%), the Purchaser (20%) and DC Genesis Pte. Ltd. (10%) (the "**Existing Shareholders**").

2.2. Information on the Purchaser

The Purchaser is an investment holding company incorporated in Singapore, and is wholly-owned by Mr Tan Theng Hong, Amos ("**Amos**"), a controlling shareholder of the Company, by virtue of his deemed interest in 62,466,590 Shares, comprising 73.93% of the issued and paid-up capital of the Company, held through Goldhill Trust Pte. Ltd. ("**Goldhill Trust**"). Accordingly, the Purchaser is an associate of the controlling shareholder of the Company and is therefore an interested person under Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") and the Proposed Disposal constitutes an interested person transaction under Chapter 9 of the Catalyst Rules.

2.3. Financial information relating to Tuas Seatown

Based on the Group's audited consolidated financial statements for the financial year ended 30 September 2023 ("**FY2023 Results**"), (i) the book value of the Sale Shares is approximately S\$3,003,662 (which is inclusive of the Shareholder's Loan (as defined below)); and (ii) the net profit attributable to the Sale Shares amounted to approximately S\$704,643.

As at the date of this announcement, the Company has engaged an independent valuer, Navi Corporate Advisory Pte. Ltd. ("**Independent Valuer**"), to conduct an independent valuation on Tuas Seatown. The Independent Valuer is expected to issue its finalised independent valuation report ("**Valuation Report**") which the summarised Valuation Report will be included in the circular to shareholders for the extraordinary general meeting ("**EGM**") ("**Circular**") to be despatched in due course.

The estimated net proceeds from the Proposed Disposal (after deducting estimated expenses to be incurred in connection therewith of approximately S\$100,000) is approximately S\$5,100,000 ("**Net Proceeds**"). The Net Proceeds represent an excess of approximately S\$2,096,338 vis-à-vis the book value of the Sale Shares. Accordingly, the Proposed Disposal will result in a profit on disposal of approximately S\$2,096,338. Please refer to paragraph 2.6 below on the intended use of the Net Proceeds.

2.4. Rationale for the Proposed Disposal

On 11 October 2023, the Singapore Ministry of Manpower introduced the Dormitory Transition Scheme, with the aim "to uplift migrant worker housing resilience and improve living conditions for dormitory residents"¹, whereby migrant worker dormitories will be required to adhere to new dormitory standards relating to occupancy per room, living spaces (excluding shared living facilities), toilets and isolation facilities by 2040.

In light of the above, the Company is of the view that the Proposed Disposal is in the best interest of the Group for the reasons as follows:

¹ <https://www.mom.gov.sg/newsroom/press-releases/2023/1011-dts>

- 2.4.1. the Company has assessed and is mindful of the potential costs of the implementation (which includes retrofitting the Property to meet the new dormitory standards) as well as the ongoing operational costs;
- 2.4.2. the Proposed Disposal presents a good opportunity for the Group to realise and unlock the value of the Property;
- 2.4.3. as set out in paragraph 2.3 above, the Proposed Disposal will result in a profit on disposal of approximately S\$2,096,338; and
- 2.4.4. the Group will be able to utilise the Net Proceeds to reallocate its resources in other businesses.

2.5. Material terms of the SPA

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. Purchase Consideration

The total consideration for the Proposed Disposal is S\$5,200,000 ("**Purchase Consideration**"), comprising the following:

- (a) S\$3,148,070 for the Sale Shares; and
- (b) S\$2,051,930² for the assignment of the shareholder's loan extended by OneFortune to Tuas Seatown ("**Shareholder's Loan**") in favour of the Purchaser ("**Assignment of Shareholder's Loan**"), which is in accordance with the terms and conditions of the joint venture agreement previously entered into between the Existing Shareholders on 14 January 2020 in relation to Tuas Seatown,

to be satisfied fully in cash at Completion (as defined below).

The Purchase Consideration was arrived at after arms' length negotiations between OneFortune and the Purchaser, on a 'willing-buyer willing-seller' basis, and after taking into account, *inter alia*, the Shareholder's Loan.

