

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF RICH GLORY INTERNATIONAL INVESTMENT LIMITED

1. INTRODUCTION

- 1.1** The Board of Directors (the “**Board**” or the “**Directors**”) of ayondo Ltd. (the “**Company**”) refers to the announcement made by the Company on 13 April 2020 (“**Previous Announcement**”) in relation to the entering into a non-binding term sheet for the proposed acquisition of the entire equity interest (“**Sale Shares**”) in Rich Glory International Investment Limited (“**Target**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”). *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Previous Announcement.*
- 1.2** The Board is pleased to announce that the Company has on 29 July 2020 entered into a conditional sale and purchase agreement (“**SPA**”) with Speed Success Group Limited (“**Vendor**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the Proposed Acquisition at the purchase price of an amount equivalent to 1.1 times of the net asset value of the Target based on the audited financial statements of the Target for the financial year ended 31 December 2019 (“**FY2019**”) (“**Purchase Price**”). Please refer to paragraphs 2.3 and 5 for more information on the value of the Sale Shares and the Purchase Price based on the unaudited net asset value of the Target for FY2019 respectively.
- 1.3** The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” of the Company as defined under Chapter 10 of Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is subject to, *inter alia*, the approval of shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened, and the approval of the SGX-ST.

2. INFORMATION ON TARGET AND THE VENDORS

2.1 Information on the Target

The information in this section relating to the Target and Vendor is based on information provided by and/or representations made by the Vendor. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

The Target is a private company limited by shares which was incorporated in Hong Kong in 1996 under the name of Rich Glory Enterprise Limited and subsequently changed its name to Rich Glory International Petroleum Limited. The Target is a licensed moneylender in Hong Kong and operates a collateralized money lending business specializing in residential mortgages, commercial mortgages and shareholders loans, and its customers are mainly business owners and entrepreneurs.

In 2010, in line with the expansion of its operations, the Target changed its name to its present name, Rich Glory International Investment Limited. The Target obtained the Hong Kong Money Lenders License in 2015.

As at the date of this announcement, the Target has an issued and paid-up share capital of HKD100 comprising 100 ordinary shares. Pursuant to Rule 1015(3)(a) of the Catalist Rules, an independent valuer (the “**Valuer**”) will be appointed to value the Target.

2.2 Information on the Vendor

The Vendor is a company incorporated in the British Virgin Islands. With reference to the Previous Announcement stating that the Vendor is wholly owned by Wang Pang, Paul, it has

been clarified that, the Vendor is wholly owned by a close family member of Wang Pang, Paul, whom together with Wang Pang, Paul are directors of the Vendor. The Vendor was introduced to the Company by Golden Nugget Jinzhuang Limited (“GN”), a controlling shareholder of the Company. The Vendor has no connection with GN. The Vendor is the legal owner of 100% equity interest in the Target and had, on 28 February 2019, granted a loan in the principal amount of S\$675,000 to the Company (“SS Loan”) for the Company’s working capital and to fund its business expansion through investments, acquisitions and joint ventures. The SS Loan bears interest at the rate of 15% per annum and its maturity date is 30 June 2021. As at March 2019, the SS Loan had been fully applied to meet the Company’s general working capital.

Save for the convertible note agreement dated 22 August 2019 entered between GN and the Company for the issue of convertible notes of up to S\$8,100,000 (“CN3”), and the SS Loan, there are no other existing business relationship or connection between the Company with GN and the Vendor. The Vendor does not hold any shares in the Company and is not related to the Company, its directors and substantial shareholders.

2.3 Value of the Sale Shares

Based on the unaudited financial statements of the Target for FY2019, the Target has a profit before tax of approximately HKD33.67 million (equivalent to approximately S\$5.86 million based on the average exchange rate of S\$1:HKD5.7432 for the year ended 31 December 2019). Based on the unaudited financial statements of the Target for FY2019, the net tangible asset value of the Target is approximately HKD331.48 million (equivalent to approximately S\$57.23 million based on the exchange rate of S\$1:HKD5.7923 as at 31 December 2019).

There is no open market value for the Sale Shares as they are not publicly traded. As mentioned, a Valuer will be appointed to value the Target.

