

**NO SIGNBOARD HOLDINGS LTD.**  
(Company Registration No. 201715253N)  
(Incorporated in Singapore)

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**ENTRY INTO IMPLEMENTATION AGREEMENT**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of No Signboard Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refer to the Company’s announcements dated 29 April 2022, 1 May 2022, 6 May 2022, 11 May 2022 and 25 May 2022 (together, the “**Announcements**”).

*Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Announcements.*

The Board wishes to inform shareholders that the Company and Gazelle Ventures Pte. Ltd. (the “**Investor**”, and collectively, the “**Parties**”) have entered into an implementation agreement dated 30 June 2022 (the “**Implementation Agreement**”) setting out the terms and conditions of the investment of a sum of up to S\$5,000,000 (the “**Full Investment Amount**”) into the Company, comprising:

- (a) an initial amount of S\$500,000 (the “**Subscription Amount**”) by way of a subscription of new ordinary shares in the Company (“**Shares**”) to be allotted and issued by the Company to the Investor (the “**Subscription**”); and
  - (b) the remaining S\$4,500,000 (the “**Additional Investment Amount**”) by way of a subscription of convertible redeemable preference shares (the “**CRPS Subscription**”),
- (collectively, the “**Investment**”).

No placement agent was appointed in connection with the Subscription or the CRPS Subscription.

The Subscription Shares and Convertible Redeemable Preference Shares will be issued pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription (as defined below) and CRPS Subscription (as defined below).

In connection with Investment, the Company will be seeking specific approval from shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened in due course for the following:

- (a) the allotment and issue of the Subscription Shares and Convertible Redeemable Preference Shares pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rules 804, 805(1), 812(1) and 824 of the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the “**Listing Manual**”);
- (b) the transfer of controlling interest to the Investor arising from the allotment and issue of the Subscription Shares and Convertible Redeemable Preference Shares pursuant to Rule 803 of the Listing Manual;
- (c) the amendment of the constitution of the Company (the “**Constitution**”) to reflect the rights of the holders of Convertible Redeemable Preference Shares;
- (d) the Share Consolidation (as defined below); and
- (e) such other transactions contemplated in connection with the Investment,

(collectively, the “**Proposed Transactions**”). Each Proposed Transaction shall be inter-conditional on other Proposed Transactions being approved by Shareholders.

Subject to Shareholders’ approval for the Proposed Transactions having been obtained at the EGM, the Company will proceed to first complete the issuance of Shares issued to the Scheme Creditors (as defined below) under the Scheme (if any), followed by the completion of the Share Consolidation, and then followed by the issuance of the Subscription Shares (as defined below) and the Convertible Redeemable Preference Shares (as defined below). The issuance of the Subscription Shares and the Convertible Redeemable Preference Shares shall take place simultaneously.

The allotment of the Subscription Share would result in the Investor holding 75% of the enlarged share capital of the Company (following the issuance of Shares issued to the Scheme Creditors under the Scheme (if any) and the completion of the Share Consolidation).

## 2. RATIONALE FOR THE INVESTMENT

The Company had announced on 1 May 2022 that the Parties had entered into a MOU pursuant to which the Investor agreed to invest the Full Investment Amount into the Company comprising of (i) the Subscription Amount by way of a subscription of such number of new shares representing a 75% stake of the enlarged issued and paid-up share capital of the Company upon the resumption of trading of the Shares of the Company and (ii) the Additional Investment Amount by way of an instrument (whether by debt or equity) to be agreed between the Investor and the Company, for working capital purposes including but not be limited to the settlement of professional, advisory and success fees on such terms and conditions as may be agreed between the Parties.

In view of the Company’s emergency funding requirements, the Parties also agreed that out of the Subscription Amount, a sum of S\$450,000 will be extended by the Investor as emergency rescue financing to the Company (the “**Emergency Funding**”) as a matter of priority and as an interim measure to obtain immediate and urgent short-term financing for the Company’s working capital requirements in accordance with the terms and conditions of the Super Priority Financing Agreement, which was announced on 25 May 2022. As of the date of this announcement, the Company has received S\$200,000 of the Emergency Funding. It has been further agreed that the Subscription Amount will be partially set-off against the Emergency Funding amount pursuant to the terms of the Super Priority Financing Agreement.

The Company is also currently in the process of a court-supervised restructuring exercise which will include a scheme of arrangement with the Scheme Creditors (on terms acceptable to the Investor) (the “**Scheme**”) to reorganize the Company’s liabilities and deleverage the balance sheet of the Group. During the hearing held on 26 May 2022, the Court had granted the moratorium sought in relation to the Company and its subsidiaries NSB Hotpot Pte. Ltd. and NSB Restaurants Pte. Ltd. until 29 October 2022, or until further order of the Court, and the super priority status over the debt arising from the Emergency Funding. Going forward, the terms of the Scheme are subject to finalization through discussions and negotiations with the Scheme Creditors and the Investor on the terms of the Implementation Agreement (the “**Restructuring Exercise**”). The Full Investment Amount is intended to provide the Company with sufficient funds for working capital purposes, to settle its liabilities upon the successful implementation of the Restructuring Exercise and to operate as a going concern.