2.5.3. Conditions Precedent

² This represents the principal amount of the Shareholder's Loan as there is no interest charged or accrued in respect of the Shareholder's Loan.

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 OneFortune in writing) of the following conditions ("**Conditions Precedent**"):

- (a) the warranties provided by OneFortune and the Purchaser (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) the receipt of the opinion from RHT Capital Pte. Ltd., the independent financial adviser appointed by the Company ("**IFA**") that the Proposed Disposal on the terms and conditions of the SPA is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders;
- (c) the approval from the shareholders of the Company having been obtained at the EGM and the Board (as appropriate) in respect of, amongst others: (a) the entry into the SPA and (b) the Proposed Disposal on the terms set out in the SPA in compliance with Chapters 9 and 10 of the Catalist Rules;
- (d) OneFortune having procured the written consent from Tuas Seatown in respect of the Assignment of Shareholder's Loan;
- (e) all necessary approvals, consents and waivers from third parties, governmental or regulatory body or relevant competent authority, including but not limited to 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 OneFortune 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 fourteen (14) business days from fulfilment and/or written waiver of all the Conditions Precedent or such other date as OneFortune and the Purchaser may mutually agree in writing at such place and time as OneFortune and the Purchase may agree.

2.6. **Use of proceeds**

The Net Proceeds from the Proposed Disposal shall be utilised for general working capital purposes.

Pending deployment of the Net Proceeds, such proceeds may be placed as deposits with banks and/or other 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.

2.7. 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.

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

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules and the FY2023 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	7.7% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net losses ⁽²⁾	-85.9% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation	54.5% ⁽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 ⁽⁴⁾
(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 ⁽⁵⁾

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Notes:

- (1) Computed based on (i) the net asset value of the assets to be disposed of, that is, of Tuas Seatown which amounted to approximately S\$951,735 and (ii) the net asset value of the Group which amounted to approximately S\$12,332,819 as of 30 September 2023.
- (2) Net profits/(losses) is defined to be profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The net profit before income tax attributable to the Sale Shares based on 30.0% of Tuas Seatown's financial results for FY2023 is S\$704,643. The Group's net loss (as defined herein) based on the FY2023 Results is S\$820,523.
- (3) Computed based on (i) the Purchase Consideration of S\$5,200,000; and (ii) the Company's market capitalisation of approximately S\$9,548,274. 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\$0.113 on 19 April 2024 (being the last market day on which the shares of the Company were traded prior to the date of signing the SPA).
- (4) Not applicable as no equity securities will be issued by the Company in relation to the Proposed Disposal.
- (5) Not applicable as the Company is not a mineral, oil and gas company.

As the figure computed under Rule 1006(b) of the Catalist Rules is negative and the figures computed under Rule 1006(b) and (c) both exceed 50%, the Proposed Disposal constitutes a major transaction pursuant to Chapter 10 and Practice Note 10A of the Catalist Rules.

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 FY2023 Results, and on the following bases and assumptions:

- (a) the financial effect on the consolidated net tangible assets (“**NTA**”) per Share is computed based on the assumption that the Proposed Disposal was completed on 30 September 2023;
- (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 2022;
- (c) the expenses to be incurred in connection with the Proposed Disposal are estimated to be approximately S\$100,000.

2.9.2. NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$)	12,332,819	14,429,157
Number of Shares	84,498,000	84,498,000
NTA per Share (cents)	14.60	17.08

2.9.3. LPS

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to Shareholders (S\$)	(590,774)	1,505,564
Weighted average number of issued shares	84,498,000	84,498,000
LPS (cents)	(0.70)	1.78

3. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

3.1. Interested Person Transactions under Chapter 9 of the Catalist Rules

Rule 904(5) of the Catalist Rules provides that an interested person transaction means a transaction between an entity at risk and an interested person. Rule 904(2)(a) of the Catalist Rules provides, *inter alia*, that an entity at risk means a subsidiary of the issuer that is not listed on the Exchange or an approved exchange. Rule 904(4) of the Catalist Rules provides, *inter alia*, that an interested person means a director, chief executive officer, controlling shareholder of the issuer or any of their associates. Rule 904(6)(f) of the Catalist Rules provides, *inter alia*, that a transaction includes the disposal of assets.