2.4 Historical Financial Information of Target

Income Statement

	Unaudited FY2019	Audited FY2018	Audited FY2017
	HKD’000	HKD’000	HKD’000
Revenue	41,145	15,643	5,873
Profit/(loss) before tax	33,665	9,733	(4,014)
Net profit/(loss) after tax	28,110	8,482	(4,014)

Statement of Financial Position

	Unaudited As at 31 December 2019⁽¹⁾	Audited As at 31 December 2018	Audited As at 31 December 2017
	HKD’000	HKD’000	HKD’000
Current assets	430,146	230,317	135,873
Non-current assets	13,916	14,225	0
Current liabilities	9,713	241,168	140,981
Non-current liabilities	102,864	0	0
Shareholders equity	331,485	3,374	(5,108)

Notes:

- (1) On the assumption that the loan of approximately HKD300m provided by the Vendor to the Target is capitalised into shares of the Target (“Loan Capitalisation”).
- (2) All the above figures are subject to rounding.

3. PROFORMA FINANCIAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES (INCLUDING TARGET) (“ENLARGED GROUP”) UPON COMPLETION

The unaudited proforma financial information of the Enlarged Group for FY2019 is for illustrative purposes only and has been prepared based on a mere summation of the unaudited financial

statements of the Company for FY2019 and the unaudited financial statements of the Target for FY2019.

The proforma financial information below is presented in Singapore Dollars while the Target's reporting currency is in Hong Kong Dollars (HKD) and the financial statements of the Company for FY2019 were prepared in Swiss Francs (CHF). The exchange rate used for such conversion in the financial summary below is as follows:

	S\$ to CHF	S\$ to HKD
For purpose of Income Statement ⁽¹⁾	0.7283	5.7432
For purpose of Balance Sheet ⁽²⁾	0.7197	5.7923

Notes:

- (1) The exchange rates applied are the average rates for FY2019.
- (2) The exchange rates applied are the rates as at the end of FY2019.

Pursuant to Rule 1015(1)(a)(ii) of the Catalist Rules, a summary of the pro forma financial information of the Enlarged Group for FY2019 is as follows:

Income Statement

	S\$'000
Revenue	7,164
Profit before tax	5,743
Net profit after tax	4,776

Statement of Financial Position

	S\$'000
Current assets	76,345
Non-current assets	2,402
Current liabilities	3,951
Non-current liabilities	17,758
Shareholders equity ⁽¹⁾	57,038

Note:

- (1) This excludes the share capital of approximately S\$1,914,372 comprising 273,481,721 shares issued on 22 July 2020 pursuant to the conversion of CN1 and CN2.
- (2) All the above figures are subject to rounding.

The Company intends to apply to the SGX-ST for a waiver from compliance with Catalist Rules 1015(1)(a)(ii) and 1015(4)(a) in respect of disclosure of proforma financial information of the Enlarged Group in the Circular (as defined below) on grounds that on completion of the Proposed Acquisition, the Company's business will comprise wholly the business carried out by the Target.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The trading of the Company's shares ("**Shares**") has been suspended since 1 February 2019 and at present, the Company does not have any ongoing business operations after having disposed of all its operating subsidiaries, including the liquidation of two subsidiaries. Please refer to the Company's announcements dated 6 June 2019, 14 August 2019, 22 August 2019, 16 January 2020 and 2 June 2020 for more information on the disposal and liquidation of the subsidiaries. To rebuild shareholder value, the Company has been seeking an appropriate business to be injected into the Group.

The Proposed Acquisition will allow the Company to engage in and build a new business being the collateralised lending business of the Target. Going forward, the Target intends to explore opportunities involving the use of technology to modernise the lending business and create fractional ownership of loans.

In addition, the Proposed Acquisition would have the potential to significantly increase the market capitalisation of the Company and hence widen the investor base for the Shares, thereby enabling the Company to attract more extensive analyst coverage, leading to overall increase in investor interest in, and trading of, the Shares. In view of foregoing, the Board believes that the Proposed Acquisition will enhance shareholders' value for the Company.