The Company has appointed DHC Capital Pte. Ltd. as the independent financial advisor and scheme manager for the Restructuring Exercise.

In connection with the above, the Parties have agreed to enter into the Investment, comprising the Subscription and the CRPS Subscription, on the terms and conditions of the Implementation Agreement.

### 3. INFORMATION ON THE INVESTOR

*The information on the Investor was provided by the Investor. In respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same. The Company's responsibility is limited to the proper extraction and reproduction herein in the context of the information disclosed in this announcement.*

The Company was introduced by Deloitte to Tardis Capital (Singapore) Private Limited ("**Tardis Capital**"), a corporate advisory firm, who in turn introduced the Company to the Investor.

Tardis Capital has been engaged by the Investor to look for investment opportunities. The Company was approached by Tardis Capital through Deloitte, which then connected Tardis Capital and the Investor with the Company. As Tardis Capital is being engaged by the Investor, no commission or fee is payable by the Company to Tardis Capital in connection with the Proposed Transactions.

The Investor is a Singapore-incorporated company jointly owned by Gazelle Capital Pte. Ltd. ("**GC**") and Valiant Investments Limited ("**VI**"). The Investor invests in food, agri-tech and sustainable agriculture-related businesses. GC is a Singapore-incorporated family office with strategic investments in a wide range of businesses and projects, and VI is a boutique family office incorporated in Hong Kong.

As of the date of this announcement, Mr. Tan Keng Tiong, Alvin is the chief operating officer of the Investor. As announced on 31 May 2022, Mr. Lim Teck-Ean and Mr. Tan Keng Tiong, Alvin were appointed as the non-executive directors of the Company with effect from 14 June 2022.

As at the date of this announcement, Mr. Lim Teck-Ean is a director of the Investor, and has a deemed interest in 50% in the total number of shares in the issued and paid-up share capital of the Investor. Mr. Lim Teck-Ean is therefore deemed interested in the Investment as he is regarded as an associate of the Investor and also falls within the restricted class of persons to whom the Company is prohibited from issuing Shares without specific shareholders' approval as provided for under Rules 804 and 812(1) of the Listing Manual. Save for the allotment of the Subscription Shares and Convertible Redeemable Preference Shares to the Investor, no Subscription Shares and Convertible Redeemable Preference Shares will be placed to any person who is a director or a substantial shareholder of the Company or an interested person as defined in Chapter 9 of the Listing Manual as at the date of this announcement.

As of the date of this announcement, the Investor, Mr. Lim Teck-Ean and Mr. Tan Keng Tiong, Alvin do not hold any shares in the Company.

The Investor has confirmed to the Company that:

- (a) other than as disclosed in Paragraph 3 of this announcement, the directors and shareholders of the Investor are not related to any of the Directors or substantial Shareholders of the Company and there are no connections (including business relationships) between the directors and substantial shareholders of the Company with the Investor and its directors or substantial shareholders; and
- (b) it is not subscribing for the Subscription Shares or the Convertible Redeemable Preference Shares as an agent for or otherwise on behalf of any other persons or entity and is subscribing for the Subscription Shares or the Convertible Redeemable Preference Shares solely for its own beneficial account.

### 4. SALIENT INFORMATION ON THE IMPLEMENTATION AGREEMENT

The principal terms of the Implementation Agreement are set out below:

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| <b>Full Investment Amount</b>   | <p>The Parties have agreed that the Investor will invest the Full Investment Amount of up to S\$5,000,000 into the Company, comprising:</p> <p>(a) the Subscription Amount of S\$500,000 by way of the Subscription; and</p> <p>(b) the Additional Investment Amount of S\$4,500,000 by way of the CRPS Subscription.</p>   |
| <b>Subscription</b>   | <p>The Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor such number of new Shares to be allotted and issued by the Company to the Investor which will result in the Investor holding 75% of the enlarged issued share capital of the Company after the allotment and issue (the “<b>Subscription Shares</b>”), for the Subscription Amount of S\$500,000.</p> <p>The Subscription Shares, when allotted and issued, will be validly issued and fully paid Shares which shall be free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank <i>pari passu</i> in all respects with the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date of allotment and issue of such Subscription Shares.</p> |
| <b>CRPS Subscription</b>  | <p>The Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor, 145,000,000 convertible redeemable preference shares (the “<b>Convertible Redeemable Preference Shares</b>”) at an issue price of S\$0.031 per Convertible Redeemable Preference Share (the “<b>CRPS Issue Price</b>”), in consideration for the Additional Investment Amount of S\$4,500,000.</p> <p>The CRPS Issue Price is the same as the volume weighted average price (“<b>VWAP</b>”) of S\$0.031 per Share for trades done on the shares of the Company on the SGX-ST on 24 January 2022, being the last full Market Day on which there were trades done on the shares of the Company preceding the date on which the Implementation Agreement was signed.</p>   |
| <b>Conversion of Convertible Redeemable Preference Shares by the Investor</b> | <p>Subject to the Company’s right to convert into Conversion Shares or redeem (as the case may be) the Convertible Redeemable Preference Shares (as stated below), the Investor may elect to convert the outstanding Convertible Redeemable Preference Shares into Shares in the Company (“<b>Conversion Shares</b>”), with such number of Conversion Shares to be determined as follows (the “<b>Formula</b>”):</p> $\text{Number of Conversion Shares} = (A \times C) / B$ <p>Where:</p> <p>A = CRPS Issue Price</p> <p>B = S\$0.031 (the “<b>Conversion Price</b>”), which has been determined after taking into account, <i>inter alia</i>, the price per Share pursuant to completion of the Share Consolidation (as defined below); and</p> <p>C = Number of Convertible Redeemable Preference Shares to be converted.</p>  |

