

**PROPOSED ACQUISITION OF 51% OF THE SHARES
IN THE ENTIRE ISSUED AND PAID-UP CAPITAL OF EBUY PTE. LTD.**

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of KTL Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 12 July 2021, pursuant to which the Company had announced that its wholly-owned subsidiary, Tianci Agritech Pte. Ltd. (“**TAPL**”), had entered into a non-binding memorandum of understanding (as further amended and supplemented pursuant to the relevant supplemental deeds and addendum, the “**MOU**”) with the sole shareholder of Ebuy Pte. Ltd. (the “**Target Company**”) for the acquisition by TAPL of 51% of the shareholding interests (the “**Sale Shares**”) in the Target Company (the “**Proposed Acquisition**”). The MOU was an expression of intent by the relevant parties relating to the Proposed Acquisition and was subject to parties entering into a definitive agreement in relation thereto.

The Board wishes to update that TAPL has on 21 April 2022 entered into a definitive sale and purchase agreement (the “**SPA**”) with the said sole shareholder of the Target Company (the “**Vendor**”, and the Vendor and TAPL collectively, the “**Parties**” and each or any of them a “**Party**”) in respect of the Proposed Acquisition. Following completion of the Proposed Acquisition (“**Completion**”), TAPL will hold 51% of the shareholding interests in the Target Company, and the Target Company will become an indirect subsidiary of the Company.

2. INFORMATION ON THE TARGET COMPANY, THE VENDOR AND THE SALE SHARES

Information on the Vendor and Target Company was provided by the Vendor and the Target Company respectively and/ or extracted from publicly available sources and has not been independently verified. Such information will be subject to due diligence to be carried out by the Company and its professional advisors in due course.

2.1 The Target Company

2.1.1 The Target Company is a private company limited by shares incorporated in Singapore on 11 June 2013. The Target Company has an existing issued and paid-up capital of S\$1,000,000 represented by 1,000,000 ordinary shares, which are entirely held by the Vendor. As at the date of this announcement, the Vendor is also the sole director of the Target Company.

2.1.2 The principal business of the Target Company is the sale and distribution of fresh produce (including fresh vegetables and fruits) and other food produce and food products including seafood, meat, poultry, dried provisions, dim sum and noodles to food service providers, retailers, restaurants and hotels. The Target Company has also extended its services to individual household(s) island-wide.



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2.1.3 The Target Company also manufactures dim sum, noodles and other types of fast food and has its own logistics resources capable of packing and delivering orders on a real-time basis. Information on the business of the Target Company will also be set out in the circular to be issued to shareholders of the Company (the “**Shareholders**”) in due course in relation to, among others, the Proposed Acquisition (the “**Circular**”).

2.2 The Vendor

2.2.1 The Vendor is a businessman and has been in the business of distribution of fresh produce and other food produce and products for about 10 years. The Vendor is also a business acquaintance of Mr Chin Teck Oon (“**Mr Chin**”), the Executive Director and Chief Executive Officer of the Company, with TAPL having previously entered into an agreement with the Target Company for the supply of vegetable produce by TAPL to the Target Company (as buyer). Mr Chin and the Vendor are not related to each other. Shareholders should note that the Company acquired TAPL on 28 June 2021, with Mr Chin being the sole director of TAPL prior to completion of the acquisition (the “**Tianci Acquisition**”). The foregoing supply agreement between TAPL and the Target Company was entered into prior to completion of the Tianci Acquisition. Shareholders may wish to refer to the Company’s announcements dated 3 June 2021, 17 June 2021 and 28 June 2021 for further details on the Tianci Acquisition.

2.2.2 Save as disclosed above, the Vendor does not have any connection (including business relationship or dealings) with the Company, its directors and/or substantial shareholders. As at the date of this announcement, the Vendor does not have any interest, direct or indirect, in the shares of the Company. Save for his existing interests and involvement in the business of the Target Company, the Vendor has confirmed that he is not involved in any other business ventures.

2.3 The Sale Shares

2.3.1 Number of Sale Shares

The Sale Shares comprise 510,000 ordinary shares in the Target Company and represent 51% of the entire issued and paid-up share capital of the Target Company. The Sale Shares are entirely held by the Vendor.

2.3.2 Net Profit/(Loss)

Based on the audited financial statements of the Target Company for the financial year ended 31 May 2021, the Target Company has a net profit before tax of approximately S\$0.39 million and the net profit before tax attributable to the Sale Shares was approximately S\$0.20 million.

Based on the unaudited management accounts of the Target Company for the 12-month financial period ended 31 December 2021, the Target Company has a net loss before tax of approximately S\$0.26 million and the net loss before tax attributable to the Sale Shares was approximately S\$0.13 million.

2.3.3 Asset Value

Based on the audited financial statements of the Target Company for the financial year ended 31 May 2021, the book value and net tangible asset value of the Target Company is approximately S\$2.35 million and S\$1.26 million, respectively. Based on the foregoing, the book



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value and net tangible asset value attributable to the Sale Shares for that period was approximately S\$1.20 million and S\$0.64 million, respectively.

Based on the unaudited management accounts of the Target Company for the 12-month financial period ended 31 December 2021, the book value and net tangible asset value of the Target Company is approximately S\$2.61 million and S\$1.68 million, respectively. Based on the foregoing, the book value and net tangible asset value attributable to the Sale Shares for that period was approximately S\$1.33 million and S\$0.86 million, respectively.