The Company has applied for a further extension of time for it to submit a proposal pursuant to Rule 1304 of the Catalist Rules to the SGX-ST with a view to resume trading of the Shares. As announced on 29 May 2020, the SGX-ST previously had no objection to granting an extension to 31 July 2020 for the Company to enter into a binding sale and purchase agreement for the Proposed Acquisition. This Proposed Acquisition is therefore in line with the Company's efforts to resume trading.

5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1 Sale and Purchase

Subject to the terms and conditions of the SPA, the Company shall purchase from the Vendor and the Vendor shall, as legal and beneficial owner, sell to the Company the Sale Shares free from all claims, liens, charges, pledges, mortgages, trusts, equities and other encumbrances, and with the benefit of all rights, benefits and entitlements now or hereafter attaching thereto, with effect from the date of completion of the Proposed Acquisition ("**Completion**"), including the right to receive all dividends and other distributions declared, paid or made thereon thereafter, at the Purchase Price.

5.2 Purchase Price

5.2.1 The Purchase Price will be an amount equivalent to 1.1 times of the net asset value of the Target based on (i) the audited financial statements of the Target for FY2019 and (ii) the exchange rate of HKD1: S\$0.180672 (which is equivalent to the average exchange rate published by the Monetary Authority of Singapore for the three (3) months' preceding the date of this announcement ("**Agreed Exchange Rate**"). The SPA further provides that if Completion is to occur after the audit of the Target for the financial year ended 31 December 2020 ("**FY2020**") is completed, the Vendor may, at its discretion, decide to use the audited net asset value of the Target for FY2020 to calculate the Purchase Price on the same basis as set out above. For illustration, based on 1.1 times of the unaudited net asset value of the Target for FY2019 of approximately HKD331.48 million and based on the Agreed Exchange Rate, the Purchase Price will be approximately S\$65.88 million. The Purchase Price was arrived at after arm's length negotiations between the Parties, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, business prospects, the rationale for and benefits to the Company arising from undertaking the Proposed Acquisition.

5.2.2 The Purchase Price shall be satisfied in full by the issue and allotment of such number of new ordinary shares in the capital of the Company (the "**Consideration Shares**") to the Vendor and such persons as directed by the Vendor on or around the Completion Date (as defined below). The Consideration Shares, when issued, shall rank *pari passu* with the then existing Shares, save for any dividends, rights, allotments or other distribution (if any) the record date of which falls on or before the date of issue of such Consideration Shares.

5.3 Issue Price and Number of Consideration Shares

Pursuant to the SPA, the issue price shall be S\$0.28 per Consideration Share (after adjusting for the Proposed Share Consolidation (as defined below)) (the "**Post-Share Consolidation Issue Price**"). The Post-Share Consolidation Issue Price of S\$0.28 is at a discount of approximately 39% of the adjusted volume weighted average price ("**VWAP**") of S\$0.459 ("**Adjusted VWAP**") (after adjusting for the Proposed Share Consolidation) based on the VWAP of S\$0.0459 for trades done on the Shares on the SGX-ST on 29 January 2019, being the full market day on which the Shares were last traded prior to the suspension of trading of the Shares on the SGX-ST on 1 February 2019. Based on the Post-Share Consolidation Issue Price and assuming the Purchase Price of S\$65,878,991, an aggregate of 235,282,111 Consideration Shares will be issued representing approximately 300% of the existing number of 78,326,729 Shares (after adjusting for the Proposed Share Consolidation) and approximately 75% of the enlarged number of 313,608,840 Shares (after adjusting for the Proposed Share Consolidation

and without taking into account the Conversion of CN3 and Conversion of MT Loan).

5.4 Independent Valuation

The Company will commission a valuation of the Target by a Valuer. If the valuation of the Target differs materially from the Purchase Price, the Parties shall negotiate in good faith on any adjustments to be made to the Purchase Price.

