
PROPOSED ACQUISITION OF EXQUISITE MODE SDN. BHD.

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of AsiaPhos Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 1 September 2025, entered into a binding term sheet (the “**Term Sheet**”) in connection with the proposed acquisition (the “**Proposed Acquisition**”) by the Company of approximately 97.41% of the entire issued and paid-up share capital of Exquisite Mode Sdn. Bhd. (the “**Target Company**”) from United Malayan Land Bhd. (the “**Vendor**”, and together with the Company, the “**Parties**”).

The Term Sheet sets out certain terms and conditions which will form the broad basis of the definitive agreement(s) to be entered into in relation to the Proposed Acquisition (the “**Definitive Agreements**”). Notwithstanding that the Term Sheet is legally binding, Shareholders should note that the Term Sheet does not address all the material terms of the Proposed Acquisition, and is subject to, among other matters, the execution of the Definitive Agreements. The Term Sheet shall automatically terminate if the Definitive Agreements are not executed within 90 days of the date of the Term Sheet (the “**Term Sheet Termination Date**”).

- 1.2. The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company as defined under Chapter 10 of Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). In accordance with Chapter 10 of the Catalist Rules, the Proposed Acquisition will be subject to, among others, the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (the “**EGM**”) to be convened pursuant to Rule 1015 of the Catalist Rules.
- 1.3. The Company has appointed Evolve Capital Advisory Private Limited as financial adviser and sponsor in relation to the Proposed Acquisition.
- 1.4. **The Company will make further announcements as and when there are material updates to the Proposed Acquisition, including the entry into Definitive Agreements, in accordance with the Catalist Rules.**

2. INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The information on the Vendor and the Target Company in this paragraph 2 was provided by the Vendor. The Company and the Directors have not independently verified the accuracy and correctness of such information and the Company’s responsibility in respect of such information is limited to the accurate extraction, reflection and/or reproduction of such information disclosed in this announcement in its proper form and context.

- 2.1. The Vendor is a public company limited by shares incorporated in Malaysia and, as at the date of this announcement, has an issued and paid-up share capital of RM305,675,675.01 comprising 302,031,014 ordinary shares (inclusive of 401,800 treasury shares), of which Dato’ Ng Eng Tee has deemed and direct interest in 79.1% of the shares in the Vendor. The directors of the Vendor are Dato’ Ng Eng Tee, Ng Yew Khim, Dennis (“**Mr. Dennis Ng**”), Datuk Syed Ahmad Khalid Bin Syed Mohammed and Mr Pakhrudin Bin Sulaiman.

- 2.2. Mr. Dennis Ng, the Chief Executive Officer of the Vendor, is a maternal cousin to Mr. Ong Eng Hock Simon ("**Mr. Simon Ong**"), the Non-Independent and Non-Executive Director of the Company and Ms. Ong Bee Kuan Melissa ("**Ms. Melissa Ong**"), a substantial shareholder of the Company. Dato' Ng Eng Tee, the Executive Chairman of the Vendor, is also the uncle of Mr. Simon Ong and Ms. Melissa Ong.
- 2.3. Save for the above, to the best knowledge of the Company, the Vendor is not directly related to any of the other Directors, controlling shareholders of the Company and/or their respective associates.
- 2.4. As at the date of this announcement, Mr. Dennis Ng holds 1,621,827 shares in the Company, representing approximately 0.11% of the shares in the Company. The Vendor and Dato' Ng Eng Tee do not hold any shares, directly or indirectly, in the Company.
- 2.5. The Target Company is a private company limited by shares incorporated in Malaysia. As at the date of this announcement, the Target Company has an issued and paid-up share capital of RM253,100,000 comprising 19,361,000 ordinary shares, which are legally and beneficially owned by the Vendor and Musa Michael Lee Abdullah as to 97.41% and 2.59%, respectively. The directors of the Target Company are Dato' Ng Eng Tee, Mr. Dennis Ng, Mr. Cheng Yue Kay, Michael and Mr. Zaim Zarkasha bin Zamani.
- 2.6. As at the date of this announcement, the Target Company is principally engaged in property development, owning and/or managing the following assets:
- (a) an eleven (11) storey 5-star hotel tower comprising 242 rooms identified as Amari Johor Bahru;
 - (b) ninety-two (92) units of serviced residences/suites;
 - (c) a two-storey retail podium; and
 - (d) four hundred ninety-six (496) car parking bays,
- all of which are located within the integrated development known as Suasana Iskandar Malaysia No 82C, Jalan Trus, Johor Bahru 80000 Malaysia.
- 2.7. As at the date of this announcement, no independent valuation has been conducted on the Target Company.
- 2.8. The Company will provide further details on the Target Company upon the execution of the Definitive Agreements, and furnish the necessary information in compliance with the Catalist Rules.