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|   | <p>The Conversion Price is the same as the VWAP of S\$0.031 per Share for trades done on the Shares on the SGX-ST on 24 January 2022, being the last full Market Day on which there were trades done on the Shares preceding the date on which the Implementation Agreement was signed.</p> <p>The Conversion Shares, when allotted and issued, will be validly issued and fully paid Shares which shall be free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank <i>pari passu</i> in all respects with the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date of allotment and issue of such Conversion Shares.</p>  |
| <p><b>Conversion Period for the Investor</b></p>  | <p>The Investor may elect to convert all of the Convertible Redeemable Preference Shares into Conversion Shares in accordance with the Formula, on or prior to the 2nd anniversary of the completion date ("<b>Completion Date</b>") of the Implementation Agreement ("<b>Conversion Period</b>") by giving at least 15 days' written notice to the Company (the "<b>Conversion Notice</b>").</p> <p>The Company shall, not later than one (1) month before the expiry of the Conversion Period announce the expiry of the Conversion Period on SGXNET and send the notice of expiry to be sent to the Investor at least 1 month before the expiration date.</p>  |
| <p><b>Redemption or Conversion of Convertible Redeemable Preference Shares by the Company</b></p> | <p>(a) <u>During the Conversion Period</u></p> <p>During the Conversion Period, the Company shall only be entitled (but not obliged) to convert all (but not some only) of the outstanding Convertible Redeemable Preference Shares into Conversion Shares in accordance with the Formula by giving at least 15 days' written notice in, or substantially in, the form of the Conversion Notice to the Investor in the event that the volume weighted average price of the Shares of the Company on the SGX-ST reaches 100% of the CRPS Issue Price for a period of 7 consecutive days on which the SGX-ST is open for securities trading ("<b>Market Days</b>").</p> <p>(b) <u>Upon expiry of the Conversion Period</u></p> <p>Upon the expiry of the Conversion Period, the Company shall be obliged to either convert or redeem the outstanding Convertible Redeemable Preference Shares (if any) in the following manner:</p> <p>(i) convert all (but not some only) of the outstanding Convertible Redeemable Preference Shares into Conversion Shares on the 2nd anniversary of the Completion Date, with such number of Conversion Shares to be determined in accordance with the Formula, by giving the Conversion Notice to the Investor at least within fourteen (14) days prior to the 2nd anniversary of the Completion Date; or</p> <p>(ii) redeem all (but not some only) of the outstanding Convertible Redeemable Preference Shares in consideration for a sum of S\$4,500,000, by giving written notice to the Investor at least fourteen (14) days prior to the 2nd anniversary of the Completion Date.</p> |

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| <b>Rights of the Convertible Redeemable Preference Shares</b> | <p>(a) <u>Voting rights</u></p> <p>The Convertible Redeemable Preference Shares shall not have any voting rights.</p> <p>(b) <u>Listing Status</u></p> <p>The Convertible Redeemable Preference Shares shall not be listed.</p> <p>(c) <u>Transferability</u></p> <p>The Convertible Redeemable Preference Shares shall not be transferable.</p> <p>(d) <u>Liquidation Preference</u></p> <p>Upon the liquidation of the Company, all holders of Shares and Convertible Redeemable Preference Shares shall be entitled to participate <i>pro rata</i> in the residual assets and funds of the Company on an as-converted basis.</p> <p>(e) <u>Dividends</u></p> <p>The Investor shall not be entitled to dividend payments on the Convertible Redeemable Preference Shares.</p>                           |
| <b>Adjustments to the Conversion Price</b>                    | <p>The Conversion Price shall, after their issue, be subject to adjustments by the Company in consultation with a bank, merchant bank or financial advisor selected by the Board, which adjustment shall be certified by the auditors for the time being of the Company, under certain circumstances prescribed in the Implementation Agreement. Such circumstances include, without limitation, the consolidation or subdivision of shares of the Company or capitalisation issues.</p> <p>Any such adjustments shall be announced by the Company via an announcement on SGXNET.</p>   |
| <b>Announcement and Notice of Expiry of Conversion Period</b> | <p>The Company shall make an announcement upon the expiry of the Conversion Period and give the Investor a notice of expiry at least one (1) month before the end of the Conversion Period.</p>   |
| <b>Conditions to the Investment</b>                           | <p>Completion of the Investment is conditional upon:</p> <p>(a) the Company's successful application for super priority status for the provision of Emergency Funding by the Investor to the Company as rescue financing under Section 67 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore ("<b>IRDA</b>");</p> <p>(b) the conditions to the Super Priority Financing Agreement having been satisfied (or waived) in accordance with its terms, the Super Priority Financing Agreement having been completed in accordance with its terms and the Emergency Funding having been fully disbursed by the Investor to the Company in accordance with the terms of the Super Priority Financing Agreement;</p> <p>(c) the completion of financial, legal and other due diligence on</p> |