2.3.4 Valuation

There is no open market value for the Sale Shares as they are not publicly traded. The Company however will be appointing an independent valuer (the “Valuer”), to assess and determine the value of the Sale Shares.

Pursuant to the terms of the SPA, one of the conditions for completion of the Proposed Acquisition is the completion of a valuation exercise on the Sale Shares by the Valuer (together with the issuance of a formal valuation report in respect of the foregoing by such Valuer). Please refer to paragraphs 4.2.1 and 4.3 below for further details on such condition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 Lackluster performance and suspension of the BOP Business

As set out in the Company’s announcement dated 3 June 2021 on the Tianci Acquisition, the performance of the existing core business of the Group, being the provision of branding, operation and procurement services (the “**BOP Business**”), has been less than satisfactory especially with the COVID-19 outbreak which had significantly impacted the Group’s customers in the People’s Republic of China (“**PRC**”). Due to the foregoing, the BOP Business had been suspended since January 2021. As a result, the Company has been proactively looking for opportunities to diversify into other potential business areas, which eventually led to the Company undertaking the Tianci Acquisition.

3.2 Expanding the Distribution Business post completion of the Tianci Acquisition

3.2.1 As previously announced by the Company on 3 June 2021, the Tianci Acquisition allows the Group to first enter into the business of supplying and distributing fresh vegetable and fruits produce to various consumer groups in Singapore at a relatively low initial cost, taking into consideration the then net asset value of TAPL (based on its cash holdings on completion) and the key supply contracts which have already been secured by TAPL with suppliers of vegetable produce in Malaysia. The Tianci Acquisition was a stepping stone for the Group to enter into the distribution and supply market (in respect of vegetable and fruits produce) before eventually expanding into the larger market of supplying and distributing other fresh produce (including seafood, meat and poultry) and food products.

3.2.2 With the completion of the Tianci Acquisition, the Proposed Acquisition is the next logical step for the Group in its efforts to expand into the supply and distribution business. While TAPL’s supply and distribution business is primarily focused on fresh produce such as vegetables and fruits, the products presently supplied and distributed by the Target Company expands beyond



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such vegetables and fruits produce but also other food produce and food products including seafood, meat, poultry, dried provisions, dim sum and noodles. The Proposed Acquisition is, therefore, another business opportunity that will allow the Group to further diversify and expand into the supply, logistics and distribution business relating to a wide range of consumer food products not limited to only fresh produce such as fruits and vegetables (the “**Distribution Business**”).

Shareholders should refer to the Company’s announcements dated 3 June 2021 on the Tianci Acquisition, the Company’s announcement dated 17 June 2021 setting out the Company’s responses to queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**” or “**Exchange**”) in respect of the Tianci Acquisition, and the Company’s announcement dated 28 June 2021, for more information on the Tianci Acquisition.

3.3 Leveraging on Existing Networks and Capabilities

Following completion of the Tianci Acquisition on 28 June 2021, the Group’s business strategy and growth plans have been to expand the Group’s Distribution Business (which is expected to become the Group’s main business segment). The Board is of the view that the Proposed Acquisition would facilitate the expansion of this business segment of the Group by allowing TAPL to leverage on the following capabilities and network available to the Target Company.

3.3.1 Supplies to a diverse group of customers and logistics capabilities

The Target Company currently utilises an e-commerce business model and network to reach out to a wide range of customers to sell the food products that it distributes. Customers in Singapore (primarily household consumers) are able to purchase food products on the Target Company’s online shopping portal accessible at <<https://mall.ebuymart.sg>> or through the Target Company’s mobile application, named EbuyMart, available for download through the respective mobile application marketplace. In addition to supplying to household consumers, the Target Company also supplies to commercial entities such as food service providers, retailers, restaurants and hotels.

In order to expand the wholesale business of consumer products in Southeast Asia, the Company announced on 24 December 2021 that both TAPL and the Vendor have agreed that TAPL shall supply good quality and sufficient products to the Target Company and other business partners, while the Target Company shall, as a warehousing and logistic supply chain network service provider, be responsible for the warehousing and logistic supply chain network services for TAPL’s products.

The Proposed Acquisition is therefore expected to allow TAPL to capitalise and leverage on (a) the e-commerce platform of the Target Company to reach a wider customer base, and (b) logistics capabilities of the Target Company in order to ensure that orders from customers (whether from households or otherwise) are promptly met.

3.3.2 Network of suppliers

Having been incorporated in 2013, the Target Company has about 10 years’ experience in the industry and has developed networks and contacts with various suppliers of food products. Following completion of the Proposed Acquisition, the Board expects TAPL to be able to benefit from the various supply sources available to the Target Company. Likewise, TAPL has its own



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contacts/sources and suppliers of food products, having entered into various agreements and memorandums of understanding with parties from Taiwan and the PRC in relation to the sale and distribution of food products from those regions. Following completion of the Proposed Acquisition, the Board expects the Target Company (which will be a part of the enlarged Group following Completion) to also be able to tap on such supply network of TAPL to secure alternative suppliers and expand its range of available produce for sale.