5.5 Conditions Precedent

Completion is conditional upon, *inter alia*, the following conditions precedent having been fulfilled (or waived in accordance with the SPA, to the extent legally permissible): -

- 5.5.1 the Company being satisfied with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) (the “**Due Diligence Investigations**”) to be carried out by the Company and/or its advisers over the Target’s business, affairs, operations, assets and liabilities, and financial condition;
- 5.5.2 The rectification, or the procurement of such rectification, to the satisfaction of the Company by the Target, of all issues or irregularities uncovered by the Company during the Due Diligence Investigations on the Target;
- 5.5.3 The completion of the Loan Capitalisation;
- 5.5.4 The completion of the Proposed Share Consolidation;
- 5.5.5 All consents, approvals and authorisation of bankers, financial institutions, landlord of leases, relevant third parties, government, statutory or regulatory authorities in Singapore and any other jurisdiction which a member of the Target has operations in which are necessary or desirable in connection with the transfer of the Sale Shares from the Vendor to the Company, and such other corporate action(s) as may be necessary having been obtained, and such consents, approvals and waivers not having been amended or revoked before the Completion Date, and if subject to conditions, on such conditions acceptable to the Company, prior to the Completion Date ;
- 5.5.6 The listing and quotation notice being received from the SGX-ST for the dealing in and quotation for the Consideration Shares, such approval not being revoked, rescinded or cancelled prior to Completion and, where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company as confirmed by the Parties;
- 5.5.7 The Company receiving the following approvals from its Shareholders at an EGM for:
 - (a) the Proposed Acquisition;
 - (b) the issuance of the Consideration Shares;
 - (c) the Whitewash Resolution (as defined below);
 - (d) any change of name of the Company;
 - (e) the compliance placement (where applicable) to be undertaken by the Company to meet the relevant shareholding spread, distribution and public float requirements pursuant to the Catalist Rules upon terms to be mutually agreed between the Parties;
 - (f) the proposed new general share issue mandate;
 - (g) the Proposed Share Consolidation;
 - (h) any change in the composition of the Board; and

- (i) such other corporate action(s) in connection with the Proposed Acquisition, and the transactions contemplated therein as may be necessary;

5.5.8 The issue and allotment of the Consideration Shares to the Vendor or such persons nominated by the Vendor at the Issue Price not being prohibited by any statute, order, rule, regulation or directive promulgated or used after the date of the SPA by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;

5.5.9 The Securities Industry Council (the "**SIC**") having granted the Vendor and its concert parties (if applicable) (the "**SIC Approval**") (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory offer ("**Offer**") under Rule 14 of the Singapore Code on Take-overs and Mergers for Shares not already owned, controlled or agreed to be acquired by them following the Completion subject to (i) approval by way of a poll by a majority of the independent shareholders of the Company to waive their rights to receive the Offer from the Vendor and its concert parties ("**Whitewash Resolution**"); and (ii) any other conditions that SIC may impose, provided that such conditions being acceptable to the Vendor and its concert parties;

5.5.10 The approval of the Whitewash Resolution from the independent shareholders of the Company being obtained;

5.5.11 There being no delisting of the Shares from the Catalist prior to the date of Completion;

5.5.12 There being no material breach by any of the Vendors or the Company of the representations, warranties, covenants and indemnities given by them in the SPA and all representations, undertakings and warranties of the Parties under the SPA being complied with, true and accurate and not misleading in all material respects as at the date of Completion; and

5.5.13 There being no material adverse effect in the existing or prospective legal, financial, operational, business and tax positions of the Company and Target (as the case may be) occurring on or prior to the Completion Date.

5.6 Completion

Subject to the conditions precedent of the Proposed Acquisition being satisfied or waived (as the case may be), the Proposed Acquisition will be completed on the business day falling seven (7) market days after all the conditions precedent have been fulfilled (or waived), or such other date as Parties may agree in writing ("**Completion Date**").

5.7 Long Stop Date

Pursuant to the SPA, the Parties have agreed that the long stop date for the Proposed Acquisition (the "**Long Stop Date**") shall be 12 months from the date of the SPA or such other date as the Parties may mutually agree in writing.

If any of the conditions precedent for the Proposed Acquisition is not fulfilled or waived by the relevant Parties (subject to whether such condition precedent is capable of being waived by the relevant Party) by the Long Stop Date, the SPA shall cease and determine and (save for any antecedent breach) no Party shall have any claim against the other Party for costs, damages, compensation or anything whatsoever.