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|  | <p>the Group and the results of such due diligence being reasonably satisfactory to the Investor;</p> <p>(d) the grant of orders by the Singapore High Court for the Company and its relevant subsidiaries (the “<b>Scheme Companies</b>”) to (i) convene meetings of creditors and shareholders of the Scheme Companies (if applicable) (the “<b>Scheme Meetings</b>”); and (ii) restrain all proceedings against the Company as sought in the IRDA application (HC/OA 90/2022);</p> <p>(e) the approval of the scheme of arrangement for the restructuring of the existing liabilities of the Company (on terms acceptable to the Investor) (the “<b>Scheme</b>”) by the creditors of the Scheme Companies (“<b>Scheme Creditors</b>”) and shareholders of the Scheme Creditors (if applicable) at the Scheme Meeting(s) in compliance with the requirements of Section 210 of the Companies Act having been obtained;</p> <p>(f) the approval of the Singapore High Court of the Scheme in accordance with Section 210(4) of the Companies Act having been obtained and the Scheme having become effective upon lodgement of the same with ACRA;</p> <p>(g) approval for (i) the Scheme, (ii) the Subscription and the allotment and issue of the Subscription Shares, (iii) the appointment of 2 directors nominated by the Investor to the Board of the Company, (iv) the CRPS Subscription and the allotment and issue of the Convertible Redeemable Preference Shares, (v) the amendment of the Company’s constitution (“<b>Constitution</b>”) as required to reflect the provisions of the Implementation Agreement (including but not limited to the rights of the holders of Convertible Redeemable Preference Shares), (vi) the transfer of controlling interest resulting from the allotment and issue of the Subscription Shares and the Convertible Redeemable Preference Shares, (vii) such other transactions contemplated in connection with the Scheme and the Investment having been obtained from Shareholders at an EGM to be convened, including but not limited to the Share Consolidation (as defined below) and any approval required pursuant to Rule 811 of the Listing Manual in the event that the issue price for the Subscription Shares or the CRPS is at a discount exceeding 10% of weighted average price for trades done on the SGX-ST for the full market day of the date of the Implementation Agreement and/or the Conversion Price for the Convertible Redeemable Preference Shares is at more than 10% discount to the prevailing market price of the Shares prior to the signing of the Implementation Agreement;</p> <p>(h) the Constitution having been amended as required to reflect the provisions of the Implementation Agreement, including but not limited to the rights of the holders of Convertible Redeemable Preference Shares, and the amended Constitution to be adopted by the Company in a form acceptable to the Parties on or prior to the Completion Date;</p> <p>(i) approval for the waiver of their rights to receive a mandatory general offer from the Investor and its concert parties for the remaining Shares not already owned or controlled by the</p> |
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|  | <p>Investor and its concert parties arising from and in connection with the Investor's subscription of the Subscription Shares and Convertible Redeemable Preference Shares ("<b>Whitewash Resolution</b>") having been obtained from Shareholders who are deemed independent for the purpose of voting on the Whitewash Resolution ("<b>Independent Shareholders</b>") at an EGM to be convened;</p> <p>(j) Lim Yong Sim and GuGong Pte. Ltd., who collectively hold 254,437,880 Shares which represent 55.03% of the total issued and paid-up share capital of the Company, providing an undertaking to vote in favour of the resolutions to be obtained at the EGM to be convened in respect of matters listed above in sub-paragraph (g) by no later than one (1) month prior to the date of the EGM;</p> <p>(k) the SIC having granted the Investor and its concert parties a whitewash waiver of the obligation of the Investor and its concert parties to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "<b>Take-over Code</b>") for the remaining Shares not already owned or controlled by the Investor and its concert parties arising from or in connection with the Investor's subscription of the Subscription Shares and Convertible Redeemable Preference Shares (the "<b>Whitewash Waiver</b>") and the Whitewash Waiver not having been revoked or amended as at the Completion Date and, where such Whitewash Waiver is subject to conditions, such conditions being reasonably acceptable to the Investor;</p> <p>(l) the termination of all other agreements, arrangements or transactions with any third party, in relation to any funding, rescue funding, white knight arrangements, and any investments or acquisition of Shares in the Company within a time period which is acceptable by the Investor in its sole discretion (acting reasonably), and/or the provision of undertakings to similar effect;</p> <p>(m) any third party, regulatory or tax consents or approvals necessary for the Scheme and the Investment having been obtained and not withdrawn on terms reasonably satisfactory to the Parties, including but not limited to any approval from statutory authorities, the sponsor of the Company ("<b>Sponsor</b>"), the SGX-ST and the SIC, and such consents and approval remaining in full force and effect;</p> <p>(n) approval for the resumption of trading of the Shares on the SGX-ST being obtained from the SGX-ST and such approval not having been revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Investor;</p> <p>(o) approval in-principle for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST being obtained from the SGX-ST and such approval not having been revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Investor;</p> <p>(p) there being no material adverse change in the business, operations, assets, position, profits or prospect of the Group</p> |
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|                   | <p>between the date of the Implementation Agreement and the Completion Date;</p> <p>(q) the Company remaining listed on the SGX-ST and there being no notice or proposal for the delisting of the Company;</p> <p>(r) the Investment not being prohibited, materially restricted or materially delayed by any statute, order, rule, regulation or directive by any legislative, executive or regulatory body or authority which is applicable to any party to the Investment;</p> <p>(s) there having been no occurrence of any event or discovery of any fact rendering any of the warranties provided by the Parties (as stated below) untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and</p> <p>(t) the Company and the Investor not being in breach of any of the undertakings and the covenants in the Implementation Agreement as at the Completion Date;</p> <p>(u) the designation of a separate bank account to be maintained by the Company (the “<b>Bank Account</b>”) for the deposit of the Full Investment Amount of S\$5,000,000 comprising the Subscription Amount (which includes the Emergency Funding) and the Additional Investment Amount. The Investor acknowledges, understands and agrees that the Full Investment Amount of \$5,000,000 shall have to be deposited into the Bank Account prior to, and as one of the conditions for, approval for the resumption of trading of the Shares on the SGX-ST. To this end, the Investor shall deposit the Full Investment Amount into the Bank Account on Completion or prior to approval for the resumption of trading of the Shares on the SGX-ST having been obtained from the SGX-ST, whichever is earlier; and</p> <p>(v) the consolidation of every six (6) Shares in the enlarged issued and paid-up share capital of the Company pursuant to the completion of the Scheme (including Shares issued to the Scheme Creditors under the Scheme but excluding the Subscription Shares issued pursuant to the Subscription and the Convertible Redeemable Preference Shares issued pursuant to the CRPS Subscription)) into one (1) ordinary share in the Company, fractional entitlements to be disregarded (the “<b>Share Consolidation</b>”)</p> <p>(collectively, the “<b>Conditions</b>”).</p> <p>The parties agree and acknowledge that the Condition set out in sub-paragraph (a) above has been fulfilled pursuant to the court order dated 26 May 2022 granting the Super Priority Status over the debt arising from the Emergency Funding and the Condition stated in sub-paragraph(g)(iii) above has also been fulfilled pursuant to the appointment of two (2) non-executive directors nominated by the Investor to the Board of the Company on 14 June 2022.</p> |
| <b>Completion</b> | <p>Subject to the Conditions above, completion of the Investment (“<b>Completion</b>”) shall take place on the Completion Date at the office of the Company’s solicitors (or at such other place as may be agreed between the Parties).</p>   |

