

CIRCULAR DATED 5 MAY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section titled "DEFINITIONS" of this Circular.

If you have sold or transferred all your Shares, you should immediately forward this Circular together with the Notice of EGM and the attached Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and reviewed by the Sponsor, Novus Corporate Finance Pte. Ltd., in compliance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

This Circular has been made available on SGXNET and the Company's website and may be accessed at <http://oneapex.wixsite.com/home/investor-relations>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via "live" webcast or listening to the proceedings of the EGM via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to paragraph 6 of this Circular and the Company's announcement dated 5 May 2020 entitled "Extraordinary General Meeting in relation to the Proposed Disposal of 90% of Chew's Food International Limited" which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at <http://oneapex.wixsite.com/home/investor-relations>.



ONEAPEX

ONEAPEX LIMITED

(Company Registration Number: 201020806C)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to:-

PROPOSED DISPOSAL OF 90% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF CHEW'S FOOD INTERNATIONAL LIMITED

IMPORTANT DATES AND TIMES:

| | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 2 June 2020 at 11 a.m. |
| Date and time of Extraordinary General Meeting | : | 5 June 2020 at 11 a.m. |
| Place of Extraordinary General Meeting | : | The Extraordinary General Meeting will be held by way of electronic means |

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

| | | |
|--|---|--|
| “Board” or “Directors” | : | The directors of the Company as at the date of this Circular |
| “Catalist Rules” | : | SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time |
| “CFIL” | : | Chew's Food International Limited |
| “Circular” | : | This circular to Shareholders dated 5 May 2020 |
| “Companies Act” | : | The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time |
| “Company” | : | OneApex Limited |
| “Completion” | : | Completion of the Proposed Disposal |
| “Conditions Precedent” | : | Has the meaning ascribed to it in Section 2.5 of this Circular |
| “Consideration” | : | The aggregate consideration for the Sale Shares of S\$350,000 |
| “EGM” or “Extraordinary General Meeting” | : | The extraordinary general meeting of the Company to be held by way of electronic means at 11 a.m. on 5 June 2020, notice of which is set out on pages 14 and 15 of this Circular |
| “Financial Investments Services Business” | : | The Group's financial investments services business, which includes the fund management business, wealth management and family office advisory services, as more particularly described in the January 2019 Circular |
| “FY2019” | : | Financial year ended 30 September 2019 |
| “FY2019 Results” | : | The Group's audited consolidated financial statements for the financial year ended 30 September 2019 |
| “Group” | : | The Company and its subsidiaries |
| “HKD” | : | Hong Kong dollars, the lawful currency of Hong Kong |
| “HY2019 Results” | : | The Group's unaudited consolidated financial statements for the half year ended 31 March 2019 |
| “January 2019 Circular” | : | The circular to Shareholders dated 9 January 2019 in relation to, <i>inter alia</i> , the proposed diversification of the business of the Group to include the Property Business and the Financial Investments Services Business |
| “Latest Practicable Date” | : | 5 May 2020, being the latest practicable date prior to the release of this Circular |

| | | |
|-----------------------------------|---|--|
| “LPS” | : | Loss per Share |
| “Net Proceeds” | : | Has the meaning ascribed to it in Section 2.3 of this Circular |
| “NTA” | : | Net tangible assets |
| “Notice of EGM” | : | Notice of the EGM dated 5 May 2020 |
| “Property Business” | : | The Group’s property business, which includes the property investment business, property management business and property development business, as more particularly described in the January 2019 Circular |
| “Proposed Diversification” | : | The proposed diversification of the Group’s business to include the Property Business and the Financial Investments Services Business, as more particularly described in the January 2019 Circular |
| “Proposed Disposal” | : | The proposed disposal of CFIL, on the terms and subject to the conditions of the SPA |
| “Proxy Form” | : | The proxy form in respect of the EGM as set out in this Circular |
| “Purchaser” | : | Mr. Chew Eng Hoe |
| “Sale Shares” | : | 90% of the entire issued and paid-up share capital of CFIL |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is the Depository, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “SPA” | : | The conditional sale and purchase agreement dated 22 April 2020 entered into between the Purchaser and the Company |
| “Sponsor” | : | Novus Corporate Finance Pte. Ltd. |
| “S\$” and “cents” | : | Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore |
| “Summary Valuation Report” | : | The summary report dated 5 May 2020 in respect of the Valuation Report, a copy of which is set out in Appendix A of this Circular |
| “Valuation Report” | : | The valuation report dated 5 May 2020 issued by Cushman & Wakefield VHS Pte Ltd in respect of the market value of the Sale Shares as at 31 December 2019 |

“%” : per centum or percentage

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 76H of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular, shall have the same meaning assigned to it under the Companies Act, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