With the foregoing, the Board believes that this will create business synergies which would be beneficial to both TAPL and the Target Company, further enhancing the capabilities of and resources available to the enlarged Group for its Distribution Business.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 The Proposed Acquisition

Subject to the terms and conditions of the SPA, TAPL shall purchase from the Vendor, and the Vendor agrees to sell to TAPL such shares in the issued and paid-up share capital of the Target Company, representing 51% of the Target Company's entire issued share capital.

4.2 Consideration and Additional Consideration

4.2.1 Consideration

The consideration for the Proposed Acquisition (the "**Consideration**") is S\$1,476,000 and shall be satisfied by way of issuance of new ordinary shares in the issued share capital of the Company (each a "**Share**"), as further detailed in paragraph 4.2.3 below.

The amount of Consideration payable is also subject to completion of a valuation exercise on the Sale Shares by the Valuer (together with the issuance of a formal valuation report in respect of the foregoing by such Valuer). The completion of the foregoing valuation exercise is one of the conditions for completion of the Proposed Acquisition. Unless such condition is waived, in the event that the value of the Sale Shares as determined by the Valuer (the "**Valuation**") is less than S\$1,476,000, the Consideration amount payable shall be reduced to the Valuation amount or such other amount as may be mutually agreed by the Parties in writing.

Please also refer to paragraph 4.3 below for further details on the conditions precedent for the Proposed Acquisition.

4.2.2 Additional Consideration

Conditions for payment

In addition to the Consideration, the Vendor shall be entitled to an additional consideration which is payable subject to certain conditions being satisfied. Such additional consideration comprises 2 components (collectively, the "**Additional Consideration**") which are payable in the quantum and manner as detailed in the table below.



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Additional Consideration	Condition for Payment	Amount Payable
1 st component (“ 2023 Additional Consideration ”)	If the Target Company achieves a positive net profit after tax (“ NPAT ”) for the 12-month financial period ending 30 June 2023*	Amount payable shall be equivalent to 3 times the value of the Target Company’s NPAT for that 12-month financial period ending 30 June 2023*
2 nd component (“ 2024 Additional Consideration ”)	If the Target Company achieves a positive NPAT for the 12-month financial period ending 30 June 2024*	Amount payable shall be equivalent to 3 times the value of the Target Company’s NPAT for that 12-month financial period ending 30 June 2024*

* **Note:** As announced by the Company on 10 January 2022, the Company has changed its financial year end from 31 December to 30 June. Following the aforesaid change, the current financial year of the Company will end on 30 June 2022. As at the date of this announcement, the Target Company’s financial year end is 31 May. To align the financial year end of the Target Company with the Group following Completion, pursuant to the SPA, the Vendor has to procure that the Target Company changes its financial year end from 31 May to 30 June upon TAPL’s request.

Limits to the Additional Consideration

The payment of the 2023 Additional Consideration and 2024 Additional Consideration is, however, subject to the following limits (collectively, the “**Additional Consideration Limits**”):

- (a) the aggregate value of the Consideration and Additional Consideration (comprising both the 2023 Additional Consideration and 2024 Additional Consideration) shall not at any time exceed S\$15,000,000; and
- (b) the number of Consideration Shares (as defined in paragraph 4.2.3 below) and Additional Consideration Shares (as defined in paragraph 4.2.3 below), if any, issued under the SPA shall not result in the Vendor (together with persons acting in concert with the Vendor) holding more than **29.0%** of the enlarged share capital of the Company at the time of completion of each issuance of the Consideration Shares and Additional Consideration Shares (if any) (the “**AC Shares Limit**”).

If any of the limits above are breached, the Parties agree that the 2023 Additional Consideration (or, as the case may be, 2024 Additional Consideration) and the number of any Additional Consideration Shares to be issued shall be reduced accordingly so that neither of such limits is exceeded.

Calculation of NPAT

In relation to the Additional Consideration, reference to “**NPAT**” above refers to the Target Company’s net profit after tax based on the audited financial statements of the Target Company for the 12-month financial period ending 30 June 2023 (or the 12-month financial period ending 30 June 2024, as the case may be). The calculation of NPAT shall:

- (a) exclude all expenses incurred in connection with the Proposed Acquisition but include,
 - (i) any gains or losses arising from the disposal of fixed assets, subsidiaries or associated companies, goodwill and other intangibles outside the ordinary and usual course of business of the Target Company as conducted prior to Completion, and
 - (ii) any non-recurring and extraordinary items; and



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- (b) be based on the profit of the Target Company that is derived from and/or attributable to
 - (i) the business and operations of the Target Company as existing prior to Completion, and
 - (ii) such business and operations of the Target Company following Completion for the relevant period (including such expanded business and operations).

4.2.3 Consideration and Additional Consideration to be satisfied in Shares

The Consideration and Additional Consideration (if payable) shall be satisfied entirely by way of issuance and allotment of such number of new Shares in the Company in favour of the Vendor.

Consideration

Shares to be issued in satisfaction of the Consideration (being the sum of S\$1,476,000 subject to any such adjustments as detailed in paragraph 4.2.1 above) (each a “**Consideration Share**”) will be issued as soon as practicable following Completion.

