



LASSETERS INTERNATIONAL HOLDINGS LIMITED

Company No: 200402223M

DISPOSAL OF SHARES IN A JOINT VENTURE

1. Introduction

Reference is made to the announcements released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 25 August 2016, 20 September 2016 and 24 September 2020 in relation to the joint venture between Lasseters International Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) via its subsidiaries, Lasseters Properties Sdn. Bhd. (“**LPSB**”) and Lasseters Management (M) Sdn. Bhd. (“**LMSB**”), and Paramount Corporation Berhad (“**PCB**”) to develop and/or acquire, own and operate a hotel in Glenmarie, Shah Alam, Malaysia.

The Board of Directors (the “**Board**”) of the Company wishes to update that LPSB and LMSB have on 1 November 2021 entered into a Shares Sale and Purchase Agreement (“**SSPA**”) with PCB for the sale by LPSB and LMSB of their entire shareholdings consisting of 550,000 ordinary shares and 6,941,000 redeemable non-convertible non-cumulative preference shares (the “**Sale Shares**”) in the joint venture entity, Super Ace Resources Sdn. Bhd. (“**SAR**”), to PCB as purchaser at an aggregate purchase consideration of RM4,854,180 (the “**Disposal**”). The Sale Shares represent 29% of the equity of SAR.

The principal activities of SAR are property investment and provision of hospitality related services and SAR owns a 229-keys 4-star Mercure hotel.

2. Information on the Purchaser

PCB is a company listed on the Main Market of Bursa Malaysia Securities Berhad and has well-established interests in property development and education services. PCB and its ultimate beneficial owners are not related to the Company, any Director, substantial shareholder, or their ultimate beneficiaries, other than through its interest in the joint venture.

3. Consideration

The aggregate consideration is RM4,854,180 in cash payable on completion (the “**Consideration**”). The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account the current market condition of the hospitality industry, the unaudited accounts of SAR as at 30 September 2021, and the net asset value attributable to the Sale Shares.

4. Conditions Precedent (“**CP**”)

The Disposal is conditional upon the fulfilment or waiver of the following CPs within one (1) month from the date of SSPA or such other date as may be mutually agreed upon by the parties (**Long Stop Date**):

- (a) The approval of any regulatory authority or stock exchange of the Company, if required;
- (b) The certified extract of the board of directors' resolution of PCB approving the purchase of the Sale Shares;
- (c) The approval of the existing financier of SAR and the release of the Company's security from the financier; and
- (d) Any required notification and/or counterparty approval required under the agreements or contracts entered into by SAR, including the hotel operator engaged by SAR, where applicable.

5. Completion

The date of completion for the Disposal is five (5) business days from the fulfilment or waiver of the last CP (or such other extended date as may be mutually agreed upon by the parties). If any of the CPs are not fulfilled or waived by the Long Stop Date, the SSPA shall cease and determine. Upon completion, the joint venture agreement between the parties will be terminated.

6. Relative figures of the Disposal under Chapter 10 of the Catalist Rules

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are as follows:

Rule 1006	Bases	The Disposal A\$'000	Group A\$'000	Relative figures
(a)	Net asset value ⁽¹⁾ of the assets disposed compared with the Group's net asset value	2,170	30,463	7.1%
(b)	Net profits ⁽²⁾ attributable to the assets disposed compared with the Group's net profits	(87)	7,055	-1.2%
(c)	The aggregate value of the Consideration ⁽³⁾ received, compared with the Group's market capitalisation ⁽⁴⁾	1,557	30,496	5.1%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable	Not applicable	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable	Not applicable	Not applicable

Notes:

- (1) Net asset value means total assets less total liabilities determined by reference to the latest announced consolidated financial statements of the Group for the financial year ended 30 June 2021.
- (2) Net profits means the profits including discontinued operations before income tax and non-controlling interests determined by reference to the latest announced consolidated financial statements of the Group for the financial year ended 30 June 2021.
- (3) The Consideration is converted at an exchange rate of RM1 : A\$0.3207¹.

¹ References to exchange rate of RM1 : A\$0.3207 in this announcement are extracted from www.oanda.com as at 31 October 2021.