3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1. As announced by the Company on 12 August 2025, the Company has been striving to mitigate external risks and pursue sustained growth for its trading business, particularly in light of increasing geopolitical tensions and uncertainties in global trade policies. Following its acquisition in August 2024 of a new subsidiary engaged in the wholesale trade of fertilisers, the Company has been seeking suitable and profitable corporate, business and financing opportunities to enhance shareholders' value.
- 3.2. The Board believes that the Proposed Acquisition will provide an opportunity for the Company to venture into a new business area that has potential for growth. Accordingly, the Proposed Acquisition would allow the Company to diversify from its existing businesses and the Target Company's proven track record of profitability will enhance the long-term interests of the Company.

In addition, with the strategic location of the Target Company's assets being in close proximity to the Johor Rapid Transit System (RTS) station, the Proposed Acquisition positions the Company to ride on the future growth of the Singapore–Johor Special Economic Zone, which is expected to drive demand for quality real estate, hospitality and related services.

However, Shareholders should note that there is no assurance that the Proposed Acquisition will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

4.1. Sale and Purchase

Subject to and on the terms and conditions of the Definitive Agreements, the Company shall acquire from the Vendor 18,859,000 ordinary shares in the Target Company (the “**Sale Shares**”), free from all claims, charges, liens, mortgages, pledges or other encumbrances together with all rights attached thereto, in consideration of the Purchase Consideration (as defined below).

4.2. Purchase Consideration

4.2.1. In consideration for the Sale Shares, the Company shall pay to the Vendor a sum of up to S\$59.42 million (the “**Purchase Consideration**”).

4.2.2. The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, among others, the agreed valuation of the Target Company of S\$61 million which is subject to adjustments based on an independent valuation to be conducted on the Target Company and the business prospects of track record and competencies of the Target Company.

4.2.3. The Purchase Consideration is to be satisfied entirely by the allotment and issuance to the Vendor of such number of fully-paid up ordinary shares in its capital of the Company (the “**Consideration Shares**”) at an agreed issue price of S\$0.006 per Consideration Share (the “**Issue Price**”) equivalent in aggregate to the Purchase Consideration (or its nominees as it may direct in its sole discretion). The Issue Price is subject to adjustments in respect of any consolidation of the Company's Shares (the “**Proposed Share Consolidation**”) that may be required to comply with the relevant listing rules of the SGX-ST, provided that such adjustment shall not result in the Vendor receiving, in aggregate, a value materially lower than the agreed Consideration Shares.

4.2.4. The Issue Price was arrived at on a willing-buyer willing-seller basis after taking into account, among others, the net asset value of the Group as at completion of the Proposed Acquisition, and an agreed valuation between the Company and the Vendor.

4.3. Obligations of the Parties

The Definitive Agreements shall contain the customary obligations for a transaction of this nature, including but not limited to the following:

4.3.1. the Vendor procuring or obtaining all necessary consents, permits and approvals required or necessary to be obtained by the Target Company for the Proposed Acquisition and the transfer of the Sale Shares from the Vendor;

4.3.2. the Company procuring or obtaining all necessary consents, permits and approvals (including from the Shareholders and Directors) required or necessary to be obtained by the Company for the Proposed Acquisition and all matters ancillary thereto;

- 4.3.3.the Company applying to the Economic Planning Unit of the Prime Minister's Department of Malaysia, if required, for the transfer of the Sale Shares to the Company;
- 4.3.4.the Company submitting a pre-clearance letter to the SGX-ST to, among others, disclose the terms of the Proposed Acquisition and obtain pre-clearance for any issues in connection with the Proposed Acquisition;
- 4.3.5.the Vendor procuring the preparation and issuance of a valuation report issued by an independent and qualified valuer (the "**Valuation Report**");
- 4.3.6.the Vendor procuring Mr. Musa Michael Lee Abdullah, who owns the remaining 2.59% of the Target Company (the "**Minority Stake**") to enter into a sale and purchase agreement concurrent to the Definitive Agreements so as to effect the transfer or sale of the Minority Stake to the Company at the same price per share as that implied by the Purchase Consideration, such that upon completion of the Proposed Acquisition, the Company shall hold 100% of the issued and paid-up share capital of the Target Company for an aggregate consideration of S\$61 million (the "**Aggregate Consideration**"); and
- 4.3.7.the Company procuring the execution of irrevocable undertakings by its controlling shareholders in favour of the Company to vote in favour of the Proposed Acquisition and related matters.