Additional Consideration

Shares to be issued in satisfaction of any Additional Consideration (each an “**Additional Consideration Share**”) (if any) is further subject to the Proposed Acquisition being completed and the following conditions:

- (a) the Company’s receipt from the SGX-ST of the listing and quotation notice (the “**LQN**”) for the listing and quotation of the relevant Additional Consideration Shares, such LQN remaining in full force and effect and not having been revoked or amended;
- (b) the Company having received all relevant approvals from Shareholders at an extraordinary general meeting of the Company (“**EGM**”) for the issuance of the relevant Additional Consideration Shares, and such approvals remaining in full force and effect and not being revoked or amended; and
- (c) such issuance of the relevant Additional Consideration Shares not resulting in TAPL or the Company (or any of their respective officers) to be in breach of any applicable laws.

The Additional Consideration Shares issued as satisfaction for the 2023 Additional Consideration and 2024 Additional Consideration are to be issued within 3 months from the date of issue of the Target Company’s audited financial statements for the 12-month financial period ending 30 June 2023 and 12-month financial period ending 30 June 2024, respectively, or within 14 days of satisfaction of the conditions above, whichever is later.

Ranking

All Shares issued as satisfaction for the Consideration and Additional Consideration (if payable) will, when issued, rank *pari passu* with the then existing Shares of the Company, save for any dividends, rights, allotments, or other distribution (if any) the record date of which falls on or before the respective dates of issue of such Shares.

4.2.4 Issue Price

The issue price of each Consideration Share (the “**Issue Price**”) and Additional Consideration Share (the “**ACS Issue Price**”) is set out below.



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	Issue Price
Consideration Shares	<p>S\$0.092 per Consideration Share</p> <p>The ACS Issue Price of S\$0.092 represents a discount of approximately 8.18% to the volume weighted average price (“VWAP”) of S\$0.1002 per Share for trades done on the SGX-ST for the 5-day period immediately preceding (and excluding) the date the MOU was entered into.</p> <p>The ACS Issue Price of S\$0.092 represents a discount of approximately 21.10% to the VWAP of S\$0.1166 per Share for trades done on the SGX-ST on 6 August 2021 (being the last full market day preceding the date of the SPA on which Shares were traded*).</p>
Additional Consideration Shares for:	
2023 Additional Consideration	Each Additional Consideration Share (in respect of the 2023 Additional Consideration) shall be issued at a price equivalent to the VWAP per Share for trades done on the SGX-ST during the 30-day period immediately prior to (and excluding) the date of issue of the Target Company’s audited financial statements for the 12-month financial period ending 30 June 2023
2024 Additional Consideration	Each Additional Consideration Share (in respect of the 2024 Additional Consideration) shall be issued at a price equivalent to the VWAP per Share for trades done on the SGX-ST during the 30-day period immediately prior to (and excluding) the date of issue of the Target Company’s audited financial statements for the 12-month financial period ending 30 June 2024

**Note: Trading in the Company’s Shares have been voluntarily suspended at the Company’s request on 17 August 2021. The foregoing voluntary trading suspension was made following a trading halt on 10 August 2021 and extension of the trading halt until 5.00 p.m. of 16 August 2021. Please refer to the Company’s announcements dated 17 August 2021 and 26 August 2021 for more information relating to the voluntary trading suspension.*

The ACS Issue Price may be adjusted in the event of the occurrence of any alteration to the number of issued Shares as a result of consolidation or subdivision or reclassification (an “**Adjustment Event**”) after the date of issue of the Target Company’s audited financial statements for the relevant 12-month financial period and before issuance of such Additional Consideration Shares. If an Adjustment Event occurs during the relevant 30-day period for determining the 30-day VWAP, the ACS Issue Price will be computed accordingly to take into consideration such Adjustment Event where necessary.

4.2.5 Number of Consideration Shares

Based on the Issue Price of S\$0.092 per Consideration Share and the Consideration amount of S\$1,476,000, an aggregate of 16,043,478 Consideration Shares will be issued as satisfaction of the Consideration.

Shareholders should note that there is no certainty that any Additional Consideration will be payable to the Vendor. The amount of 2023 Additional Consideration and 2024 Additional Consideration (if payable in each case) cannot be determined at this juncture as the amount payable will depend on the Target Company’s NPAT for the relevant 12-month financial periods and subject to the Additional Consideration Limits. Even assuming that the aggregate Additional Consideration payable is the maximum amount of S\$13,524,000 (such sum derived by deducting the Consideration amount of



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S\$1,476,000 from the maximum limit of S\$15,000,000), the number of Additional Consideration Shares that may be issued cannot be determined at this juncture as the ACS Issue Price is based on the VWAP per Share for the relevant 30-day period and further subject to the AC Shares Limit.

4.2.6 Basis for Consideration

The Consideration was arrived at pursuant to arm's length negotiations between TAPL and the Vendor, after taking into consideration the following factors:

- (a) the book value of the Target Company and the book value attributable to the Sale Shares for the financial year ended 31 May 2021 of approximately S\$2.35 million and S\$1.20 million, respectively;
- (b) the NPAT of the Target Company and NPAT attributable to the Sale Shares for the financial year ended 31 May 2021 of approximately S\$0.39 million and S\$0.20 million, respectively;* and
- (c) the rationale for and benefits to the Group arising from undertaking the Proposed Acquisition.

Shareholders should note that the final Consideration amount payable is subject to the valuation of the Sale Shares as determined by the Valuer. Please refer to paragraph 4.2.1 above for further details.