ONEAPEX LIMITED
(Company Registration Number: 201020806C)
(Incorporated in the Republic of Singapore)

Directors

Mr. Zachary Tan Lian Chye (Non-Executive Non-Independent Chairman)
Mr. Tan Pei Hong, Alex (Chen Peifeng) (Executive Director and Chief Executive Officer)
Mr. Chiu Joon Sun (Zhao Junsheng) (Executive Director)
Mr. Chee Teck Kwong Patrick (Lead Independent Director)
Mr. Wan Tai Foong (Independent Director)
Mr. Low Chin Parn Eric (Independent Director)

Registered Office

80 Raffles Place, #25-01
UOB Plaza, Singapore
048624

5 May 2020

To: The Shareholders of OneApex Limited

Dear Sir / Madam

PROPOSED DISPOSAL OF 90% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF CHEW'S FOOD INTERNATIONAL LIMITED

1. INTRODUCTION

On 22 April 2020, the Company announced that it had entered into the SPA with the Purchaser, pursuant to which the Company agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Company, the Sale Shares, on the terms and subject to the conditions of the SPA ("**Announcement**").

The purpose of this Circular is to provide Shareholders with information relating to and explain the rationale for, and seek Shareholders' approval for the Proposed Disposal at the EGM to be convened. The Notice of EGM is set out on pages 14 and 15 of this Circular.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any other persons (other than the Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

2. PROPOSED DISPOSAL

2.1. Information on the Purchaser

The Purchaser is a Singaporean citizen and is currently a director of CFIL. Prior to the mandatory unconditional cash offer by Goldhill Trust Pte. Ltd. for all the issued ordinary shares in the capital of the Company ("**Offer**"), the Purchaser was a shareholder of the then-controlling shareholder of the Company, Fenghe Investment Holding Pte. Ltd. He has since ceased to be a Director and tendered his resignation as the managing director of the Company with effect from 20 November 2018 following the close of the Offer. At present, he has extended his employment contract with the Company up to 19 May 2020 and has been solely responsible for managing and overseeing the overall operations of CFIL.

The Purchaser is not related to any of the Directors and the controlling shareholders of the Company or any of their respective associates. As at the date of this Circular, the Purchaser does not own any shares in the Company, whether directly or indirectly.

2.2. Information on CFIL

CFIL is a trading company incorporated in Hong Kong on 6 May 2010 and a 90% subsidiary of the Company. The core business of CFIL is the trading of generic and designer eggs and other food products in Hong Kong ("**Egg Trading Business**").

2.3. Financial information relating to CFIL

Based on the FY2019 Results, (i) each of the book value and NTA of CFIL amounted to approximately S\$684,000; and (ii) the net profit attributable to CFIL amounted to approximately S\$197,000.

The estimated net proceeds from the Proposed Disposal (after deducting estimated expenses to be incurred in connection therewith of approximately S\$20,000) is approximately S\$330,000 ("**Net Proceeds**"). The Net Proceeds represent a deficit of S\$354,000 vis-à-vis the book value of CFIL. Accordingly, the Proposed Disposal will result in a loss on disposal of approximately S\$354,000.

2.4. Rationale for the Proposed Disposal

On 31 January 2019, the Company had sought and received approval from the Shareholders ("**Shareholder Approval**") for, *inter alia*, the proposed adoption of a general mandate pursuant to Chapter 9 of the Catalist Rules and the Proposed Diversification.

On 10 May 2019, the Company had announced in its HY2019 Results that, among others, the Group was looking to dispose of the Egg Trading Business under CFIL in line with its long-term strategy of focusing on the Property Business and the Financial Investments Services Business. Since then, the Company had sought and managed to successfully negotiate the Proposed Disposal with the Purchaser.

Following the Shareholder Approval, the Board believes that the Proposed Disposal is in the best interest of the Group as:

- (a) the current management of the Company and the Board do not have the relevant experience nor expertise, and does not intend to continue running the Egg Trading Business. The Purchaser has been solely responsible for managing and overseeing the Egg Trading Business since the close of the Offer;
- (b) the Company had previously approached several prospective parties (including the Purchaser) with regards to the proposed divestment of its shareholding in CFIL. However, given that the activities of the Egg Trading Business are specialised and limited to a specific geographical market, the Company was unable to proceed with any meaningful or serious discussions with the other parties either due to a lack of interest or comparatively unattractive proposals. Accordingly, the Board decided to proceed with the Proposed Disposal with the Purchaser after considering all other alternative proposals or divestment options available to the Company in relation to its shareholding interest in CFIL;
- (c) the Proposed Disposal will enable the Group to unlock the value of the assets in CFIL, to streamline and focus the utilisation of its resources (including the proceeds from the Proposed Disposal) into its Property Business and Financial Investments Services Business; and
- (d) as at the date of the Announcement, save for the offer from the Purchaser, the Board has not received any other firm or formal offer for its shareholding interest in CFIL, which is comparable in nature, size and scope to the Proposed Disposal. Accordingly, the Board

decided to proceed with the Proposed Disposal with the Purchaser after considering all other alternative proposals or divestment options available to the Company in relation to its shareholding interest in CFIL.

