

spackmanentertainmentgroup

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Company Registration No.: 201401201N)

(Incorporated in the Republic of Singapore on 10 January 2014)

THE PROPOSED DISPOSAL BY THE COMPANY'S SUBSIDIARIES OF THEIR ENTIRE SHAREHOLDING INTEREST IN ZIP CINEMA CO., LTD. FOR S\$19.8 MILLION AS A MAJOR TRANSACTION

1. INTRODUCTION

The Board of Directors (the **"Board"**) of Spackman Entertainment Group Limited (the **"Company"**), and together with its subsidiaries, the **"Group"**) wishes to announce that on 14 September 2021, the Company, Zip Cinema (HK) Limited (**"Zip HK"**), Spackman Equities Limited (**"SEL"**) (Zip HK and SEL collectively, the **"Sellers"**) and Zip Cinema Co., Ltd. (**"Zip Korea"**) have entered into a sale and purchase agreement (the **"SPA"**) with Kakao Entertainment Corp. (the **"Purchaser"**), for the disposal by the Sellers of an aggregate of 16,790 shares of common stock in Zip Korea (the **"Sale Shares"**), representing 100% of the total issued and outstanding capital stock of Zip Korea (the **"Zip Korea Shares"**), on the terms and subject to the conditions of the SPA (the **"Proposed Disposal"**).

The Proposed Disposal is considered a "major transaction" of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the **"Catalist Rules"**) of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**). Accordingly, the Proposed Disposal will be subject to, amongst others, the approval of the shareholders of the Company (the **"Shareholders"**) for the Proposed Disposal at an extraordinary general meeting (the **"EGM"**) to be convened in due course.

2. INFORMATION RELATING TO THE GROUP AND THE PURCHASER

2.1 Information relating to Zip Korea

Zip Korea is a corporation incorporated under the laws of the Republic of Korea (**"Korea"**) on 16 December 2005. Zip Korea is a recognised film production label in Korea and has originated and produced commercially successful theatrical films in Korea. More information on Zip Korea can be found at <http://zipcine.com>.

Zip HK is the legal and beneficial owner of 15,614 shares of common stock in Zip Korea, representing 92.996% of the Zip Korea Shares. The other shareholder of Zip Korea is SEL, a wholly-owned subsidiary of Zip HK, which owns 1,176 shares of common stock of Zip Korea, representing 7.004% of the Zip Korea Shares.

2.2 Information relating to the Purchaser

The Purchaser is a corporation incorporated under the laws of Korea on 20 July 2020 and is a subsidiary of Kakao Corp. Kakao Corp. is a South Korean internet company listed on the KOSDAQ as KRX: 035720, and provides an array of services in the communications, entertainment, fashion, finance and transportation sectors.

The Purchaser does not have any shareholding interest, direct or indirect, in the Company, and the directors and/or substantial shareholders of the Purchaser are not related to any of the directors, the chief executive officer, or substantial shareholders of the Company, or their respective associates.

3. MATERIAL TERMS OF THE PROPOSED DISPOSAL

A summary of the material terms and conditions of the Proposed Disposal as set out in the SPA is as follows.

3.1 Disposal of the Sale Shares

The Sellers shall sell and transfer the Sale Shares to the Purchaser, and the Purchaser shall purchase the Sale Shares from the Sellers, free and clear of any encumbrances, for an aggregate consideration of Korean Won Seventeen Billion Nine Hundred and Ninety-Nine Million, Nine Hundred and Eighty-Eight Thousand, and One Hundred and Forty(KRW 17,999,988,140), (approximately SGD 19,799,987)¹. (the “**Consideration**”).

3.1.1 Deposit

The Purchaser shall pay to Zip HK a deposit of the USD equivalent of Korean Won Two Billion Seven Hundred Million (KRW 2,700,000,000) (the “**Deposit**”) within five (5) business days from written notice duly given to the Purchaser by the Sellers and the Company (in the prescribed form as set out in the SPA, confirming that the SGX-ST has granted in-principle approval for the draft circular to be despatched by the Company to the Shareholders in respect of the Proposed Disposal and to convene the EGM), by wire transfer of immediately available funds in USD to the relevant bank account(s) opened in the name of Zip HK (the “**Seller Accounts**”).