In respect of the Additional Consideration which is essentially based on an agreed multiple applied to the NPAT of the Target Company for the relevant financial period, such multiple was agreed upon after arm's length negotiations between Parties after taking into account the Target Company's operating track record and its future growth potential.

**Note: Based on the Target Company's audited financial statements for the financial year ended 31 May 2021, its NPAT and net profit before tax (as disclosed in paragraph 2.3.2 above) for the financial year ended 31 May 2021 are each approximately S\$0.39 million.*

4.2.7 Rationale for the Additional Consideration

The Target Company's principal business is the sale and distribution of fresh produce and other food produce and products (in addition to manufacturing dim sum, noodles and other types of fast food). Such business will form part of the Group's Distribution Business, which is a new business segment that is being undertaken by the Group following completion of the Tianci Acquisition. With the completion of the Proposed Acquisition, the Group will be expanding the Distribution Business, which potentially exposes the Group to risks typically associated with undertaking a new business and other risk factors which may be specifically associated with such business segment.

In view of the foregoing, the Additional Consideration was incorporated as an additional component of the consideration for the Proposed Acquisition so as to incentivise the Vendor to drive the financial performance of the Target Company for such period of time following Completion. In addition, this is expected to align the interests of the Vendor with the enlarged Group following Completion, given that the Additional Consideration (if payable) will be satisfied



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entirely in Shares (subject to the Additional Consideration Limits further detailed in paragraph 4.2.2 above).

The Additional Consideration components also allows the Group to ensure that such additional consideration is paid based on the actual financial performance of the Target Company for the relevant financial periods following Completion (which will reflect the continued financial performance and sustainability of the Target Company's business).

4.3 Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, among others, the following conditions having been fulfilled (each a "**Condition Precedent**"):

- (a) the Company having received the relevant approvals from Shareholders at an EGM to be convened in respect of the following:
 - (i) such approval(s) pursuant to Chapter 10 of the Mainboard Rules of the SGX-ST (the "**Listing Rules**" and reference herein to a "**Rule**" shall refer to any Listing Rules unless otherwise specified);
 - (ii) the issuance of the Consideration Shares and Additional Consideration Shares; and
 - (iii) such other approval(s) required under the Listing Rules and any other applicable laws in connection with the Proposed Acquisition, the change in risk profile of the Group as a result of completion of the Proposed Acquisition, and such other transactions contemplated in the SPA as may be necessary;

and such approvals having been obtained (each on terms and conditions acceptable to the Parties, each acting reasonably), remaining in full force and effect and not being revoked or amended;

- (b) the Company's receipt from the SGX-ST of the LQN for the listing and quotation of the Consideration Shares, such LQN remaining in full force and effect and not having been revoked or amended, and where such LQN is subject to any condition(s), such condition(s) being acceptable to the Parties (acting reasonably);
- (c) (if applicable) all permits and licences as may be required for or in connection with the Proposed Acquisition and the transactions contemplated in the SPA have been obtained from all relevant governmental bodies and not being withdrawn/revoked, and where any such permits and licences are obtained subject to any condition(s), such condition(s) being acceptable to TAPL and, if such condition(s) is/are required to be fulfilled before Completion, such conditions being fulfilled before Completion;
- (d) each of the representations and warranties of TAPL and the Vendor made pursuant to the SPA remaining true, complete, accurate and not misleading at all times from the date of the SPA;
- (e) the Proposed Acquisition and any transaction contemplated under the SPA not being prohibited by any applicable laws promulgated or issued after the date of the SPA, which is applicable to any Party;



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- (f) TAPL being satisfied in its discretion that there has been no material adverse change in, and there are no events, change, acts or omissions that has happened or is likely to happen which would have or could reasonably be expected to have, a material adverse effect on, the Target Company's business, assets, prospects, performance, financial position, results of operations and/or conditions (financial or otherwise);
- (g) TAPL and its advisers having completed business and operational, financial and legal due diligence on the Target Company and the results of such due diligence investigations being satisfactory to TAPL and its advisers in their sole and absolute discretion;
- (h) the Vendor having rectified, or having procured that the Target Company rectifies, all issues and irregularities uncovered by TAPL and its advisers during the business and operational, financial and legal due diligence on the Target Company;
- (i) completion of a valuation exercise on the Sale Shares by the Valuer (together with the issuance of a formal valuation report by such Valuer);
- (j) the voluntary suspension in trading of the Shares on the SGX-ST as announced by the Company on 17 August 2021 having been lifted;
- (k) the Shares remaining listed on the Mainboard of the SGX-ST for the period from the date of the SPA until Completion; and
- (l) TAPL having received confirmations from the relevant parties in respect of the form of the service agreement and shareholders' agreement to be entered into by, among others, the Target Company upon Completion. Further details on these agreements are set out in paragraph 4.7.1 below.

4.4 Completion

Completion of the Proposed Acquisition shall take place within **7** days after the fulfilment or waiver of the last Condition Precedent, or such other date as Parties may agree.

4.5 Long Stop Date

The Parties have agreed that the long stop date for the completion of the Proposed Acquisition shall be **6** months from the date of the SPA or such other date as the Parties may mutually agree in writing.