5.8 Moratorium

Pursuant to Rule 422 of Catalist Rules and the SPA, the Vendor shall if required undertake or will procure its relevant designated holders to inter-alia undertake, not to sell, realise, transfer or otherwise dispose of of (i) any part of its shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Consideration Shares on the Catalist of the SGX-ST; and (ii) more than fifty per cent. (50%) of its shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision) (the "**Moratorium**").

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Catalist Rule 1006	Base	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired, compared to the Company's net losses	(4943)% ⁽²⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation as at 29 January 2019, being the full market day on which the Shares were last traded prior to the suspension of trading of the Shares on the SGX-ST on 1 February 2019	183 ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	300% ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the groups' proved and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) Not applicable as the proposed acquisition related to a purchase of assets
- (2) Based on (i) the unaudited profit before tax of the Target for FY2019 of approximately HKD33.67 million (equivalent to approximately S\$5.86 million based on an exchange rate of S\$1: HKD5.7432) and (ii) unaudited losses before tax of the Company for FY2019 of CHF86,372 after adjusting for the impairment of assets, exchange differences and write off of intercompany balances (equivalent to S\$118,589 based on an exchange rate of S\$1: CHF0.7283).
- (3) Based on (i) the Purchase Price of S\$65.88 million assuming that the audited net asset value of the Target for FY2019 will be the same as the unaudited net asset value of approximately HKD331.48 million and based on the Agreed Exchange Rate, and (ii) market capitalisation of the Company of approximately S\$35.95 million based on the existing share capital of 783,267,291 Shares and the VWAP of S\$0.0459 for trades done on the Shares on the SGX-ST on 29 January 2019, being the full market day on which the Shares were last traded prior to the suspension of trading of the Shares on the SGX-ST on 1 February 2019.
- (4) Based on the number of 235,282,111 Consideration Shares to be issued and the Company's adjusted share capital of 78,326,729 Shares (after adjusting for the Proposed Share Consolidation).
- (5) The Proposed Acquisition does not involve any mineral oil or gas assets.

As the relative figures computed on the bases set out in paragraphs (b), (c) and (d) above exceed 100% and given that the Proposed Acquisition will result in a change of control of the Company as the Vendor will become a controlling shareholder of the Company, the Proposed Acquisition constitutes a "Reverse Takeover" as defined under Rule 1015 of the Catalist Rules. Accordingly, the Proposed Acquisition is subject to the approval of SGX-ST and Shareholders.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 Bases and Assumptions

The financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Enlarged Group following Completion. The pro forma financial effects of the Proposed Acquisition on the share capital, net tangible assets ("NTA"), and earnings per share ("EPS") of the Company have been prepared based on unaudited financial statements of the Company for FY2019.

For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects of the Proposed Acquisition are computed based on, *inter alia*, the following assumptions:

- (a) The financial effects on the Company's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Acquisition was completed on 31 December 2019, being the end of the most recently completed financial year;
- (b) The financial effects on the Company's loss attributable to the Shareholders and the EPS have been computed assuming that the Proposed Acquisition was completed on 1 January 2019, being the beginning of the most recently completed financial year;
- (c) The NTA and EPS of the Company for the financial year ended 31 December 2019 are solely based on the unaudited financial statements of the Company (without the consolidation of the financial statements of the Company's subsidiaries);
- (d) The Purchase Price is approximately S\$65.88 million, being 1.1 times of the unaudited net asset value of the Target based on (i) the Target's unaudited financial statements for FY2019 and (ii) the Agreed Exchange Rate, and shall be satisfied by the allotment and issuance of 235,282,111 Consideration Shares at the Post Share Consolidation Issue Price of S\$0.28 per Consideration Share;
- (e) The issue of 273,481,721 new Shares pursuant to the conversion of CN1 and CN2 was completed on 31 December 2019;
- (f) The Proposed Share Consolidation is on the basis of 10 existing Shares consolidated into 1 Share;
- (g) GN has subscribed and converted tranches of CN3 up to the principal amount of S\$1,900,000 and interest accrued up to 31 March 2021 into 28,873,812 new Shares (after adjusting for the Proposed Share Consolidation) ("**Conversion of CN3**");
- (h) The loan of S\$135,000 bearing no interest provided by Mr Mamoru Taniya to the Company is converted into 1,928,571 new Shares (after adjusting for the Proposed Share Consolidation) ("**Conversion of MT Loan**"); and
- (i) That the expenses in connection with the Proposed Acquisition have been disregarded.