2.5. Principal Terms of the Proposed Disposal

(a) Sale Shares

Subject to the terms and conditions of the SPA, the Sale Shares shall, at Completion 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).

(b) Consideration

Pursuant to the SPA, the aggregate consideration for the Sale Shares is S\$350,000 ("**Consideration**"), to be satisfied fully in cash. The Consideration was arrived at after arms' length negotiations between the Company and the Purchaser, on a 'willing-buyer willing-seller' basis, and after taking into account, *inter alia*, the following:

- (a) the Valuation Report;
- (b) the Company's limited success in disposing of CFIL, details of which are set out in Section 2.4 of this Circular; and
- (c) the rationale for and benefits to the Group arising from the Proposed Disposal, details of which are set out in Section 2.4 of this Circular.

The Company had, on 28 May 2019 commissioned Cushman & Wakefield VHS Pte Ltd to conduct an independent valuation to determine the market value of the Sale Shares. Based on the Valuation Report, the market value of the Sale Shares is between HKD3.5 million to HKD4.5 million (or equivalent to approximately S\$639,000 to S\$823,000, based on an exchange rate of HKD5.473 to S\$1.00 as extracted from the Business Times, 5 May 2020). The valuation was based on the income approach, with reference made to the market approach and cost approach. A copy of the Summary Valuation Report is set out in Appendix A of this Circular.

The Consideration shall be payable by the Purchaser to the Company on the date of Completion.

(c) Conditions Precedent

Completion of the Proposed Disposal is subject to and conditional upon, *inter alia*, the fulfilment (or such waiver agreed by both the Purchaser and the Company in writing) of the following conditions ("**Conditions Precedent**"):

- (i) the warranties provided by the Purchaser and the Company (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;
- (ii) at the Purchaser's cost and expense, the assignment of the trademark (registration number 9443494) registered with the People's Republic of China to CFIL;
- (iii) the approval of the Proposed Disposal by the Shareholders at a general meeting of the Company to be convened; and

- (iv) all necessary approvals, consents and waivers from third parties, governmental or regulatory body or relevant competent authority, including but not limited to the Sponsor and/or 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 the Company and the Purchaser, and if such conditions are to be fulfilled before Completion, such conditions being fulfilled before Completion.

(d) Completion

Subject to the terms and conditions of the SPA, Completion shall take place within five (5) business days from fulfilment and/or written waiver (such written waiver in respect of the Conditions Precedent to be fulfilled by the Purchaser, if any, only to be provided after consultation with the Sponsor) of all the Conditions Precedent or such other date as the Company and the Purchaser may mutually agree in writing.

2.6. 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.

2.7. Use of proceeds

The Company intends to utilise the Net Proceeds for its general working capital requirements.

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

2.8. 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 FY2019 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 | 5.20% ⁽¹⁾ |
| (b) | The net profits/(losses) attributable to the assets acquired or disposed of, compared with the Group's net profits/(losses) ⁽²⁾ | -14.54% |
| (c) | The aggregate value of the consideration given or received, compared with the Company's market capitalisation | 2.18% ⁽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 |
| (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 |

Notes:

- (1) Computed based on (i) the net asset value of the assets to be disposed of, that is, of CFIL which amounted to approximately S\$684,000; and (ii) the net asset value of the Group which amounted to approximately S\$13,155,000, as at 30 September 2019.
- (2) Net profits/(losses) is defined to be profit or loss before income tax, excluding non-controlling interests and extraordinary items. The net profit before income tax attributable to the Sale Shares based on 90% of CFIL's financial results for FY2019 is S\$197,000. The Group's net loss before tax based on the FY2019 Results is S\$1,355,000.
- (3) Computed based on (i) the Consideration of S\$350,000; and (ii) the Company's market capitalisation of approximately S\$16,054,620. 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\$0.19 on 21 April 2020 (being the last market day on which the Shares were traded prior to the date of signing of the SPA).

Notwithstanding that none of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 50%, the Proposed Disposal is deemed to constitute a "Major Transaction" under Chapter 10 and Practice Note 10A of the Catalist Rules on the basis that this would result in a material change to the nature of the Group's business given that CFIL is the main contributor to the Group's revenue and the only profitable subsidiary of the Company, hence Shareholders should have an opportunity to consider and vote on the future direction of the Group's business in respect of the Proposed Disposal. Accordingly, the Proposed Disposal is subject to the approval of Shareholders at the EGM.