4.6 Source of Funds

The Consideration for the Proposed Acquisition shall be funded entirely by the allotment and issuance of the Consideration Shares. If any Additional Consideration becomes payable in accordance with the terms of the SPA, such Additional Consideration shall be funded entirely by the allotment and issuance of such number of Additional Consideration Shares.

4.7 Other Material Terms

4.7.1 Service Agreement and Shareholders' Agreement

The Vendor and Target Company shall on Completion enter into a service agreement in respect of the Vendor's appointment as chief executive officer of the Target Company and the services



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to be provided by the Vendor to the Target Company in respect thereof (the “**Service Agreement**”). The Service Agreement will provide for, among others, (a) the obligations and duties of the Vendor, (b) the term of the agreement which shall be for 2 years from the date of Completion, and (c) non-compete undertakings of the Vendor.

In addition, TAPL, the Vendor and the Target Company shall on Completion enter into a shareholder’s agreement to govern their respective rights and obligations relating to the Target Company (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement will provide for, among others, board composition of the Target Company (of which the majority is to comprise persons nominated by TAPL), and restrictions on the transfers of shares in the Target Company.

4.7.2 Appointment of directors of Target Company

Upon Completion, **2** persons nominated by TAPL will be appointed to the board of directors of the Target Company. As the terms of the SPA prohibits the Vendor from making any changes to the board composition of the Target Company for the period until Completion (save for taking relevant steps to procure the foregoing appointments), upon Completion, the board composition of the Target Company will comprise **3** directors, a majority of whom are to be nominated by TAPL.

5. MANDATE FOR ISSUE OF SHARES – SPECIFIC SHAREHOLDERS’ APPROVAL

Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless such issue of shares or convertible securities or such grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806.

The Company will not be relying on the general mandate previously obtained from Shareholders at the latest annual general meeting of the Company held on 24 September 2021 for the allotment and issue of the Consideration Shares and any Additional Consideration Shares. The allotment and issue of the Consideration Shares and any Additional Consideration Shares will be made pursuant to a specific mandate. As such, the Company will be seeking specific shareholder’s approval for the allotment and issue of the Consideration Shares and any Additional Consideration Shares in accordance with Rule 805(1) of the Listing Rules.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING RULES

6.1 Rule 1005

Pursuant to Rule 1005, in determining whether a transaction falls into any of the categories under (a), (b), (c) or (d) of Rule 1004, the Exchange may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. As the Tianci Acquisition was completed on 28 June 2021 (which is within the last 12 months of the date of this announcement), the table in paragraph 6.3 below sets out:



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- (a) the relative figures computed for the Proposed Acquisition only; and
- (b) the relative figures computed on the basis that the Proposed Acquisition and the Tianci Acquisition (collectively, the “**Consolidated Acquisitions**”) have been aggregated and treated as a single transaction.

Shareholders should read the following table in paragraph 6.3 together with the accompanying notes.

6.2 Computation of Relative Figures under Rule 1006(c) and Rule 1006(d)

6.2.1 Rule 1006(c)

For illustration purposes, in computing the relative figure on the basis under Rule 1006(c), the aggregate value of the consideration for the Proposed Acquisition is determined based on the 2 scenarios below.

Scenario I: Assuming the Target Company does not achieve any positive NPAT for the 12-month financial periods ending 30 June 2023 and 30 June 2024 respectively, and:

- (a) no Additional Consideration becomes payable; and
- (b) the total consideration for the Proposed Acquisition is the Consideration amount of S\$1,476,000,

(such scenario being the “**Minimum Consideration Scenario**”).

Scenario II: Assuming the Target Company achieves positive NPAT for both 12-month financial periods ending 30 June 2023 and 30 June 2024 respectively (or any one of the foregoing financial periods) and:

- (a) the Consideration amount is S\$1,476,000;
- (b) the Additional Consideration becomes payable such that the total consideration for the Proposed Acquisition is the maximum amount of S\$15,000,000; and
- (c) Shares issued as satisfaction of any Additional Consideration will not result in the AC Shares Limit being breached,

(such scenario being the “**Maximum Consideration Scenario**”).

The following table sets out a summary of the Minimum Consideration Scenario and Maximum Consideration Scenario.

	Minimum Consideration Scenario		Maximum Consideration Scenario	
	Amount (S\$)	No. of Shares	Amount (S\$)	No. of Shares
Consideration	1,476,000	16,043,478 ⁽¹⁾	1,476,000	16,043,478 ⁽¹⁾
Additional Consideration	-	-	13,524,000	Such number of Shares, the aggregate value of which does not exceed S\$13,524,000



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	Minimum Consideration Scenario		Maximum Consideration Scenario	
	Amount (S\$)	No. of Shares	Amount (S\$)	No. of Shares
				(subject to the AC Shares Limit) ⁽²⁾
Total amount	1,476,000	16,043,478	15,000,000	- ⁽²⁾

Notes:

- (1) Based on the Issue Price of S\$0.092 per Consideration Share and Consideration amount of S\$1,476,000.
- (2) The Additional Consideration Shares are to be issued based on the ACS Issue Price as determined based on VWAP per Share for the respective 30-day periods specified in paragraph 4.2.4 above. As such, the number of Additional Consideration Shares cannot be determined at this juncture. The actual number of Additional Consideration Shares issued is also subject to the AC Shares Limit and may be reduced accordingly if the issuance of any Additional Consideration Shares (whether in respect of the 2023 Additional Consideration, or 2024 Additional Consideration, or both of them) results in the AC Shares Limit being breached.