7.2 Share Capital

	Before Completion	After Completion ⁽¹⁾
Issued and paid-up share capital (S\$)	44,972,379	113,007,537
Number of Shares	783,267,291	344,411,223

Note:

- (1) Based on (i) the Purchase Price of S\$65.88 million satisfied by the allotment and issuance of 235,282,111 Consideration Shares (after adjusting for the Proposed Share Consolidation), (ii) the adjusted existing Shares of 78,326,729 Shares (after adjusting for the Proposed Share Consolidation), (iii) on the assumption that the allotment and issuance of 28,873,812 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of CN3, and (iv) the allotment and issuance of 1,928,571 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of MT Loan.

7.3 NTA per Share

	Before Completion	After Completion
NTA attributable to Shareholders (S\$)	(4,139,175)	57,038,252

Number of Shares	509,785,570 ⁽¹⁾	344,411,223 ⁽²⁾
NTA per Share attributable to Shareholders (Singapore cents)	(0.81)	16.56

Notes:

- (1) This is based on the total number of issued shares as at 31 December 2019.
- (2) Based on (i) the Purchase Price of S\$65.88 million satisfied by the allotment and issuance of 235,282,111 Consideration Shares (after adjusting for the Proposed Share Consolidation), (ii) the adjusted existing Shares of 78,326,729 Shares (after adjusting for the Proposed Share Consolidation), (iii) on the assumption that the allotment and issuance of 28,873,812 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of CN3, and (iv) the allotment and issuance of 1,928,571 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of MT Loan.

7.4 EPS

	Before Completion	After Completion
Net earnings/(loss) attributable to Shareholders (S\$)	(118,589)	5,743,175
Number of Shares	509,785,570 ⁽¹⁾	344,411,223 ⁽²⁾
EPS (Singapore cents)	(0.02)	1.67

Notes:

- (1) This is based on the total number of issued shares as at 31 December 2019.
- (2) Based on (i) the Purchase Price of S\$65.88 million satisfied by the allotment and issuance of 235,282,111 Consideration Shares (after adjusting for the Proposed Share Consolidation), (ii) the adjusted existing Shares of 78,326,729 Shares (after adjusting for the Proposed Share Consolidation), (iii) on the assumption that the allotment and issuance of 28,873,812 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of CN3, and (iv) the allotment and issuance of 1,928,571 new Shares (after adjusting for the Proposed Share Consolidation) upon Conversion of MT Loan.

8. CHANGE IN COMPOSITION OF THE BOARD AND SERVICE CONTRACT(S)

The Company may, upon Completion, enter into service contracts with nominees of the Vendor to be appointed to the board of directors of the Company. As such arrangements have not been firmed up as at the date of this announcement, the details of such arrangements, if any, will be disclosed in the circular to be despatched to Shareholders in due course (“**Circular.**”)

9. PROPOSED COMPLIANCE PLACEMENT

Under Rule 724 of the Catalist Rules, the SGX-ST may suspend trading of the Shares if less than the required 10.0% of the Shares is held in the hands of the public. The SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10.0%.

In compliance with Rule 1015(3) and Rule 406(1) of the Catalist Rules, at least 15.0% of the issued share capital of the Company must be held in the hands of at least 200 shareholders who are members of the public (“**Minimum Public Float**”). Rule 811(1) of the Catalist Rules requires that issue of shares must not be priced at more than a 10.0% discount to the weighted average price for trades done on the SGX-ST for the preceding full market day during which the shares were traded prior to the signing of the placement or subscription agreement. Rule 811(3) of the Catalist Rules provides that Rule 811(1) is not applicable if specific Shareholders’ approval is obtained for the issuance of shares at a greater discount.