3.1.2 Balance Payment

At the completion of the sale and purchase of the Sale Shares in accordance with the SPA (the “**Closing**”), the Purchaser shall pay to Zip HK the relevant purchase price allocated to it (being the aggregate of KRW 16,739,238,524 as set out in the table below), less the Deposit, the Zip HK Holdback Amount (as defined below) (the “**Balance Payment**”) and, if applicable, the applicable capital gains tax and securities transaction tax for the Sale Shares, by wire transfer of immediately available funds in USD, to the relevant Seller Account(s).

<u>Share holder</u>	<u>No. of Shares</u>	<u>Purchase Price Allocation</u>			
		<u>Deposit</u>	<u>Balance Payment (minus Holdback Amount)</u>	<u>Holdback Amount</u>	<u>Total</u>
Zip HK	15,614	KRW 2,700,000,000	KRW 13,299,988,140	KRW 739,250,384 (the “ Zip HK Holdback Amount ”)	KRW 16,739,238,524
SEL	1,176	-	-	KRW 1,260,749,616 (the “ SEL ”)	KRW 1,260,749,616

¹ Based on the exchange rate of KRW1:SGD0.0011 as of 13 September 2021

				Holdback Amount²⁾	
Total:	16,790	KRW 2,700,000,000	KRW 13,299,988,140	KRW 2,000,000,000	KRW 17,999,988,140

The Company unconditionally and irrevocably guarantees to the Purchaser, the full payment and compliance with all payment obligations assumed by each or any of the Sellers arising out of or in connection with the SPA (whether principal, ordinary interest, late interest, fees, indemnities, expenses or any other item).

3.2 Consideration and Holdback Amount

The aggregate Consideration was arrived at after arms' length negotiations and on a willing-buyer willing-seller basis, after taking into consideration the Purchaser's due diligence results on Zip Korea and other commercial factors including, *inter alia*, the historical performance and business prospects of the Group and Zip Korea, prevailing market conditions, the valuation of the Sale Shares pursuant to the Valuation Report (as defined below) and the rationale for and benefits to the Group arising from the Proposed Disposal as further described in Section 4 of this Announcement.

The following amounts shall be withheld from the relevant purchase price payable to each Seller:

- (a) in the case of Zip HK, the amount of the USD equivalent of Korean Won Seven Hundred and Thirty Nine Million, Two Hundred and Fifty Thousand, Three Hundred and Eighty Four (KRW 739,250,384) (the "**Zip HK Holdback Amount**"); and
- (b) in the case of SEL, the amount of USD equivalent of Korean Won One Billion Two Hundred and Sixty Million, Seven Hundred and Forty Nine Thousand, Six Hundred and Sixteen (KRW 1,260,749,616) (the "**SEL Holdback Amount**"). The SEL Holdback Amount is equivalent to the relevant purchase price allocated to SEL in respect of the Sale Shares.

The Zip HK Holdback Amount and the SEL Holdback Amount shall only be released to each of Zip HK and SEL respectively, upon the occurrence of the following:

- (a) the due change of the designated use of the office building owned by Zip Korea, located at 627-3, Munbal-dong, Paju-si, Gyeonggi-do (the "**Paju Office Building**") to a knowledge asset centre;
- (b) the entry into a real property sale and purchase agreement with a prospective buyer with respect to the Paju Office Building to the satisfaction of the Purchaser;
- (c) payment by the prospective buyer of the relevant deposit to Zip Korea; and
- (d) the delivery of any and all documents, including but not limited to the real property sale and purchase agreement, to the Purchaser.