2.9. Financial effects of the Proposed Disposal

(a) 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 FY2019 Results, and on the following bases and assumptions:

- (i) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal was completed on 30 September 2019;
- (ii) the financial effect on the consolidated LPS is computed based on the assumption that the Proposed Disposal was completed on 1 October 2018; and
- (iii) the expenses to be incurred in connection with the Proposed Disposal are estimated to be approximately S\$20,000.

(b) NTA per Share

| | Before the Proposed Disposal | After the Proposed Disposal |
|-----------------------|------------------------------|-----------------------------|
| NTA (S\$'000) | 13,155 | 12,801 |
| Number of Shares | 84,498,000 | 84,498,000 |
| NTA per share (cents) | 15.57 | 15.15 |

(c) LPS

| | Before the Proposed Disposal | After the Proposed Disposal |
|---|------------------------------|-----------------------------|
| Loss attributable to Shareholders (S\$'000) | 1,393 | 1,747 |

| | | |
|---|------------|------------|
| Weighted average number of Shares (excluding treasury shares) | 84,498,000 | 84,498,000 |
| LPS (cents) | 1.65 | 2.07 |

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and substantial shareholders of the Company, as recorded in the register of Directors' shareholdings and the register of the substantial shareholders kept by the Company, are as follows:

| | Number of Shares | | Total ⁽¹⁾ (%) |
|--|------------------|-----------------|--------------------------|
| | Direct Interest | Deemed Interest | |
| Directors | | | |
| Tan Pei Hong, Alex (Chen Peifeng) ⁽²⁾ | - | 62,466,590 | 73.93 |
| Zachary Tan Lian Chye | - | - | - |
| Chiu Joon Sun (Zhao Junsheng) | - | - | - |
| Chee Teck Kwong Patrick | - | - | - |
| Low Chin Parn Eric | - | - | - |
| Wan Tai Foong | - | - | - |
| Substantial shareholders (other than Directors) | | | |
| Goldhill Trust Pte. Ltd. | 62,466,590 | - | 73.93 |
| Tan Theng Hong, Amos ⁽³⁾ | - | 62,466,590 | 73.93 |
| Ang De Yu | 4,746,084 | - | 5.62 |

Notes:

- (1) Based on 84,498,000 Shares as at the Latest Practicable Date.
- (2) Mr. Tan Pei Hong, Alex (Chen Peifeng) is deemed interested in the Shares held by Goldhill Trust Pte. Ltd. ("GTPL") through his 50% interest in the issued share capital of GTPL.
- (3) Mr. Tan Theng Hong, Amos is deemed interested in the Shares held by GTPL through his 50% interest in the issued share capital of GTPL.

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

4. DIRECTORS' RECOMMENDATION

The Directors, having considered, *inter alia*, the rationale for the Proposed Disposal as set out in Section 2.4 of this Circular, are of the opinion that the Proposed Disposal is in the interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Disposal to be proposed at the EGM.

5. EXTRAORDINARY GENERAL MEETING

The Notice of EGM, which is set out on pages 14 and 15 of this Circular, will be held by way of electronic means on 5 June 2020 at 11 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolution as set out in the Notice of EGM.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

6.1. No Attendance at EGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.

6.2. Alternative Arrangements

Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via “live” webcast or listening to the proceedings of the EGM via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Shareholders should refer to the Company's announcement dated 5 May 2020 entitled “Extraordinary General Meeting in relation to the Proposed Disposal of 90% of Chew's Food International Limited” which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at <http://oneapex.wixsite.com/home/investor-relations>.

7. CONSENTS

Cushman & Wakefield VHS Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Report in Appendix A of this Circular and all references thereto in the form and context in which it appears in this Circular.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular 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 Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza, Singapore 048624, during normal business hours from the date of this Circular up to and including 22 July 2020:

- (a) the SPA;
- (b) the Constitution of the Company;
- (c) the annual report of the Company for FY2019;
- (d) the letter of consent from Cushman & Wakefield VHS Pte Ltd.;
- (e) the Summary Valuation Report; and
- (f) the Valuation Report.

Yours faithfully

For and on behalf of the Board of
ONEAPEX LIMITED

Tan Pei Hong, Alex (Chen Peifeng)
Executive Director and Chief Executive Officer
5 May 2020

ONEAPEX LIMITED
(Company Registration Number: 201020806C)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of **ONEAPEX LIMITED** (the “Company”) will be held by way of electronic means on 5 June 2020 at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications.

All capitalised terms used in this notice which are not defined herein shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 5 May 2020 (the “Circular”).