Accordingly, to *inter alia* satisfy the Minimum Public Float, the Company may undertake a compliance placement after Completion (the “**Proposed Compliance Placement**”). The details of the Proposed Compliance Placement will be set out in the Circular.

10. PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 429 of the Catalyst Rules, the issue price of shares offered for a subscription or sale, for which a listing is sought, to be at least S\$0.20 each. Accordingly, subject to the relevant Shareholders' approval being obtained and in conjunction with the Proposed Acquisition, the Company intends to undertake a share consolidation on the basis of 10 existing Shares consolidated into one Share ("Proposed Share Consolidation") prior to the completion of the Proposed Acquisition to satisfy *inter alia* the requirements under Rule 429 of the Catalyst Rules. The details of the Proposed Share Consolidation will be set out in the Circular.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The shareholding interests of the Directors, substantial shareholders, the Vendor and the convertible note holders before and after the Proposed Acquisition, assuming (i) GN subscribed and converted tranches of CN3 up to the principal amount of S\$1,900,000 (which includes the first tranche of CN3 of S\$675,000) and interests accrued up to 31 March 2021, and (ii) Mamoru Taniya converted the loan of S\$135,000 provided to the Company, are as follows:

Please refer to the Company's shareholder circular dated 17 February 2020 for more information on CN3.

	As at the date of this announcement ⁽¹⁾		After the completion of the Proposed Acquisition and Proposed Share Consolidation ⁽⁶⁾		After the completion of the Proposed Acquisition and Proposed Share Consolidation, and assuming (i) GN subscribed and converted tranches of CN3 up to the principal amount of S\$1,900,000 (which includes the first tranche of CN3 of S\$675,000) and interests accrued up to 31 March 2021, and (ii) Mamoru Taniya converted the loan of S\$135,000	
	Total Interest	%	Total Interest	%	Total Interest	%
Directors						
Dr Foo Fatt Kah ⁽²⁾	51,202,066	6.54	5,120,206	1.63	5,120,206	1.49
Foong Daw Ching	150,000	0.02	15,000	0.00	15,000	0.00
Lam Shiao Ning	100,000	0.01	10,000	0.00	10,000	0.00
Tse Man Kit Gilbert	-	-	-	-	-	-
Substantial Shareholders						
Golden Nugget Jinzhuan Limited	177,053,150	22.60	17,705,315	5.65	17,705,315	5.14
Mamoru Taniya	96,428,571	12.31	9,642,857	3.07	9,642,857	2.80
Luminor Capital Pte. Ltd. ⁽³⁾	44,514,009	5.68	4,451,400	1.42	4,451,400	1.29
Luminor Pacific Fund 1 Ltd.	56,660,756	7.23	5,666,075	1.81	5,666,075	1.65
Luminor Pacific Fund 2 Ltd.	44,514,009	5.68	4,451,400	1.42	4,451,400	1.29
Kwan Chee Seng ⁽⁴⁾	68,447,840	8.74	6,844,783	2.18	6,844,783	1.99
Kwan Yu Wen ⁽⁵⁾	44,514,009	5.68	4,451,400	1.42	4,451,400	1.29
Speed Success Group Limited (Vendor)	-	-	235,282,111	75.02	235,282,111	68.31
Golden Nugget Jinzhuan Limited (Conversion of CN3)					28,873,812 ⁽⁷⁾	8.38
Mamoru Taniya (Conversion of MT Loan)					1,928,571 ⁽⁸⁾	0.56

Notes:

- (1) Based on 783,267,291 Shares in the capital of the Company as at the date of this announcement.
- (2) Foo Fatt Kah, is a director and shareholder of Luminor Capital Pte. Ltd., the fund manager of Luminor Fund 2 (as defined below) which manages Luminor Fund 2 on a discretionary basis. By virtue of Section 4 of the SFA, Foo Fatt Kah is deemed interested in the Shares of the Company held by Luminor Fund 2.
- (3) By virtue of section 4 of the SFA, Luminor Capital Pte. Ltd., being the fund manager which Luminor Pacific Fund 2 Ltd. ("**Luminor Fund 2**") on a discretionary basis will be deemed interested in all the shares held by Luminor Fund 2.
- (4) Kwan Chee Seng, is a director and shareholder of Luminor Capital Pte. Ltd., the fund manager of Luminor Fund 2 which manages Luminor Fund 2 on a discretionary basis. By virtue of Section 4 of the SFA, Kwan Chee Seng is deemed interested in the Shares held by Luminor Fund 2. Starland Holdings Limited is a 83.2%-owned subsidiary of GRP Chongqing Land Pte. Ltd., a wholly-owned subsidiary of GRP Land Pte. Ltd. which is in turn wholly-owned by GRP Limited. Kwan Chee Seng has a shareholding interest of approximately 35.5% in GRP Limited as at the date of this announcement. By virtue of Section 7 of the Companies Act, Kwan Chee Seng is deemed to be interested in all the Shares held by GRP Limited and Starland Holdings Limited, being 6,547,324 Shares.
- (5) Kwan Yu Wen holds 20% of the share capital of Luminor Capital Pte. Ltd, the fund manager of Luminor Fund 2 which manages the Luminor Fund 2 on a discretionary basis. By virtue of Section 4 of the SFA, Kwan Yu Wen is deemed interested in the Shares held by Luminor Fund 2.
- (6) Based on the Proposed Share Consolidation on the basis of every 10 existing Shares consolidated into one Share. Any fractions arising from the Proposed Share Consolidation will be disregarded and the number of consolidated Shares will be rounded down to the nearest whole Share.
- (7) Based on (i) the assumption that GN subscribed and converted tranches of CN3 up to the principal amount of S\$1,900,000 (which includes the first tranche of CN3 of S\$675,000) and interests accrued up to 31 March 2021) and (ii) after adjusting for the Proposed Share Consolidation
- (8) The loan of S\$135,000 bearing no interest provided by Mr Mamoru Taniya to the Company is converted into 1,928,571 new Shares (after adjusting for the Proposed Share Consolidation).

None of the Directors or, as far as the Directors are aware, controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Acquisition (other than in his capacity as a director or shareholder of the Company).

Save for the SS Loan, the Vendor has no interest, direct or indirect, in the Company and has no business connection with the Company.

12. FULL SPONSOR AND FINANCIAL ADVISER

The Company has appointed Hong Leong Finance Limited as its full sponsor (the "**Full Sponsor**") and Asian Corporate Advisors Pte. Ltd. as its financial adviser (the "**Financial Adviser**") to advise on, *inter alia*, the Proposed Acquisition, the Proposed Share Consolidation, and the Proposed Compliance Placement.

13. INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT VALUER

The Company will be appointing an independent financial adviser to advise the Directors who are considered independent on the Whitewash Resolution and whether the Proposed Acquisition (being the subject of the Whitewash Resolution) is fair and reasonable and are not prejudicial to the interests of the Company and its minority shareholders. Pursuant to Rule 1015(3)(a) of the Catalyst Rules, a Valuer will also be appointed to value the Target.

The advice of the independent financial adviser in respect of the Whitewash Resolution, as well as further information relating to the valuation report to be issued by the Valuer will be set out in the circular to be despatched to the Shareholders in due course.

14. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

The Circular containing further information on, *inter alia*, the Proposed Acquisition and enclosing the notice of EGM will be dispatched by the Company to Shareholders in due course.

In light of COVID-19 control measures put in place by the Singapore government, electronic copy of the SPA will be made available upon request by Shareholders via email to ayondo@lamoto.co.uk for a period of three (3) months from the date of this announcement.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement (save for information relating to the Vendor and the Target) and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement (save for information relating to the Target and the Vendor) has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

16. PROPOSAL FOR RESUMPTION OF TRADING

As announced by the Company on 29 May 2020, the SGX-ST has granted the Company a further three months extension of time to 31 July 2020 (“**Waiver**”), subject to certain conditions. The Company wishes to further update the Shareholders that upon the signing of the SPA, the Company has satisfied one of the aforesaid conditions and the Company, through its Sponsor, will submit an application for further extension of time to submit the proposal for resumption of trading.

BY ORDER OF THE BOARD

Foo Fatt Kah
Non-Executive Director
30 July 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881