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|   | <p>On Completion, the Company shall:</p> <p>(a) allot and issue such number of Shares to the Scheme Creditors in respect of the Scheme first and prior to the Share Consolidation and the allotment and issuance of the Subscription Shares and Convertible Redeemable Preference Shares;</p> <p>(b) complete the Share Consolidation prior to the allotment and issuance of the Subscription Shares and Convertible Redeemable Preference Shares;</p> <p>(c) only after the allotment and issue of Shares to the Scheme Creditors and the completion of the Share Consolidation, allot and issue the Subscription Shares and Convertible Redeemable Preference Shares.</p> <p>On Completion, the Full Investment Amount which has been deposited in the Bank Account shall be available for drawdown by the Company.</p> <p>Following Completion, the Company shall be deemed to have fully repaid the outstanding amount under the Emergency Funding to the Investor, being the sum of S\$450,000, and the Investor shall fully release and discharge the Company from its payment obligations under the Super Priority Financing Agreement.</p> |
| <p><b>Termination</b></p>   | <p>If there shall have come to the notice of a Party (the “<b>Non-Defaulting Party</b>”) of any breach of the warranties and undertakings set out above by the other Party (the “<b>Defaulting Party</b>”) and/or default by the Defaulting Party of any of its obligations under the Implementation Agreement which is not remedied (to the satisfaction of the Non-Defaulting Party) within seven (7) days of the receipt of a written notice by the Defaulting Party from the Non-Defaulting Party notifying of such breach, the Non-Defaulting Party may thereafter at any time prior to Completion Date by notice in writing to all Parties terminate the Implementation Agreement.</p>   |
| <p><b>Alteration to Terms of Convertible Redeemable Preference Shares</b></p> | <p>Unless made in accordance with the Implementation Agreement, any material amendment to the terms of the Convertible Redeemable Preference Shares after issue to the advantage of the Investor shall be subject to the approval of Shareholders in an EGM to be convened.</p>  |

## 5. THE SHARE CONSOLIDATION

### 5.1. Introduction

In connection with the Investment, the Company proposes to undertake the Share Consolidation of every six (6) existing issued Shares in the enlarged issued and paid-up share capital of the Company following the completion of the Scheme but prior to the allotment and issuance of the Subscription Shares and Convertible Redeemable Preference Shares (i.e. including any Shares issued to the Scheme Creditors under the Scheme but excluding the Subscription Shares issued pursuant to the Subscription and the Convertible Redeemable Preference Shares issued pursuant to the CRPS Subscription) (“**Existing Shares**”) held by Shareholders at the record date to be determined by the Directors (the “**Record Date**”) into one (1) Share (collectively, referred to as the “**Consolidated Shares**” and each, a “**Consolidated Share**”), fractional entitlements to be

disregarded. As a result of the Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every six (6) Existing Shares held at the Record Date.