- (4) The Company's market capitalisation is based on the Company's issued share capital less treasury shares of 483,170,542 shares and a volume weighted average share price of S\$0.0639 as at 20 October 2021, being the last traded market day immediately prior to the date of the SSPA, and converted at an exchange rate of A\$1 : S\$1.0124².

Catalist Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances.

Having considered paragraph 4.4(e) of Practice Note 10A of the Catalist Rules, none of the absolute relative figures of Catalist Rule 1006(a) and 1006(c) exceeds 50%. In addition, the net loss attributable to the Group in absolute figure does not exceed 10% of the consolidated net profit of the Group for the full year ended 30 June 2021. Hence, the Disposal is classified as a discloseable transaction under the Catalist Rules and is not subject to the approval of the shareholders.

7. Financial information

Based on the latest announced results for the year ended 30 June 2021, the book value and the net asset value of the Sale Shares was AUD2.2 million. The deficit of the Consideration over the book value of the Sale Shares is approximately AUD0.6 million.

The loss on disposal with reference to the book value and net asset value of the Sale Shares as at 30 June 2021 is approximately AUD0.6 million before any disposal expenses.

8. Proforma financial effects of the Disposal

Assumptions

The proforma financial effects of the Disposal on the net tangible assets ("NTA") per share of the Group and the earnings per share of the Group and the share capital of the Company as set out below are prepared purely for illustration only and do not reflect the actual future financial situation of the Group after the Disposal.

The proforma financial effects have been prepared based on (i) the audited financial statements of the Group for the financial year ended 30 June 2021 ("FY2021"), such financial year being the most recently completed financial year, and (ii) the unaudited financial statements of SAR for the same period ended on 30 June 2021.

NTA

Purely for illustrative purposes only and assuming that the Disposal had been completed on 30 June 2021, being the end of FY2021, the proforma financial effects of NTA per share of the Group as at 30 June 2021 before and after the Disposal is AUD6.30 cents and AUD6.18 cents respectively.

Earnings

Purely for illustrative purposes only and assuming that the Disposal had been completed on 1 July 2020, being the beginning of FY2021, the proforma financial effects of earnings

² References to exchange rate of A\$1 : S\$1.0124 in this announcement are extracted from www.oanda.com as at 31 October 2021.

per share of the Group for FY2021 before and after the Disposal is AUD1.38 cents and AUD1.40 cents respectively.

Share Capital

The Disposal will not have any impact on the issued and paid-up share capital of the Company.

9. Rationale and Benefits for the Disposal

The Board is of the view that the Disposal is in the best interests of the Group as it provides a good opportunity to the Group to monetise a long term asset and redeploy its resources in view of the COVID-19 pandemic and seek out opportunities that will enhance shareholders' value.

10. Intended Use of Proceeds

Based on the Consideration, the net proceeds from the Disposal is estimated to be RM2.4 million after deducting legal and professional fees, and redemption of redeemable non-convertible preference shares held by Focus Maxwell Sdn. Bhd., a shareholder of LPSB. Given that the Company's assets continue to consist wholly or substantially of cash or short-dated securities following completion of the proposed disposal on 20 October 2021, the Company will comply with Catalist Rule 1017(a) in relation to placement of 90% of the net proceeds from the Disposal into an escrow account to be opened by the Company. The Company intends to use the remaining 10% of the net proceeds for working capital.

Please refer to the circular issued to the shareholders of the Company dated 1 October 2021 and the announcements released by the Company on the SGXNET on 18 October 2021, 20 October 2021 and 22 October 2021 in connection with the Company's cash company status following completion of the proposed disposal of the freehold land and buildings, and improvements and the business and business assets of Ford Dynasty Pty Ltd and Lasseters Health Club Pty Ltd.

11. Directors and Substantial Shareholders' Interest

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors or the substantial shareholders of the Company has any interest, direct or indirect, in the Disposal.

12. Documents available for inspection

A copy of the SSPA is available for inspection by shareholders during normal business hours at the registered office of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 for a period of 3 months from the date of this announcement.

13. Cautionary Statement

Shareholders should note that the Disposal is subject to certain conditions (including the various CP), and there is no certainty or assurance as at the date of this announcement that the Disposal will be completed. Accordingly, shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

DATO' JAYA J B TAN
Non-Executive Chairman

1 November 2021

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Bernard Lui, Telephone number: 6389 3000 Email: Bernard.lui@morganlewis.com