3.3 Deposit

If the SPA is terminated prior to Closing, and such termination is not due to any cause attributable to any of the Sellers, the Company or Zip Korea (including the failure to obtain

regulatory approvals or approval of the Shareholders at the EGM to be convened in respect of the Proposed Disposal notwithstanding that the Company, acting in good faith, has used best endeavours to convene the EGM), the Sellers and the Company shall, on a joint and several basis, return the Deposit to the Purchaser within five (5) days of the date of termination. The Sellers and the Company shall not be required to return the Deposit where the SPA has been terminated if the Purchaser shall have breached, in any material respect, any of its representations, warranties, covenants or other obligations under the SPA and such breach shall be incapable of cure or has not been cured within ten (10) business days following the giving of written notice of such breach to the Purchaser.

In the event that the SPA is terminated by reason of any cause attributable to any of the Sellers or the Company, the Sellers and the Company shall, on a joint and several basis (i) return the Deposit to the Purchaser within five (5) days from the date of termination and (ii) additionally pay to the Purchaser an amount equal to the Deposit as a penalty.

None of the Sellers and the Company shall be deemed to be in breach of the SPA by reason that the Shareholders voted not to approve the Proposed Disposal at the EGM, and no penalty shall be payable by reason thereof.

3.4 Conditions Precedent

The obligation of the Sellers to consummate the Closing shall be subject to the fulfilment (or valid waiver by the Sellers if applicable), on or prior to the date falling 3 months after the date of the SPA ("**Longstop Date**"), of all of the following conditions:

- (a) Transactions Not Restrained. No order shall have been issued by any authority that restrains, restricts, enjoins, prevents, delays, prohibits, imposes substantial damages or penalties or otherwise makes illegal the consummation of the Proposed Disposal, and no law having such effect shall have been proposed, promulgated, adopted, enacted or otherwise made effective by any authority, nor shall there be any pending proceeding that questions the validity of, or seeks to enjoin, unwind or otherwise restrict or delay, the Proposed Disposal.
- (b) Representations and Warranties. All representations and warranties of the Purchaser contained in Article 5.2 of the SPA shall be true and accurate as of the date of the SPA and as of the day Closing occurs ("**Closing Date**").
- (c) Performance. The Purchaser shall have, duly performed and complied with all agreements, covenants and conditions required by the SPA to be performed or complied with by the Purchaser at or prior to the Closing.
- (d) Regulatory Approvals. All regulatory approvals shall have been obtained or made and not revoked as of the Closing Date (including but not limited to the approval of the Shareholders to be obtained in accordance with the requirements of the SGX-ST), and all waiting periods specified under any applicable law, the expiration of which is necessary for the consummation of the Proposed Disposal, shall have expired or been terminated.

The obligation of the Purchaser to consummate the Closing shall be subject to the fulfilment (or valid waiver by the Purchaser if applicable), on or prior to the Longstop Date, of all of the following conditions:

- (a) Proceedings Not Restrained. No order shall have been issued by any authority that

restrains, restricts, enjoins, prevents, delays, prohibits, imposes substantial damages or penalties or otherwise makes illegal the consummation of the Proposed Disposal, and no law having such effect shall have been proposed, promulgated, adopted, enacted or otherwise made effective by any authority, nor there shall be any pending proceeding that questions the validity of, or seeks to enjoin, unwind or otherwise restrict or materially delay, the Proposed Disposal.