3.2. Shareholder Approval

Rule 906(1) of the Catalist Rules provides that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited NTA; or (b) 5% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 918 of the Catalist Rules provides that if a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 909 of the Catalist Rules provides, *inter alia*, that the value of a transaction is the amount at risk to the issuer.

3.3. The Proposed Disposal as an Interested Person Transaction

As set out in paragraph 2.2 above, the Purchaser is wholly-owned by Amos, a controlling shareholder of the Company. Accordingly, as an associate of Amos, the Purchaser is an interested person under Chapter 9 of the Catalist Rules and the Proposed Disposal constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

3.4. Amount at Risk

The amount at risk in respect of the Proposed Disposal is the Purchase Consideration, which represents approximately 42.2% when compared to the Group's latest audited net tangible asset ("**NTA**") of approximately S\$12,332,819 as at 30 September 2023. As the amount at risk exceeds 5% of the Group's latest audited NTA, shareholders' approval for the Proposed Disposal is required in accordance with Rule 906(1)(a) of the Catalist Rules.

3.5. Interested Person Transactions since 1 October 2023

Save for the Proposed Disposal, the Company has not entered into any other transaction with the Purchaser, Amos and/or its associates or any transaction with interested persons since the beginning of this financial year ending 30 September 2024.

3.6. Independent Financial Adviser

RHT Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed Disposal, to provide an opinion on whether the Proposed Disposal as an interested person transaction is on normal commercial terms and is prejudicial to the interests of the Company and its minority shareholders pursuant to Rule 921(4)(a) of the Catalist Rules.

3.7. Statement of the Audit Committee

The members of the Audit Committee are deemed to be independent for the purposes of the Proposed Disposal as an interested person transaction. The Audit Committee of the Company will consider the opinion of the IFA and the findings set out in the Valuation Report before forming its view as to whether the Proposed Disposal as an interested person transaction is on normal commercial terms and is prejudicial to the interests of the Company and its minority shareholders. The view of the Audit Committee will be set out in the Circular to be despatched in due course.

3.8. Abstention

3.8.1. Pursuant to Catalist Rule 919, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given. Accordingly, Amos, Alex (as the remaining shareholder of Goldhill Trust), Goldhill Trust and the Purchaser and their respective associates shall abstain from exercising their voting rights in respect of all existing issued shares in the Company owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Disposal.

3.8.2. Both Mr Tan Pei Hong, Alex (Chen Peifeng) ("**Alex**"), Executive Chairman and Chief Executive Officer of the Company and Ms Tan Shu Hui Eileen ("**Eileen**"), Non-Independent and Non-Executive Director of the Company, are siblings of Amos. Accordingly, both Alex and Eileen have abstained from participating in the deliberations of the Board in respect of the Proposed Disposal and will abstain from making any recommendations to shareholders on the Proposed Disposal in their capacity as Directors of the Company.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the Catalist Rules or pursuant to a court order where such court order is served on the Company.

4. EGM AND CIRCULAR

The Company will convene an EGM in due course to seek the approval from its shareholders for the Proposed Disposal.

The Circular containing, *inter alia*, further details on the Proposed Disposal (as an interested person transaction and a major transaction), an opinion from the IFA, the Valuation Report and enclosing a notice of the EGM (“**Notice of EGM**”) in connection therewith will be issued to the Shareholders in due course to seek approval for the Proposed Disposal as an interested person transaction under Chapter 9 of the Catalist Rules and a major transaction under Chapter 10 of the Catalist Rules.

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 at the URL <http://oneapex.wixsite.com/home/investor-relations>.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors, controlling shareholders, or substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposed Disposal (other than through their respective interests arising by way of their directorships and/or shareholdings in the Company, where applicable).

6. 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.

7. CAUTION IN TRADING

Shareholders should note that the Proposed Disposal is subject to, amongst others, the fulfilment of the Conditions Precedent set out above under the SPA 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.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 18 Cross Street, #14-01 Cross Street Exchange, Singapore 048423 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 2024

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 Catalyst.

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. Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.