The Company will be seeking Shareholders' approval for the Share Consolidation at the EGM to be convened.

Subject to Shareholders' approval for the relevant matters having been obtained at the EGM, the Company will proceed to first complete the issuance of Shares issued to the Scheme Creditors under the Scheme (if any), followed by the completion of the Share Consolidation, and then followed by the issuance of the Subscription Shares and the Convertible Redeemable Preference Shares. The issuance of the Subscription Shares and the Convertible Redeemable Preference Shares shall take place simultaneously.

## 5.2. Rationale for the Share Consolidation

The Board is undertaking the Share Consolidation as it is a condition to the completion of the Investment.

Additionally, the Board also believes that the Share Consolidation will be beneficial to the Company and its Shareholders for the following reasons:

### (a) *Reduction of volatility of the Share price*

As share trading may involve certain nominal fixed expenses (such as minimum brokerage fees), lowly-priced shares may translate to higher transaction costs, relative to the trading prices, for each trading of one (1) board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Board believes that the Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

### (b) *Increase in the market interest and attractiveness of the Company and its Shares*

The Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share would be higher than the trading price and NTA of each Share following the decrease in the number of Shares in issue after the Share Consolidation. This may increase market interest and activity in the Shares, and may make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

**Shareholders should note however that there can be no assurance that the Share Consolidation will achieve the desired results as stated above, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

## 5.3. Details of the Share Consolidation

Subject to Shareholders' approval being obtained for the Share Consolidation at the EGM to be convened, under the Share Consolidation, Shareholders' holdings of the Consolidated Shares arising from the Share Consolidation will be ascertained on the Record Date. After the Record Date, every six (6) Existing Shares registered in the name, or standing to the credit of the securities account, of each Shareholder or depositor (as the case may be) as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

Each Consolidated Share will rank *pari passu* in all respects with each other, except that the Consolidated Shares which are held as treasury shares by the Company will be subject to the provisions of the Companies Act on treasury shares. Trading in the Consolidated Shares on the Catalist of the SGX-ST will be in board lots of one hundred (100) Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Share Consolidation, based on their holdings of Existing Shares as at the Record

Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Share Consolidation will be aggregated and dealt with in such manner as the directors of the Company may, in their absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded. Shareholders who hold less than six (6) Existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Share Consolidation.

**For illustrative purposes only**, as at the date of this announcement, the Company has an issued share capital of S\$26,165,233 divided into 462,392,475 existing Shares. The Company has no treasury shares. Subject to Shareholders' approval being obtained for the Share Consolidation, the Company will have an issued share capital of S\$26,165,233 divided into approximately 77,065,412 Consolidated Shares, following the completion of the Share Consolidation (excluding the effects of the issuance of Shares to the Scheme Creditors under the Scheme (if any) and the allotment and issuance of Subscription Shares and Convertible Redeemable Preference Shares and issuance of Conversion Shares (if any)).

The Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Share Consolidation. The Share Consolidation (excluding the effects of the issuance of Shares to the Scheme Creditors under the Scheme (if any) and the allotment and issuance of Subscription Shares and Convertible Redeemable Preference Shares and issuance of Conversion Shares (if any)) will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlements.

Trading of the Shares on the SGX-ST has been suspended since 24 January 2022. In view of the suspension of trading of the Shares, the Company is of the view that it is not meaningful to discuss the computations of (i) the 6-month VWAP of the Shares in the Company; and (ii) the theoretical adjusted 6-month VWAP based on the Consolidated Shares.

#### 5.4. Conditions and Approvals

The Share Consolidation is subject to, *inter alia*:

- (a) receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and
- (b) approval of the Shareholders by ordinary resolution for the Share Consolidation at the EGM to be convened.

Shareholders should also note that if the other Proposed Transactions are not approved at the EGM, the Company will not proceed with the Share Consolidation.

An application will be made to the SGX-ST, through the Sponsor, to obtain its approval-in-principle for the dealing in, listing of and quotation for the Consolidated Shares arising from the Share Consolidation. An announcement on the outcome of the application will be made in due course.

## 6. **WHITEWASH WAIVER AND WHITEWASH RESOLUTION**

Under Rule 14.1 of the Take-over Code, except with the SIC's consent, any person who:

- (a) acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held by or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) together with persons acting in concert with him, holds not less than 30% but more than 50% of the voting rights and such person, or persons acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% of the voting rights of a company, is required to make a mandatory general offer for all the shares in the company which he does not already own or control.

Under the Subscription, the Investor will be allotted and issued the Subscription Shares, pursuant to which the Investor will hold 75% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company upon completion of the Subscription.

Assuming that all the Convertible Redeemable Preference Shares are converted into Conversion Shares, the maximum potential number of Conversion Shares that can be issued is 145,000,000, following which the Investor will hold approximately 82.9% (based on the assumption that 5,439,319 shares will be paid out to the Scheme Creditors based on the current Scheme proposal as at the date of this announcement and may be subject to change following the approval of the Scheme), of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company.

Accordingly, the Investor and its concert parties are required under Rule 14 of the Take-over Code to make a mandatory general offer for the shares not already owned or controlled by it, unless a Whitewash Resolution is obtained from the Shareholders and the SIC grants the Investor and its concert parties a Whitewash Waiver of such obligation on such terms and conditions it may impose.