- (b) Representations and Warranties. All representations and warranties of each of the Sellers contained in Article 5.1 of the SPA shall be true and accurate as of the date of the SPA and as of the Closing Date.
- (c) Performance. Each of the Sellers shall have, duly performed and complied with all agreements, covenants and conditions required by the SPA to be performed or complied with by the Sellers or Zip Korea, at or prior to the Closing.
- (d) Regulatory Approvals. All regulatory approvals shall have been obtained or made and not revoked as of the Closing Date, and all waiting periods specified under any applicable law, the expiration of which is necessary for the consummation of the Proposed Disposal, shall have expired or been terminated.
- (e) Consents. Each of the Sellers, Zip Korea and the Company shall have obtained and effected, any and all consents, approvals and notices of or to its shareholders, lenders, landlords or any other third parties that are required, under any contract or law, to be obtained or effected in connection with the consummation of the Proposed Disposal, including the relevant regulatory approvals (such approvals including approval from the Shareholders being obtained in accordance with the requirements of the SGX-ST).
- (f) Resignation. The Sellers shall have procured the existing directors (including Yoo Jin Lee as the current representative director) and statutory auditor of Zip Korea to duly and voluntarily resign and to confirm in writing such resignation and that he/she shall have no claim against Zip Korea, in accordance with the provisions of the SPA.
- (g) Material Adverse Change. No material adverse change shall have occurred since the date of the SPA.
- (h) Board of Directors. The Sellers shall have procured Zip Korea to convene a meeting of the board of directors for purposes of convening a general meeting of shareholders, and replace the directors and the statutory auditor of Zip Korea with such persons nominated by the Purchaser in accordance with the provisions of the SPA.
- (i) Amendment to Business Registration Certificate. The Sellers shall, and shall cause Zip Korea to, have amended the business registration certificate to modify the correct business address of Zip Korea.
- (j) Termination of Insurance Policies. The Sellers shall, and shall cause Zip Korea to, have terminated the long-term financial products (i.e., saving insurance policies) taken out with Hanwha Life Insurance Co., Ltd. and Samsung Life Insurance Co., Ltd. to which Yoo Jin Lee (representative director of Zip Korea) is named as the insured, and shall have received the insurance premium the said insurance companies upon termination.

- (k) Distribution of Dividends. Zip Korea shall have duly distributed to Zip HK the dividends in the amount of KRW 500,000,000 (before tax).
- (l) Intellectual Property. Zip Korea shall have registered, or submitted an application for registration of, the intellectual property and take any and all measure necessary therefor.
- (m) Articles of Incorporation; Other Internal Rules. Zip Korea shall have amended its articles of incorporation to the satisfaction of the Purchaser and have established other bylaws and internal regulations (including the severance pay rules) of Zip Korea as may be required by the Purchaser. Zip Korea shall have repealed the existing executive bonus rules.
- (n) Existing Debts and Receivables. The Sellers shall, and the Sellers shall cause Zip Korea to, have repaid certain outstanding and unpaid debts owed by Zip Korea to its affiliates (such affiliates include the Company), and to have been repaid with certain outstanding receivables owed by its affiliates to Zip Korea.

3.5 Salient Undertakings

The Company agrees to waive, discharge and release any and all existing debts owed by Zip Korea to the Company and will not raise any claim against Zip Korea or the Purchasers with respect to any such existing debts.

In addition to customary indemnities to be given by the Sellers and the Company in favour of the Purchaser in relation to a breach of representations, warranties and undertakings under the SPA, the Sellers and the Company are also required to indemnify the Purchaser for:

- (a) taxes imposed on Zip Korea or the Purchaser in respect of any tax period (or portion thereof) ending on or prior to the Closing Date;
- (b) any amendment to tax filings previously made in respect of Zip Korea for any tax period (or portion thereof) ending on or prior to the Closing Date, or any changes in tax and accounting principles and procedures in respect of Zip Korea; and
- (c) any related party transactions conducted between any of the Sellers and its affiliates prior to the Closing Date.

If there is a breach of the Sellers' representations and warranties concerning intellectual property, the Sellers and the Company shall on a joint and several basis pay to the Purchaser KRW 50,000,000 per movie (which is the subject of such breach or inaccuracy), as a penalty.

4. RATIONALE FOR THE PROPOSED DISPOSAL

Against the backdrop of uncertainty of the entertainment sector brought about by the COVID-19 pandemic, particularly in relation to the theatrical film industry, the Board is of the view that the Proposed Disposal is in the best interests of the Company and Shareholders as it will benefit the Group in the following quantitative and qualitative aspects:

4.1 Quantitative Aspects

- a) Financial improvements: the Proposed Disposal will result in an increase in the NTA (as

defined below) and reduce in the loss per share.

- b) Enhancement in current ratio and liquidity: the Consideration is higher than the Company's current market capitalization of S\$7,606,629. As the Consideration is paid in cash, it will enhance the Group's current ratio and liquidity.