This notice has been made available on SGXNET and the Company's website and may be accessed at <http://oneapex.wixsite.com/home/investor-relations>. A printed copy of this notice will NOT be despatched to members.

ORDINARY RESOLUTION: PROPOSED DISPOSAL OF 90% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF CHEW'S FOOD INTERNATIONAL LIMITED

RESOLVED THAT:

- (a) approval be and is hereby given for the Proposed Disposal; and
- (b) the Directors and any one of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as they or he may consider expedient, desirable, necessary or in the interests of the Company to give effect to the Proposed Disposal and/or this Ordinary Resolution.

By Order of the Board

Tan Pei Hong, Alex (Chen Peifeng)
Executive Director and Chief Executive Officer
5 May 2020

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 5 May 2020 entitled “Extraordinary General Meeting in relation to the Proposed Disposal of 90% of Chew's Food International Limited” which has been uploaded together with this Notice of EGM on SGXNET on the same day. This announcement may also be accessed at <http://oneapex.wixsite.com/home/investor-relations>.

In particular, the EGM will be held by way of electronic means and a member will be able to watch the proceedings of the EGM via “live” webcast on his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, a member who wishes to watch the “live” webcast or listen to the “live” audio feed must pre-register no later than 11 a.m. on 2 June 2020, at https://live.motionmediaworks.com/oneapex_reg_form. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 4 June 2020. Shareholders who do not receive an email by 12 p.m. (noon) on 4 June 2020, but who have registered by the 2 June 2020 deadline, should contact the Company at the following email address: contactus@oneapex.com.sg.

A member who pre-registers to watch the “live” webcast or listen to the “live” audio feed may also submit to the Chairman of the EGM questions related to the resolution to be tabled for approval at the EGM. To do so, all questions must be submitted no later than 11 a.m. on 2 June 2020:

- (a) in hard copy by sending personally or by post and lodging the same at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex EGM; or
- (b) by email to the Company at contactus@oneapex.com.sg.

When sending your questions via email or by post, please also provide us with the following details:

- (c) your full name;
- (d) your address;
- (e) number of Shares held; and
- (f) the manner in which you hold the Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will address substantial and relevant questions relating to the resolution to be tabled for approval at the EGM as received from Shareholders at the EGM or before the EGM via SGXNET and/or the Company's website at <http://oneapex.wixsite.com/home/investor-relations>.

Please note that Shareholders will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid. For CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company, the Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies and to submit their voting instructions no later than 5 p.m. on 26 May 2020 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by 11 a.m. on 2 June 2020.
3. The Chairman of the EGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) if sent personally or by post, be lodged at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex EGM; or
 - (b) if submitted by email, be received by the Company at contactus@oneapex.com.

in either case, by no later than 11 a.m. on 2 June 2020, and in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an officer or duly authorised attorney.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy).
7. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 11 a.m. on 2 June 2020, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.



ONEAPEX LIMITED

(Company Registration Number: 201020806C)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

This Proxy Form has been made available on SGXNET and the Company's website and may be accessed at <http://oneapex.wixsite.com/home/investor-relations>. A printed copy of this Proxy Form will NOT be despatched to members.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting ("EGM") are set out in the Company's announcement dated 5 May 2020 entitled "Extraordinary General Meeting in relation to the Proposed Disposal of 90% of Chew's Food International Limited" which has been uploaded together with the Notice of EGM dated 5 May 2020 on SGXNET on the same day. This announcement may also be accessed at <http://oneapex.wixsite.com/home/investor-relations>.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in OneApex Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies and to submit their voting instructions no later than 5 p.m. on 26 May 2020 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by 11 a.m. on 2 June 2020.
4. By submitting an instrument appointing the Chairman of the EGM as proxy, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 5 May 2020.

I/We _____ (Name) _____ (NRIC/Passport/ Co. Reg. No.)
of _____ (Address)
being *a member/members of **ONEAPEX LIMITED** (the "**Company**") hereby appoint:

The Chairman of the EGM

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the EGM to be held at by way of electronic means on 5 June 2020 at 11 a.m., and at any adjournment thereof.

*I/We direct the Chairman of the EGM to vote for or against the resolution proposed at the EGM as indicated hereunder.

| No. | Resolution | No. of votes For** | No. of votes Against** |
|-----|----------------------------------|--------------------|------------------------|
| 1 | To approve the Proposed Disposal | | |

* Delete where inapplicable

** If you wish to exercise all your votes "For" or "Against" the resolution, please tick (✓) in the relevant box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific direction as to voting, or abstention from voting, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.

