



P5 CAPITAL HOLDINGS LTD.
(Company Registration No. 199806046G)
(Incorporated in the Republic of Singapore)

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PROPOSED ACQUISITION OF PROPERTY

– GRANT OF OPTION TO PURCHASE THE PROPERTY AT 39 KAKI BUKIT PLACE SINGAPORE 416217

1. INTRODUCTION

The Board of Directors (the "**Board**") of P5 Capital Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has been granted an option to purchase (the "**Option**") the property at 39 Kaki Bukit Place Singapore 416217 (the "**Property**") by Singapparel Pte Ltd (the "**Vendor**") upon payment of a sum of S\$43,000 (the "**Option Fee**") (the "**Proposed Acquisition**"). The Vendor is an independent and unrelated third party.

The Option Fee represents 1% of the total consideration for the purchase of the Property of S\$4,300,000 (the "**Consideration**").

2. INFORMATION ON THE PROPERTY, THE VENDOR AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property is a 5-storey industrial building, with an approximate gross floor area of 13,110 square feet with a leasehold tenure of 60 years commencing on 20 November 1995.

The Vendor is a Singapore incorporated company, having its registered office address to be 71 Ubi Road 1 #05-41 Oxley Bizhub, Singapore 408732. It is principally engaged in the business of wholesale of adults' clothing. To the best of the Company's knowledge, the Vendor, its directors and its shareholder and their respective associates are not related to the Company, its directors and substantial shareholders or their respective associates. The Vendor, its directors and sole shareholder do not currently hold any shareholding interest (direct or indirect) in the Company.

The Proposed Acquisition is intended to consolidate and expand the Group's corporate office, as well as house various business units of the Group (such as its corporate office, energy business department, showroom and warehouse, which are currently located at various premises around Singapore), within a single centralised location. Such centralisation would enhance management's oversight of the various business units of the Group, increase operational efficiencies and create better synergy and interaction amongst the staff of the Group.

3. SALIENT TERMS OF THE OPTION

3.1 Consideration

The Consideration was arrived at on a willing-buyer, willing-seller basis, after taking into consideration various commercial factors such as, recent past transacted prices of neighbouring properties to the Property of similar sizes ranging between S\$4.32 million to S\$4.58 million and prevailing market conditions. As such, no valuation was conducted on the Property. The Consideration, which is payable in cash, will be financed by internally generated funds and bank borrowings.

3.2 Expiry of Option

The Option shall expire at 4 P.M. on 23 March 2021 and will be null and void if not exercised by the Company in accordance with the terms of the Option. A further S\$172,000, being 5% of the Purchase Consideration less the Option Fee, is payable to the Vendor's solicitors, as stakeholders pending completion of the Proposed Acquisition ("**Completion**"), on the exercise of the Option.

3.3 Completion

Completion of the sale and purchase of the Property is subject to satisfactory legal requisition replies from the relevant government departments, and shall take place within 8 weeks upon exercise of the Option, whereupon the balance Consideration shall be payable by the Company to the Vendor.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company after the completion of the Proposed Acquisition.

The financial effects of the Proposed Acquisition were calculated based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 ("**FY2020**"), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

4.1 Net Tangible Assets per Share

The effect of the Proposed Acquisition on the net tangible assets ("**NTA**") per share of the Group for FY2020, assuming that the Proposed Acquisition had been effected at the end of FY2020 is as follows:

As at 31 March 2020	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	13,266	13,266
NTA per share (Cents)	2.38	2.38

4.2 Earnings / Loss per Share

The effect of the Proposed Acquisition on the earnings per share of the Group for FY2020, assuming that the Proposed Acquisition had been effected on 1 April 2019 is as follows:

FY2020	Before the Proposed Acquisition	After the Proposed Acquisition
Loss after tax and non-controlling interests (S\$'000)	1,419	1,519
Loss per share (Cents)	0.25	0.27

4.3 Gearing

The effect of the Proposed Acquisition on the gearing of the Group for FY2020, assuming that the Proposed Acquisition had been effected at the end of FY2020 is as follows:

FY2020	Before the Proposed Acquisition	After the Proposed Acquisition
Borrowings (net of cash and cash equivalent) (S\$'000)	994	4,434
Shareholders' funds (S\$'000)	13,266	13,266
Gearing ratio (times)	0.07	0.33

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 30 September 2020, the relative figures of the Proposed Acquisition as computed on the relevant bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Catalist Rules") are as follows:

Rule		Relative Figures (%)
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable ⁽¹⁾
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable ⁽²⁾
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	The Consideration of S\$4,300,000 for the Proposed Acquisition represents approximately 17.82% of the Company's market capitalisation of approximately S\$24,133,356 as at the last market day preceding the date of the Option.
1006 (d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) Not applicable, as this concerns a proposed acquisition of the Property and is not a disposal.
- (2) Not applicable, as the proposed acquisition is in respect of a Property and not an operating entity.

As the relative figure calculated under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Catalist Rules.

6. SERVICE CONTRACT

No person will be appointed to the Board of the Company, and no service contract will be entered into by the Company, in connection with the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Company and its Directors and controlling shareholders are not related to the Vendor, its shareholders or their respective associates.

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

8. DOCUMENTS FOR INSPECTION

A copy of the Option is available for inspection during normal office hours at the registered office of the Company at 213 Henderson Road #03-08 Henderson Industrial Park, Singapore 159553 for three (3) months from the date of this announcement.

By Order of the Board

Lim Shao-Lin
Executive Director, CEO

12 March 2021