The computation of the relative figure under Rule 1006(c) based on the Maximum Consideration Scenario is for illustration purposes only and to take into consideration any deferred consideration that *may* be payable by TAPL in the future. The foregoing relative figure computed under Rule 1006(c) may or may not give a meaningful indication of the actual significance of the transaction to the Company and the Group. In particular, Shareholders should note that there is no certainty that the Additional Consideration will be payable to the Vendor. Any actual amount of 2023 Additional Consideration and 2024 Additional Consideration (if payable in each case) cannot be determined at this juncture as the amount payable will depend on the NPAT of the Target Company for the relevant periods and subject to the Additional Consideration Limits.

6.2.2 Rule 1006(d)

Pursuant to the terms of the SPA, the Consideration and Additional Consideration (if payable) are to be satisfied by way of issuance of Consideration Shares and Additional Consideration Shares respectively. The number of Additional Consideration Shares that may be issued is, however, based on the VWAP per Share for the relevant 30-day period and subject to the AC Shares Limit. As such, the number of Additional Consideration Shares cannot be determined at this juncture. Accordingly, in computing the relative figure on the basis under Rule 1006(d), the number of equity securities issued is determined based on the Minimum Consideration Scenario only.

Shareholders should also note that the Company has on 10 March 2022 allotted and issued an aggregate of 32,258,063 new shares in the share capital of the Company (the “**Conversion Shares**”) at the conversion price of S\$0.062 per Conversion Share to He Yi, Lin Miaoli and Ng Yu Shu Andy (the “**Lenders**”) pursuant to the convertible loan agreement entered into by and between the Company and the Lenders on 3 June 2021 (the “**Convertible Loan Agreement**”). Shareholders may refer to the Company’s announcements dated 3 June 2021, 25 October 2021 and 10 March 2022 for more information on the Convertible Loan Agreement and the Conversion Shares.



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6.3 Relative Figures

Based on the unaudited financial statements of the Group for the 12-month financial period ended 31 December 2021 (being latest announced consolidated accounts of the Group) and the unaudited management accounts of the Target Company for the 12-month financial period ended 31 December 2021, the relative figures of the Proposed Acquisition and the Consolidated Acquisitions computed on the bases set out in Rules 1006(a) to (e) of the Listing Rules are set out in the table below.

Rule	Base	Relative Figure (%)	
		Proposed Acquisition ⁽¹⁾	Consolidated Acquisitions ⁽²⁾
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable	Not applicable
1006(b)	The net profits or net loss attributable to the assets acquired, compared with Group's net profits or net loss ⁽³⁾	6.63 ⁽⁴⁾	26.02 ⁽⁴⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	4.61 (<i>Minimum Consideration Scenario</i>) or 37.95 (<i>Maximum Consideration Scenario</i>) ⁽⁵⁾	5.10 (<i>Minimum Consideration Scenario</i>) or 38.44 (<i>Maximum Consideration Scenario</i>) ⁽⁵⁾
1006(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	4.61 ⁽⁶⁾	4.61 ⁽⁶⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	Not applicable

Notes:

- (1) Relative figures computed on the bases set out in Rules 1006(a) to Rules 1006(e) in respect of the Proposed Acquisition only.
- (2) Relative figures computed on the bases set out in Rules 1006(a) to Rules 1006(e) in respect of the Consolidated Acquisitions. The relative figures have been computed based on the Group's unaudited financial statements for the 12-month financial period ended 31 December 2021 (being latest announced consolidated accounts of the Group), and (b) the unaudited management accounts of the Target Company and TAPL respectively for the 12-month financial period ended 31 December 2021.
- (3) For the purpose of computation of these figures, "net profits" or "net loss" means profit or loss (as the case may be) including discontinued operations that have not been disposed and before income tax and non-



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controlling interests.

- (4) The relative figures computed on the basis in Rule 1006(b) in respect of the Proposed Acquisition and the Consolidated Acquisitions are derived by computing (a) the net profit (or loss) attributable to the relevant assets acquired as reflected in the table below, and (b) the Group's net loss of approximately S\$1.96 million for the 12-month financial period ended 31 December 2021.

	Net profit/(loss) attributable to assets acquired pursuant to:
Proposed Acquisition	S\$0.13 million being the net loss attributable to the Sale Shares based on 51.0% of the Target Company's net loss of S\$0.26 million based on its unaudited management accounts for the 12-month financial period ended 31 December 2021
Tianci Acquisition	S\$0.38 million being the net loss of TAPL based on its unaudited management accounts for the financial period from 9 April 2021 (date of incorporation) to 31 December 2021
Consolidated Acquisitions	S\$0.51 million being the aggregate net loss attributable to the Sale Shares and TAPL based on their respective unaudited management accounts for the 12-month financial period ended 31 December 2021

- (5) Pursuant to Rule 1003(3), where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares (being the VWAP of such shares transacted on market day preceding the date of the sale and purchase agreement) or the net asset value ("NAV") represented by such shares, whichever is higher. For purpose of Rule 1003(3):

- (a) the 16,043,478 Consideration Shares has a market value of approximately S\$1,870,670 based on the VWAP per Share of S\$0.1166 on 6 August 2021, being the last full market day preceding the date of the SPA on which Shares were traded, and
- (b) the NAV attributable to the 16,043,478 Consideration Shares is approximately S\$1,332,000.