Dated this _____ day of _____ 2020.

| Total no. of shares in | No. of shares |
|-------------------------|---------------|
| (a) Depository Register | |
| (b) Register of Members | |

Signature(s) of Member(s) or Common Seal
of Corporate Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the Shares held by you.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. The Chairman of the EGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the EGM as proxy must:
 - (a) if sent personally or by post, be lodged at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex EGM; or
 - (b) if submitted by email, be received by the Company at contactus@oneapex.com,in either case, by no later than 11 a.m. on 2 June 2020, and in default the instrument of proxy shall not be treated as valid.
5. Where an instrument appointing the Chairman of the EGM as proxy is sent personally or by post, it must be under the hand of the appointor or his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing the Chairman of the EGM is submitted by email, it must be authorised in the following manner:

 - (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the EGM as proxy is signed, or as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the EGM as proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy).
7. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 11 a.m. on 2 June 2020 as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 5 May 2020.

Strictly Confidential – For Addressee Only



Valuation of 90% equity interest in the capital of
Target (as defined herein)

Prepared for
OneApex Limited
Report Date
5 May 2020

Ref: 19/RY-IC-AN/BV0059-2

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



Executive Summary

Valuation of 90% equity interest in the capital of Target (as defined herein)

| | |
|----------------------------|--|
| Date of Valuation: | 31 December 2019 |
| Purpose: | Public disclosure purpose |
| Basis of valuation: | Market Value |
| Situation: | <p>OneApex Limited ("OAL" or "Company") was incorporated in Singapore on 30 September 2010 under the name of Chew's Group Private Limited and changed its name to Chew's Group Limited on 25 January 2011. Prior to 20 April 2018, the Company and its subsidiaries (the "Group") specialised in the production of a range of healthy and nutritious, generic and designer eggs through its main operating subsidiary in Singapore, Chew's Agriculture Pte Ltd ("CAPL"). On 20 April 2018, the Company disposed the subsidiary and ceased its farming activities. On 8 October 2018, Goldhill Trust Pte Ltd acquired a major stake and became the controlling shareholder of the Company.</p> <p>Subsequently, on 31 January 2019, the Company's name was changed to OneApex Limited and the Company's business was diversified to property investment, property management, property development and financial investments services. We understand that the board of the Company has deliberated and decided to dispose its 90% equity interest in Chew's Food International Limited ("CFIL" or "Target") ("Proposed Disposal"). The Target is principally engaged in the business of trading of eggs and other food products and the Company holds 90% equity interest in the capital of the Target.</p> <p>As a result of the Proposed Disposal, the Company would like to perform a valuation of 90% equity interest in the capital of Target as at 31 December 2019 ("Valuation Date").</p> |
| Subject matter: | 90% equity interest in the capital of Target |

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



Valuation of 90% equity interest in the capital of Target (as defined herein)

Other Details:

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The market that the Target is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

As such, we recommend that the user(s) of this report review this valuation periodically.

Having regard to the foregoing, we are of the opinion that the Market Value of the 90% equity interest in the capital of the Target as at Valuation Date, subject to the assumption stated herein, is in the region of: -

HKD3.5 million to HKD4.5 million

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



A Valuation Report

To: OneApex Limited
Asset: 90% equity interest in the capital of Target
Report Date: 5 May 2020
Valuation Date: 31 December 2019

1. Introduction and Instructions

Appointment

In accordance with your instructions, we have determined the Market Value of 90% equity interest in the capital of the Target. We are pleased to submit our summarised valuation report ("Report"), which has been prepared for public disclosure purpose to seek shareholders' approval pursuant to Proposed Disposal and should be read in conjunction with the full valuation report dated 5 May 2020 ("Full Report").

2. Terms of reference

Cushman & Wakefield VHS Pte Ltd ("C&W") has been appointed to undertake an independent valuation of 90% equity interest in the capital of Target. We were neither a party to the negotiations entered into by the Company and its subsidiaries (the "Group") in relation to the Proposed Disposal nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group and/or Target (the "Management") to enter into the Proposed Disposal and we do not, by the Report or Full Report or otherwise, advise or form any judgement on the merits of the Proposed Disposal. We do not warrant the merits of the Proposed Disposal or the acceptability of the risk for the Proposed Disposal.

We have confined our evaluation strictly and solely on the financials of the Target and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Disposal or the strategic merits or the comparison with other deals involving shares of Company and/or Target. We were not required to comment on or evaluate the methods or procedures used by Target to manage the change in any risk profile of the Company and/or Target in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Report or the Full Report.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Disposal. In addition, we do not express any views or opinion on the merits of the Proposed Disposal, the legality of the or any other and all other matters pertaining to the Proposed Disposal, documents for the Proposed Disposal (the Notice of Meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management, regarding their assessment of the Proposed Disposal and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group and/or Target may be subject to for the Proposed Disposal.