4.1 Qualitative Aspects

- a) Funds for working capital and diversification of business into the United States of America's ("US") film sector

Other than producing and investing in Korean films directly, the Company will also tap on its subsidiaries, including Take Pictures Pte. Ltd., Simplex Films Limited, Greenlight Content Limited and Novus Mediacorp Co., Ltd. to produce and invest in Korean films.

Against the backdrop of uncertainty of the entertainment sector brought about by the COVID-19 pandemic, particularly in relation to the theatrical film industry, the Proposed Disposal will provide the Group with working capital for business diversification and to expand into other businesses, in particular, co-producing and financing US films which are potentially more profitable than Korean films due to a wider international audience base. The Group's pipeline of US Hollywood projects include four potential new films, which will be announced once definitive agreements have been signed for these projects, as and when necessary.

- b) Over-The-Top ("OTT") business

The Proposed Disposal also provides the Group with the opportunity to expand its content production for OTT business by increasing the Group's capacity to invest in content development and to enter into partnerships with popular OTT platforms, and acquiring or setting up OTT platforms for content distribution.

- c) Investments or acquisitions

The Proposed Disposal provides the Group with greater capital to explore further investment opportunities, or to undertake acquisitions in other entertainment-related businesses which are complementary to the Group's overall business strategy of focusing on US films.

- d) Collaboration business by leveraging on the platform of artists of Spackman Media Group Limited ("SMGL")

The Group's production of US film projects will create opportunities for top Korean artists in the Group's associated company, SMGL, to participate in top quality content production, and collaborate with international brands for advertisements and endorsements. SMGL intends to leverage on potential strategic partnerships between Korean and Chinese content productions and artists, stemming from the striking of a deal between two state-owned TV groups, China Central Television (CCTV) and South Korean public broadcaster, KBS.

5. USE OF PROCEEDS

The estimated net proceeds from the Proposed Disposal, after deducting estimated expenses to be incurred in connection with the Proposed Disposal of approximately KRW 80,207,071, is approximately KRW 17,919,781,069 (the “**Net Proceeds**”).

The Company intends to utilise the Net Proceeds for *inter alia*, general working capital purposes including the production of film projects, repayment of borrowings and working capital loans of the Group, share buybacks to be undertaken by the Company, payment of tax-related expenses in relation to the Proposed Disposal and to fund future business expansions, investments and acquisitions when suitable opportunities arise. The breakdown for the utilisation of the Net Proceeds is as set out in the table below.

Use of Proceeds	KRW (Million)	%
Production/investments of film projects	4,500	25
Acquisition/investment of new business	5,500	31
Repayment of borrowings	1,800	10
Share Buyback	1,000	6
Payment of tax related to disposal of Zip	2,000	11
Working Capital	3,120	17
Total Net Proceeds (approximate)	17,920	100

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 NTA, Book Value and Net Profit Figures

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“**FY 2020 Financial Statements**”), the net tangible asset (“**NTA**”) value of Zip Korea as at 31 December 2020 is US\$6,595,042, and the book value of Zip Korea as at 31 December 2020 is US\$7,305,475.

Based on the FY2020 Financial Statements and the Net Proceeds, the Group would expect to realise an attributable net disposal gain of US\$8,909,747 and an excess of the Net Proceeds over the book value of approximately US\$8,286,563.

The *pro forma* financial effects of the Proposed Disposal as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Company and the Group following the completion of the Proposed Disposal. The *pro forma* financial effects have been prepared based on the Group’s FY2020 Financial Statements, subject to the following assumptions:

- (a) the financial effects of the Proposed Disposal on the NTA per share of the Company for FY2020 are computed assuming that the Proposed Disposal had been completed on 31 December 2020; and

- (b) the financial effects of the Proposed Disposal on the loss per share (“LPS”) of the Company for FY2020 are computed assuming that the Proposed Disposal had been completed on 1 January 2020.

