

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.
(UNDER JUDICIAL MANAGEMENT)
(the "**Company**")
(Incorporated in Bermuda)
(Company Registration Number: 34713)

IMPLEMENTATION AGREEMENT FOR PROPOSED TRANSFER OF LISTING STATUS

1. INTRODUCTION

- 1.1. The Judicial Managers wish to announce that the Company has entered into an Implementation Agreement (the "**Agreement**") with Deyuan Investment Co., Ltd. (the "**Transferee**", together with the Company, the "**Parties**" and each a "**Party**") on 17 September 2020. Further information on the Transferee can be found in Paragraph 4 hereto in this Announcement.
- 1.2. The Agreement sets out the terms for the proposed transfer of the Company's listing status (the "**Transfer**") on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Transferee by way of a scheme of arrangement (the "**Scheme**"). The terms of the Transfer and the Scheme are elaborated further below.
- 1.3. The Company is presently under judicial management and its shares (the "**Shares**") are suspended from trading. One of the Company's intangible assets is its listing status. The Transfer, if successful, seeks to provide some recovery to the shareholders (the "**Shareholders**") and creditors of the Company (the "**Creditors**").

2. PROPOSED TRANSFER OF LISTING STATUS

- 2.1. The Transfer is envisaged to result in the listing and admission of the Transferee to Catalist (the "**Listing**"), the sponsor-supervised board of the SGX-ST. The Company's Shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Mainboard of the SGX-ST.
- 2.2. The consideration payable by the Transferee to the Company for the Transfer (the "**Consideration**") is S\$ 5,000,000 and will be satisfied by the issue of new shares in the capital of the Transferee (the "**Consideration Shares**") to the Judicial Managers for, *inter alia*, distribution to Creditors and Shareholders.
- 2.3. Upon completion of the Transfer and, if necessary, the compliance placement of new shares to constitute the requisite public float, the Consideration Shares (together with other shares issued out of the capital of the Transferee) will be listed on Catalist and shall be freely tradable.

3. FURTHER INFORMATION IN RELATION TO THE AGREEMENT AND THE TRANSFER

- 3.1. Parties' Obligations: The Agreement requires each Party to perform various obligations. The Company is principally required to (i) prepare the issuance of the Scheme Documents (as defined below) to Shareholders setting out salient information on the proposed Transfer by way of a

Scheme; (ii) use its best endeavours to procure written irrevocable undertaking(s) from certain Shareholders to vote in favour of the Scheme. The Transferee is principally required to prepare, finalise and procure the issuance of its information memorandum for the purposes of the Listing (the “**Information Memorandum**”), and procure the submission of a pre-admission notification to the SGX-ST in respect of the intended Listing.

- 3.2. Conditions Precedent: Completion of the Transfer is subject to various conditions precedent, including but not limited to, (i) the in-principle approval(s) of the SGX-ST for the Transfer and the Listing; (ii) the approvals of the Scheme by the Shareholders and Creditors respectively; and (iii) the sanction of the Scheme by the High Court of Singapore. Other key conditions precedent are set out in Schedule 1 to this Announcement.
- 3.3. Termination Events: Each of the Parties may by notice in writing to the other Party given at any time on or prior to completion terminate the Agreement in various agreed circumstances, such as in the event of (i) a material breach of a representation or warranty of the other Party, (ii) where there is failure by or inability of the defaulting Party to perform any of the obligations under the Agreement, (iii) if Shareholders and/or Creditors reject the Scheme, (iv) if the approval of the High Court of Singapore cannot be obtained, or if the Listing cannot be proceeded with for any reason, or (v) if there is any order, decree, ruling, direction or any other action permanently enjoining, restraining or otherwise prohibiting the implementation of the Transfer, the Listing, and the Scheme, and in each case if not cured within the applicable grace period as agreed. The Agreement will also cease (save for any other provisions as expressly provided therein shall survive) if any of the conditions precedent has not been satisfied (or, where applicable, has not been waived) by the date falling twelve (12) months from date of the Agreement.
- 3.4. Financial Information on the Transferee Group: Financial information on the group of companies and entities, comprising the Transferee and Pin Quan Consulting Company which are identified by the Transferee to be part of the Listing (the “**Transferee Group**”) would only be made available or disclosed in due course as such information is presently unavailable.
- 3.5. Financial Effects and Benchmarking: The illustrative financial effects of the proposed Transfer, such as benchmarked against the Company’s earnings per share (EPS) and net tangible assets (NTA), the net profits attributable to the proposed Transfer, excess or deficit of proceeds over the book value, and any gain/loss arising from the Transfer, would only be made available or disclosed in due course.
- 3.6. Relative Figures: For the same reasons as set forth in the above sub-sections on “Financial Information on the Transferee Group” and “Financial Effects and Benchmarking”, the relative figures under Rule 1006 of the Listing Manual for the proposed Transfer would only be made available or disclosed in due course.
- 3.7. Rationale: The rationale for the Transfer is that one of the Company’s intangible assets is its listing status and that the Transfer, if successful, seeks to provide some or additional recovery to Shareholders and/or Creditors. If the Company’s assets were liquidated, there will be no residual value available for distribution to the Shareholders after payment to the Creditors. As such, the Scheme offers potentially better returns for Creditors and Shareholders, as compared to a liquidation scenario.