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of Target. Our opinion in this Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance after the Valuation Date or developments both macro and company specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target. Likewise, this Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of Company and/or Target (the "Shareholder"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group and/or Target, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Report and provided by Company, Group and/or Target which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Report and the Full Report in its entirety.

Accordingly, our Report, Full Report or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Management, subject to the terms of reference and the contents of the Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Full Report or Report or opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Report or the Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Full Report or the Report.

3. Bases of Valuation

The valuation and report have been prepared in accordance with International Valuation Standards.

Bases

The subject matter has been valued on the basis of Market Value as at the Valuation Date which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



4. Assumptions and Reservations

Assumptions

In preparing our assessment, we have made the following key assumptions in our valuation and these apply throughout unless otherwise stated:

- The financial information provided accurately reflects the Target's financial and operating position and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis.
- The Management has provided us the financial projections from financial period from 1 January 2020 to 30 September 2020 ("FPSept2020") to financial year ended 30 September ("FY") 2022. The Management also concurred with the financial projections of Target from FY2023 to FY2027. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.
- The Target shall continue to operate as a going concern and it has sufficient liquidity to achieve the financial forecasts and projections.
- There will not be any material changes in the political and/or economic conditions under which the Target operate that may adversely affect the future prospects of the Target.
- There are no other liabilities, including any contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target.
- The current owners of the Target have clear and unencumbered title of ownership over all assets included in this assessment.
- There are no material changes in existing political, legal or regulatory (including changes in legislation, laws, regulations, government policies or rules), fiscal, market or economic conditions in the Target's countries of operations.
- There will be no material change in inflation, interest rates or exchange rates from those prevailing as at the Valuation Date.
- There will be no material changes in the bases or rates of taxation or duties.
- The Target's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



It should be noted that the valuation of the Target is critical upon the following key value drivers:

- The Target continues to operate as a going concern and is able to meet all its financial obligations.
- The Target's sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- The Target has sufficient operational resources to support the projected turnover and profitability.
- The Target continues to maintain costs in accordance with the forecast.

Any deviation from the above key drivers and forecasts may significantly vary the valuation of the Target.

The valuation is largely based on information provided to us by the Management who is solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed any opinion on the Proposed Disposal. We have also not verified or confirmed information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to the comparable companies on international stock exchanges. We are not responsible as to their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

Reservations

The value conclusions reflect all information known by the valuers of C&W who worked on the valuation in respect to the Target, market conditions and available data.

5. General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a lessee, or another valuer. Historically, it has been considered that valuers may properly conclude within a range of possible values.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



Market Value of the subject matter can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change.

The market that the Target is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

As such, we recommend that the user(s) of this report review this valuation periodically.

We have no present or prospective interest in Target and are not a related corporation or nor do we have a relationship with the owner(s) or other party/parties whom the client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Group, Company, Target, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of assets. Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

6. Valuation Methodology

We have adopted Income Approach as our primary approach and both Market Approach and Cost Approach as cross check.

The rationale for adopting Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. Given that the business of the Target's operations had been established for several years, we considered the use of Income Approach as the primary approach to be appropriate.

Income Approach - Discounted Cash Flow Analysis

The Discounted Cash Flow ("DCF") method is one application of the income approach. We have used free cash flow to firm ("FCFF"), being the cash flows left over after covering capital expenditure and working capital needs, to assess overall enterprise value of the Target. FCFF is defined as follows:

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 90% equity interest in the capital of Target as at Valuation Date



$FCFF = EBIT (1 - \text{Tax rate}) + \text{Depreciation and Amortization} - \text{Capital Spending} - \text{Change in Working Capital}$

FCFF is a measure of enterprise value and the equity interest is subsequently derived by taking the enterprise value, subtracting existing debt and adding cash & cash equivalents which is discounted by the Weighted Average Cost of Capital ("WACC").

The assumptions used in the DCF analysis are set out in the following sections.

Financial projections

We were provided with financial projections from FPSept2020 to FY2022, which form the basis of the DCF analysis. We are of the opinion that the financial projections are in line with the accompanying assumptions provided by Management. As the expected earnings in FY2022 is unlikely to represent the normalized earnings of the Target, the financial projections were extended to FY2027.