6.2 Effects on NTA per share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$)	22,564,986	32,169,933
Number of shares	1,901,657,319	1,901,657,319
NTA per share (US\$)	0.012	0.017

6.3 Effects on LPS

	Before the Proposed Disposal	After the Proposed Disposal
Net loss ⁽¹⁾ attributable to equity holders of the Company (US\$)	22,910,025	13,464,513
Number of shares	1,901,657,319	1,901,657,319
LPS ⁽²⁾ (US\$ cents)	1.205	0.708

Notes:

- (1) Net profits means profit or loss including discontinued operations that have not been disposed and before non-controlling interest.
- (2) LPS has been calculated based on the 1,901,657,319 shares in issue as at the date of this announcement.

7. VALUATION REPORT

For the purposes of the Proposed Disposal, the Company has commissioned Echon Accounting Corporation, Morison KSi Korea (the “**Independent Valuer**”), as a competent and independent valuer, to perform a valuation on Zip Korea and to assess and determine the value of the Sale Shares. Based on the valuation report issued by the Independent Valuer on 31 March 2021 (the “**Valuation Report**”), the valuation of the Sale Shares as at 31 December 2020 is approximately KRW 15,106 million to KRW 17,703 million. In arriving at these figures, the Independent Valuer has adopted the income approach as the primary approach. The Gordon Growth Model is used to assess terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flow in the next time period, the required rate of return and the expected long term growth rate.

The Valuation Report will be set out in the circular to Shareholders.

8. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the latest announced consolidated financial statements of the Group (being the HY 2021 Financial Statements), the relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule	Bases of computation	Relative figures (%)
Rule 1006(a)	Net asset value (“NAV”) ⁽¹⁾ of the assets to be disposed of US\$6,875,752 compared with the Group’s NAV of US\$28,868,922. This basis is not applicable to an acquisition of assets.	23.82
Rule 1006(b)	Net loss ⁽²⁾ attributable to the Sale Shares to be disposed of US\$159,932, compared with the Group’s net loss of US\$2,630,731	6.08
Rule 1006(c)	Aggregate value of the consideration received of S\$19,799,987, compared with the Company’s market capitalisation ⁽³⁾ of approximately S\$7,606,629.	260.3
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the transaction is not an acquisition.
Rule 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 and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as this transaction is not a disposal of mineral, oil and gas assets.

Notes:

- (1) Under Rule 1002(3)(a) of the Catalist Rules, “net assets” means total assets less total liabilities.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, “net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Under Rule 1002(5) of the Catalist Rules, “market capitalisation” of the Company is determined by multiplying the 1,901,657,319 shares in issue by the weighted average price of such shares transacted on 13 September 2021, being the market day immediately preceding the date of the SPA, of S\$0.004 per share.

Notwithstanding the negative relative figure computed under Rule 1006(b) of the Catalist Rules, the absolute relative figure computed under Rule 1006(c) of the Catalist Rules exceeds 50%. Accordingly, the Proposed Disposal is classified as a “major transaction” under Rule 1014 of the Catalist Rules and is accordingly subject to the approval of the Shareholders at the EGM to be held in due course.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Directors or the controlling shareholders of the Company has any direct or indirect interest in the Proposed Disposal, other than through their respective shareholding interests in the Company (if any).

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company (a "Director") in connection with the Proposed Disposal.

11. CIRCULAR TO SHAREHOLDERS

A circular containing further details on the Proposed Disposal and enclosing a notice of EGM in connection therewith will be despatched to Shareholders in due course.

12. 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.

13. DOCUMENTS FOR INSPECTION

A copy of the SPA and the Valuation Report is available for inspection during normal business hours at the Company's registered office at 16 Collyer Quay, #17-00 Income at Raffles, Singapore 049318 for a period of three (3) months from the date of this Announcement.

14. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above and accordingly are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Disposal will be completed. Shareholders are advised to read this Announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt 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, the SPA and other matters contemplated in this announcement.

BY ORDER OF THE BOARD

Na Kyoungwon
Chief Operating Officer, President and Executive Officer
14 September 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Mah How Soon, Registered Professional, at 6 Raffles Quay #24-02, Singapore 048580, sponsor@rhtgoc.com.