4.4. Key Conditions Precedent

The Definitive Agreements shall contain the customary conditions precedent for a transaction of this nature, including but not limited to the following:

- 4.4.1.the completion of all of the obligations of the Parties set out in paragraph 4.3 above;
- 4.4.2.the completion of financial, legal, operational and any other due diligence on the Target Company by the Company, and the results of which being reasonably satisfactory to the Company;
- 4.4.3.the valuation of the Target Company as set forth in the Valuation Report not being lower than the Aggregate Consideration. In the event the independent valuation of the Target Company as stated in the Valuation Report exceeds 110% of S\$61 million, the Parties agree that the Aggregate Consideration shall be adjusted upwards, such that the adjusted Aggregate Consideration shall be equal to the independent valuation of the Target Company divided by 1.1 (the "**Adjusted Aggregate Consideration**"). The adjusted Purchase Consideration shall be derived by multiplying the Vendor's 97.41% share in the Target Company by the Adjusted Aggregate Consideration. The number of Consideration Shares to be issued shall be increased accordingly based on the same Issue Price, or such other adjustment mechanism as may be agreed in writing by the Parties;
- 4.4.4.the completion of the Proposed Share Consolidation;
- 4.4.5.the fulfilment of any such condition that the Securities Industry Council of Singapore (the "**SIC**") may impose which are reasonably acceptable to the Vendor and the Company (including without limitation, the ordinary resolution to be passed by the Shareholders (the "**Proposed Whitewash Resolution**")), the waiver (the "**Whitewash Waiver**") by the SIC of the obligation imposed upon the Vendor and its concert parties to make a general offer of all the Shares of the Company and from having to comply with Rule 14 of the Singapore Code

on Takeovers and Mergers, and the grant of the Whitewash Waiver remaining in full force and effect on and before completion of the Proposed Acquisition;

4.4.6. the receipt of the SGX-ST's approval for matters disclosed in the pre-consultation letter, and where conditions are imposed by the SGX-ST in respect of the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Whitewash Resolutions (the "**Proposed Transactions**"), such conditions being reasonably acceptable to the Company and the Vendor;

4.4.7. the receipt and non-withdrawal of the listing and quotation notice from the SGX-ST for, among others, the Proposed Transactions, on terms reasonably acceptable to the Company and the Vendor.

4.5. Completion

4.5.1. Subject to signing of legal documents and all conditions precedent having been met, completion of the Proposed Acquisition shall take place within five (5) business days on which commercial banks are open for business in Singapore ("**Business Days**") of the satisfaction of the last condition precedent.

4.5.2. The long-stop date for completion of the Proposed Acquisition shall be one (1) year from the date of the Definitive Agreements.

4.5.3. In the event that any condition imposed by the SIC or the SGX-ST in respect of the Proposed Acquisition is not reasonably acceptable to the Vendor, the Vendor shall be entitled, at its sole discretion and without any penalty or liability, to either (a) renegotiate the terms of the Proposed Acquisition; or (b) terminate the Term Sheet and/or the Definitive Agreements. Any fees or costs incurred in complying with such regulatory conditions shall, unless otherwise agreed in writing by the Parties, be borne solely by the Company.

4.6. Post-Completion

The Parties have agreed that the Vendor shall be entitled to place out such number of Consideration Shares for the sole purpose of complying with 15% public float requirement under the listing rules of SGX-ST. The Company shall procure and obtain from SGX-ST a waiver of the moratorium requirements in respect of the placement of the said Shares on terms reasonably acceptable to the Vendor, including an exemption from the Vendor's participation in any lock-up or holding restrictions.

4.7. Exclusivity Period

The Parties have agreed to an exclusivity period of one year commencing from the date of the Term Sheet (the "**Exclusivity Period**") pursuant to which each Party shall not solicit any third parties (in the case of the Vendor) in connection with a possible acquisition of the Sale Shares or (in the case of the Company) the acquisition of another target, in each case whether in whole or in part, and, to the extent that any of the Vendor or the Company receives any unsolicited approach in connection therewith during the Exclusivity Period, it shall promptly notify the other Party of the same.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Company will announce the financial effects of the Proposed Acquisition in accordance with the Catalist Rules when it enters into the Definitive Agreements.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than in their capacity as Directors or Shareholders of the Company).

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Term Sheet will be made available for inspection at the registered address of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, during normal business hours for a period of three (3) months commencing from the date of this announcement.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in relation to the Proposed Acquisition and the Proposed Transactions pursuant to the requirements of the Catalist Rules as and when there are material developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully.

9. 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 Acquisition, the Proposed Transactions, the Company and its subsidiaries, 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.

10. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the Shares, as the Proposed Acquisition is subject to the execution of the Definitive Agreements, which shall contain certain conditions, and there is no certainty or assurance as at the date of this announcement that the Definitive Agreements will be executed and/or the Proposed Acquisition will be completed.

BY ORDER OF THE BOARD

Ong Eng Keong (Wang Rongkang)
Executive Director and Chief Executive Officer
AsiaPhos Limited

1 September 2025

This document has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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