The expected FCFF of the Target from FPSept2020 to FY2027 is shown as follows:-

| HKD000, unless otherwise specified | FPSept 2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Normalised |
|------------------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|
| Revenue | 21,783 | 33,237 | 34,234 | 35,261 | 36,319 | 37,408 | 38,531 | 39,687 | 39,687 |
| EBIT | (236) | 169 | 277 | 356 | 439 | 526 | 617 | 712 | 712 |
| Less: Tax expenses | (275) | (28) | (46) | (59) | (72) | (87) | (102) | (117) | (117) |
| Add: Depreciation and amortisation | 255 | 320 | 320 | 353 | 363 | 374 | 385 | 397 | 397 |
| Less: Capital expenditure | (807) | - | - | (353) | (363) | (374) | (385) | (397) | (397) |
| Less: Net working capital changes | 2,113 | (661) | (791) | (852) | (210) | (191) | (197) | (202) | (202) |
| FCFF | 1,050 | (200) | (240) | (555) | 156 | 248 | 318 | 392 | 392 |

Capital expenditure: Based on discussion with Management, the capital expenditure was expected to range from HKD353,000 to HKD807,000 p.a. throughout the projection period.

Net working capital changes: Based on discussion with Management, it is expected that the inventories, trade receivables as well as trade and other payables will increase in line with the projected increase in revenue, purchases, cost of sales and operating expenses (as the case may be). The underlying net working capital assumptions are set out as follows:-

- Inventories turnover days: 4 days;
- Trade receivables turnover days: 75 to 90 days; and
- Trade payables turnover days: 60 to 75 days.

APPENDIX A – SUMMARY VALUATION REPORT

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Terminal value

To estimate the terminal value of the Target at the end of the projection period in FY2027, we have used the Gordon Growth Model. This 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.

$$\text{Terminal value} = CF_{n+1} / (r - g)$$

| | | | |
|-------|------------|---|---|
| where | CF_{n+1} | = | expected cash flow one year from n -th year |
| | r | = | required rate of return, i.e. discount rate |
| | g | = | growth rate in perpetuity |

We have assumed that the earnings of the Target would reach a stable perpetual growth rate of 3.0% after FY2027 based on the expected long term global GDP growth rate.

Discount rate

Income Approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The present value of the cash flows from Target is the expected future net cash flows discounted by an appropriate discount rate. We have adopted WACC ranging from 8.5% to 10.5%.

Debt and excess cash & cash equivalent

In order to arrive at the equity value of the Target, debt was subtracted and excess cash and cash equivalent was added to the enterprise value.

As at the Valuation Date, the Target had no debt and approximately HKD1.3 million of excess cash & cash equivalents.

Adjustment for private company discount (marketability discount)

According to the International Glossary of Business Valuation Terms, marketability is defined as the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing interest in privately held companies. Based on historical empirical studies including but not limited to SEC Institutional Investor Study, Maher Study and Trout Study, we are of the opinion that an appropriate marketability discount for the purpose of this valuation is 20.0%.

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Market Value of 90% equity interest in the capital of Target

Based on DCF Method, the Market Value of 100% equity interest in the capital of Target as at the Valuation Date ranges from HKD3.8 million to HKD5.0 million. Accordingly, the Market Value of 90% equity interest in the capital of Target as at the Valuation Date ranges from HKD3.5 million to HKD4.5 million.

7. Valuation Result

Having regard to the foregoing, we are of the opinion that the Market Value of 90% equity interest in the capital of Target as at Valuation Date, subject to the assumption stated herein, is in the region of:-

HKD3.5 million to HKD4.5 million

8. Confidentiality

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

9. Disclosure and Publication

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any special assumptions or departures that we have made.

10. Limiting Conditions

This report is prepared subject to the Limiting Conditions in Appendix 1 of the Report.

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11. Valuer's Credential

The valuation is performed by Richard Yap who is a senior corporate advisory executive with more than 10 years of experience in M&A, valuation of business, financial instruments and intangible assets and has worked extensively throughout Asia Pacific. He has demonstrable success across Valuations, Advisory and Capital Markets. Currently based in Singapore, Richard leads the Business Valuation team for C&W throughout Singapore and South East Asia. Richard is a Chartered Financial Analyst (CFA), Chartered Accountant (CA Singapore) as well as Chartered Valuer and Appraiser (CVA).

Signed for and on behalf of C&W

A handwritten signature in black ink, appearing to be "Richard Yap", written over a light grey rectangular background.

Richard Yap

CFA, CA (Singapore), CVA

Director

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Appendix 1 Limiting Conditions

The valuation report is prepared subject to the following terms and conditions:-

- 1) The valuation report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the Valuation Date. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.
- 2) Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any plant and machinery in our valuation.

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- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition (where applicable).
- 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
- 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
- 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;
 - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 16) Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
- 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) SGD500,000.00, whichever is lower.

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- 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.
- These fees are exclusive of GST & expenses (including the cost of re-addressing the report) and are subject to a minimum fee of SGD1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
- 22) Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the

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criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).

- 27) The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 28)
- a) The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
 - b) We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
 - c) You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
 - d) We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
 - e) You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.

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- f) In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a Target of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.