The Company has appointed Provenance Capital Pte. Ltd. as the independent financial adviser (“IFA”) to advise the Independent Directors of the Company in respect of the Whitewash Resolution.

As announced on 24 June 2022, the Company submitted an application on 10 June 2022 to the SIC on behalf of the Investor and its concert parties for a Whitewash Waiver from Rule 14 of the Take-over Code in relation to the Investment into the Company and concurrence that the Investor will be free to acquire further Shares pursuant to the conversion of the convertible instrument into Conversion Shares without incurring any obligation to make a general offer under Rule 14 of the Take-over Code.

## **7. USE OF PROCEEDS**

The Full Investment Amount shall be utilised by the Company for its working capital requirements, staff salaries and settlement of liabilities upon successful implementation of Restructuring Exercise, subject to the terms of the Scheme to be proposed and sanctioned by the Court.

As stated in the announcement on 24 January 2022, the Company was unable to demonstrate that it is able to continue as a going concern in accordance with Rule of 1303(3) of the Listing Manual. As such and as set out in Paragraph 2 of this announcement, the proceeds from the Investment are intended to provide the Company with the required funds for working capital purposes and to settle its liabilities upon the successful implementation of the Restructuring Exercise. In addition to entering into the Implementation Agreement with the Investor, the Company is working with the Investor to address any other going concern issues that may arise during the course of the Restructuring Exercise, with the intention of enabling the Company to have sufficient working capital and to operate as a going concern pursuant to the Investment. As at the date of this announcement and barring unforeseen circumstances, the Board is cautiously optimistic that after taking into consideration the present banking facilities and the Company’s inability to secure any additional financing after reaching out to other existing and potential lenders for financing, the proceeds from the Investment will assist in meeting the Group’s working capital requirements and for the Company to operate as a going concern

Pending the deployment of the net proceeds from the Subscription and CRPS Subscription (the “**Net Proceeds**”), such net proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Company will make periodic announcement(s) on the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's quarterly and full-year financial statements and its annual report(s). Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcement(s) and status report(s). Should there be any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

## 8. ADDITIONAL LISTING APPLICATION

The Company will also be applying to the SGX-ST, through the Sponsor, for the dealing in, listing of and quotation for the Subscription Shares and (in the event that the Convertible Redeemable Preference Shares are converted to Conversion Shares) the Conversion Shares on the Catalyst Board of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

## 9. FINANCIAL EFFECTS OF THE SUBSCRIPTION AND CRPS SUBSCRIPTION

### 9.1. Illustrative nature of the financial effects

The pro forma financial effects of the Subscription and CRPS Subscription on the Company's share capital, net tangible assets (“**NTA**”) per Share and loss per Share (“**LPS**”) of the Group have been prepared based on the Group's unaudited consolidated financial statements for the financial year ended 2021 (“**FY2021**”).

The financial effects of the Subscription and CRPS Subscription are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Subscription and CRPS Subscription. The financial effects are prepared without the assumption of potential expenses to be incurred in connection with the Subscription and CRPS Subscription which are not expected to be material.

### 9.2. Share capital

The effect of the Subscription and CRPS Subscription on the issued and paid-up share capital of the Company as at 30 September 2021 is as follows:

|  | <b>Before the Subscription and CRPS Subscription</b> | <b>After the Share consolidation and Subscription and prior to the conversion of Convertible Redeemable Shares into Conversion Shares<sup>1</sup></b> | <b>After the Share Consolidation and Subscription and conversion of Convertible Redeemable Shares into Conversion Shares<sup>2</sup></b> |
|--|--|---|--|
| Number of Shares (excluding treasury shares) | 462,392,475  | 311,887,865   | 456,887,865  |
| Share capital (S\$'000)                      | 26,165,233   | 26,665,233  | 31,165,233   |

**Notes:**

1. Based on the assumption that 5,439,319 Shares will be allotted and issued to the to the Scheme Creditors based on the current Scheme proposal as at date of this announcement. The assumption of 5,439,319 Shares may be subject to change pursuant to further discussions between the Company, DHC Capital Pte. Ltd who is the independent financial advisor and scheme manager for the Restructuring Exercise, and Scheme Creditors, and will only be finalised upon approval of the Scheme.
2. Based on the assumption that all Convertible Redeemable Preference Shares are fully converted at the Conversion Price of S\$0.031.

9.3. Net Tangible Asset per Share

Assuming that the Subscription and CRPS Subscription had been effected on 30 September 2021, the effects of the Subscription and CRPS Subscription on the NTA per Share of the Group would be as follows:

|  | <b>Before the Subscription and CRPS Subscription</b> | <b>After the Share Consolidation and Subscription and prior to the conversion of Convertible Redeemable Shares into Conversion Shares<sup>1</sup></b> | <b>After the Share Consolidation and Subscription and conversion of Convertible Redeemable Shares into Conversion Shares<sup>2</sup></b> |
|--|--|---|--|
| NTA  | 382,280  | 882,280   | 5,382,280  |
| Number of Shares (excluding treasury shares) | 462,392,475  | 311,887,865   | 456,887,865  |
| NTA per Share (Singapore cents)              | 0.08   | 0.28  | 1.18   |

**Notes:**

1. Based on the assumption that 5,439,319 Shares will be allotted and issued to the to the Scheme Creditors based on the current Scheme proposal as at date of this announcement. The assumption of 5,439,319 Shares may be subject to change pursuant to further discussions between the Company, DHC Capital Pte. Ltd who is the independent financial advisor and scheme manager for the Restructuring Exercise, and Scheme Creditors, and will only be finalised upon approval of the Scheme.
2. Based on the assumption that all Convertible Redeemable Preference Shares are fully converted at the Conversion Price of S\$0.031.