- 3.8. Disclosure of Interests: To the knowledge of the Judicial Managers, none of the Directors or controlling Shareholders has any direct or indirect interest in the proposed Transfer, other than through their respective shareholding interests in the Company (if any).
- 3.9. Service Contracts: To the knowledge of the Judicial Managers, no person is proposed to be appointed as a Director of the Company in connection with the proposed Transfer. Directors to be appointed for the Transferee would be set out in the Information Memorandum prepared by, and to be despatched in due course by, the Transferee.
- 3.10. Documents for Inspection: A copy of the Agreement would be made available for inspection during normal business hours at the office of Deloitte & Touche LLP at 6 Shenton Way, #33-00 OUE Downtown 2, Singapore 068809, for a period of three (3) months from the date of this announcement.

4. INFORMATION ON THE TRANSFEE GROUP

- 4.1. The Transferee Group is principally engaged in two lines of business through the Transferee and Pin Quan Consulting Company.
- 4.2. The Transferee is incorporated in Shenzhen, Guangdong, on 17 June 2014. The Transferee is primarily engaged in investment and asset management business, and charges its investors or clients various fees including asset management fee, investment advisory fee, and performance fee. Pin Quan Consulting Company provides investment consultation and also participates in the establishment of venture capital enterprises and venture capital consulting.
- 4.3. More information of the Transferee Group will also be set out in the Information Memorandum.

5. SCHEME DOCUMENTS AND INFORMATION MEMORANDUM

The Company will issue or procure to issue to the relevant Shareholders and Creditors documents containing, inter alia, the details and terms of the Scheme, an explanatory statement, and the notices of meetings and proxy forms (the “**Scheme Documents**”). The Scheme Documents should be read together, and in conjunction with, the Information Memorandum to be despatched together with the Scheme Documents.

6. INFORMATION RELATING TO OR PROVIDED BY THE TRANSFEE

Information in this announcement relating to the Transferee and/or the Transferee Group has been provided by the Transferee or its advisers or agents, or extracted or reproduced from published or otherwise publicly available sources. The sole responsibility of the Judicial Managers have been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately and correctly reflected or reproduced in this announcement in its proper form and context. The Judicial Managers have not independently verified the accuracy and correctness of such information, and does not accept any responsibility for any information relating to or opinions expressed by or on behalf of the Transferee.

7. FURTHER ANNOUNCEMENTS

Announcements will be released with further information on the above and as and when there are material developments.

8. CAUTIONARY STATEMENT

The Transfer and the Listing are subject to, *inter alia*, the satisfaction of various conditions precedent, and there is no certainty as at this date whether the Transfer and the Listing can or will proceed. Shareholders are accordingly advised to exercise caution, and to refrain from taking any action in relation to their Shares until they or their advisers have considered the information set out in the Scheme Documents, the Information Memorandum and further announcements released by the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisers immediately.

**Submitted by the Judicial Managers
For and On Behalf of the Company**

Andrew Grimmett and Lim Loo Khoon
Deloitte & Touche LLP
19 September 2020

SCHEDULE 1

OTHER KEY CONDITIONS PRECEDENT

- (a) There is no injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Transfer or the transactions proposed herein or any part thereof.
- (b) There is no event, development or state of facts which has had or would reasonably be expected to have a material adverse effect in the context of the Agreement between the date of the Agreement and the effective date of the Scheme.
- (c) The obtaining or completion (as the case may be) of all necessary and/or relevant consents, approvals, waivers, exemptions or other acts from any governmental agency as may be reasonably required to implement the Scheme, the Transfer and the Listing and at the consummation and completion of the Agreement, such consents, approvals, waivers, exemptions and acts having been duly authorised or obtained or otherwise completed (as the case may be) and being in full force and effect on the date on which the Scheme becomes effective and/or the date of Listing (as the case may be).
- (d) The warranties provided by each Party under the Agreement being true and correct as of the date of the Agreement and as of the date of completion of the Transfer.
- (e) Each Party having, as of the date of completion of the Transfer, performed and complied in all material respects with all obligations, covenants and agreements contained in the Agreement which are required to be performed by or complied with by it.
- (f) The Company has not been subject to a delisting notice from the SGX-ST.