9.4. Loss per Share

Assuming that the Subscription and CRPS Subscription had been effected on 30 September 2021, the effects of the Subscription and CRPS Subscription on the LPS of the Group would be as follows:

|                        | <b>Before the Subscription and CRPS Subscription</b> | <b>After the Share Consolidation and Subscription and prior to the conversion of Convertible Redeemable Shares into Conversion Shares<sup>1</sup></b> | <b>After the Share Consolidation, Subscription and conversion of Convertible Redeemable Shares into Conversion Shares<sup>2</sup></b> |
|------------------------|--|---|---|
| (Loss) attributable to | (6,354,652)  | (6,354,652)   | (6,354,652)   |

|                                   |             |             |             |
|-----------------------------------|-------------|-------------|-------------|
| Shareholders (S\$'000)            |             |             |             |
| Weighted average number of Shares | 462,392,475 | 311,887,865 | 456,887,865 |
| LPS (Singapore cents)             | (1.37)      | (2.04)      | (1.39)      |

**Notes:**

1. Based on the assumption that 5,439,319 Shares will be allotted and issued to the to the Scheme Creditors based on the current Scheme proposal as at date of this announcement. The assumption of 5,439,319 Shares may be subject to change pursuant to further discussions between the Company, DHC Capital Pte. Ltd who is the independent financial advisor and scheme manager for the Restructuring Exercise, and Scheme Creditors, and will only be finalised upon approval of the Scheme.
2. Based on the assumption that all Convertible Redeemable Preference Shares are fully converted at the Conversion Price of S\$0.031.

## 10. INTERESTED PERSON TRANSACTION

Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the issuer and its subsidiaries (the “**Issuer Group**”), an immediate announcement of the transaction must be made and if the value is equal to or exceeds five per cent (5%) of the Issuer Group's latest audited consolidated NTA, approval of the shareholders of the issuer must be obtained.

The Investor is an associate of Mr. Lim Teck-Ean and is considered an “interested person” within the meaning of Chapter 9 of the Listing Manual as Mr. Lim Teck-Ean is a non-executive director of the Company and has a deemed 50% interest in the Investor. Accordingly, the Investor would also be considered an “interested person” within the meaning of Rule 904(4) of the Listing Manual *vis-à-vis* the Company, which is regarded as an “entity at risk” pursuant to Rule 904(2) of the Listing Manual and the Investment constitutes an “interested person transaction” under Rule 904(5) of the Listing Manual.

Save for the Investment (which includes the Subscription and the CRPS Subscription), the Company has not entered into any interested person transactions with Mr. Lim Teck-Ean and/or his associates for the financial year ending 30 September 2022.

The Full Investment Amount represents approximately 80% of the latest audited FY2020 net tangible assets of the Group. Accordingly, as the value of the Investment represents more than 5% of the Group's latest audited net tangible assets, approval of the Shareholders will be required for the Investment in accordance with Chapter 9 of the Listing Manual.

The Company has appointed Provenance Capital Pte. Ltd. as the IFA to advise the Independent Directors of the Company in respect of the Investment

The audit committee of the Company will be obtaining an opinion from the IFA before forming its view in relation to the Investment and Whitewash Resolution. The circular to Shareholders (the “**Circular**”) will include an opinion from the IFA on whether the Investment (which includes the Subscription and the CRPS Subscription) as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and independent shareholders.



## 11. CIRCULAR

The Circular containing, *inter alia*, further information on the Proposed Transactions, including the Investment and the Share Consolidation, and the notice to convene the EGM will be issued electronically in accordance with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 by the Company to Shareholders in due course.

## 12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company (if any) and as disclosed in this announcement, none of the Directors or, as far as the Directors are aware, the substantial Shareholders of the Company or their respective associates, have any interest, direct or indirect, in the Proposed Transactions.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Implementation Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 14. TRADING CAUTION

The Board would like to emphasize that there is no certainty or assurance that the Proposed Transactions, including the Investment and the Share Consolidation, will be consummated or completed.

**Notwithstanding that the shares in the Company have been suspended from trading since 24 January 2022, shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

## 15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Implementation Agreement is available for inspection by Shareholders of the Company during normal business hours at the registered office of the Company at 10 Ubi Crescent #03-02 Ubi Techpark, Singapore 408564 for a period of three (3) months from the date of this announcement.

Please contact the Company at +65 6749 9959 prior to making any visits to arrange for a suitable time slot for the inspection.

## 16. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Catalist Rules, to update shareholders as and when there are material developments in relation to the Scheme and the Proposed Transactions.

### By Order of the Board

Lim Yong Sim (Lin Rongsen)  
Executive Chairman and Chief Executive Officer  
1 July 2022

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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. Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*