In accordance with Rule 1003(3), the aggregate value of the Consideration Shares is therefore approximately S\$1,870,670 (being the market value of the Consideration Shares which is higher than the NAV attributable to such Consideration Shares).

The relative figures computed on the basis in Rule 1006(c) in respect of the Proposed Acquisition and the Consolidated Acquisitions, in each case based on the Minimum Consideration Scenario and Maximum Consideration Scenario, are derived by computing (a) the aggregate consideration for the Proposed Acquisition and the Consolidated Acquisitions as reflected in the table below, and (b) the Company's market capitalisation of approximately S\$40.57 million derived by multiplying the issued share capital of the Company as at the date of this announcement of 347,927,082 Shares by the VWAP of S\$0.1166 per Share on 6 August 2021, being the last full market day preceding the date of the SPA on which Shares were traded. The Company does not have any treasury shares.

	Value of consideration for purposes of Rule 1006(c) (S\$)	
	Minimum Scenario	Maximum Consideration Scenario
Consideration Shares (based on market value, in accordance with Rule 1003(3))	1,870,670	1,870,670
Additional Consideration Shares	-	13,524,000*
Proposed Acquisition	1,870,670	15,394,670
Consideration for Tianci Acquisition (cash)	200,000	200,000
Consolidated Acquisitions	2,070,670	15,594,670

* Maximum Consideration Scenario: At this juncture, the Company is unable to determine (i) as set out in



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paragraph 6.2.1 above, the number of Additional Consideration Shares that may be issued in a Maximum Consideration Scenario, and (ii) the market value of such Additional Consideration Shares per Rule 1003(3). Accordingly, to compute the relative figure pursuant to Rule 1006(c) under the Maximum Consideration Scenario for the Proposed Acquisition and Consolidated Acquisitions, it is assumed that the value of the Additional Consideration Shares is the maximum monetary value of S\$13,524,000 (being the Consideration amount of S\$1,476,000 under the SPA deducted from the maximum limit of S\$15,000,000 under the Additional Consideration Limits) notwithstanding that the Additional Consideration is to be satisfied in Shares.

Shareholders should note that while the above computation of consideration value for the Proposed Acquisition (under the Maximum Consideration Scenario) is more than S\$15,000,000, this is solely to compute the relative figure on the basis in Rule 1006(c) under the Maximum Consideration Scenario, wherein the value of the Consideration Shares is determined by reference to VWAP of S\$0.1166 per Share on 6 August 2021 in accordance with Rule 1003(3). Pursuant to the SPA, the payment of the Additional Consideration is subject to the Additional Consideration Limits, which include the aggregate value of the Consideration and Additional Consideration not at any time exceeding S\$15,000,000.

- (6) Please refer to paragraph 6.2.2 above. The Company is unable to determine the number of Additional Consideration Shares that may be issued in a Maximum Consideration Scenario. Accordingly, the relative figures for Rule 1006(d) have been computed based on the Minimum Consideration Scenario only.

	Number of equity securities issued as consideration (Minimum Consideration Scenario)
Proposed Acquisition	16,043,478
Tianci Acquisition	0
Consolidated Acquisitions	16,043,478

6.4 The Proposed Acquisition as a major transaction

- 6.4.1 The relative figures computed pursuant to Rule 1006(b) of the Listing Rules involve net loss figures which are negative and may not give a meaningful indication of the significance of the transaction to the Company. Pursuant to Rule 1007(1) of the Listing Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Listing Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1 (Acquisitions and Realisations) of the Listing Rules (“**Practice Note 10.1**”), or if not so provided, at the discretion of the Exchange, in which case, the Company should consult the Exchange. Based on the relative figures computed above, the Proposed Acquisition and Consolidated Acquisitions do not fall within any of the situations in paragraphs 4.3 and 4.4 of Practice Note 10.1, and accordingly, Rule 1014 applies to the Proposed Acquisition.
- 6.4.2 In any event, as the relative figures computed pursuant to Rule 1006(c) under the Maximum Consideration Scenario exceed 20%, the Proposed Acquisition will constitute a “major transaction” as defined under Rule 1014 of the Listing Rules. The Company will therefore be seeking Shareholders’ approval for the Proposed Acquisition at the EGM to be convened.

7. CHANGE IN RISK PROFILE AND FUTURE PLANS OF THE GROUP

- 7.1 As disclosed in the Company’s interim financial statements for the fourth quarter and 12 months ended 31 December 2021 which was announced on 14 February 2022, the Group had suspended its branding, operations and procurement service business since January 2021 and following completion of the Tianci Acquisition on 28 June 2021, the Group operates in one business segment involved in the sale and distribution of fresh vegetables and fruit produce. At the time that the Tianci Acquisition was undertaken by the Group, as announced by the



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Company on 3 June 2021, TAPL was only recently incorporated and had yet to commence business activities (save for its entry into certain supply contracts) and therefore had not generated any revenue then. Following TAPL becoming a subsidiary of the Company, TAPL has entered into several memorandum of understandings with strategic partners to collaborate and harness opportunities in the fresh produce, consumer products and logistics supply chain markets in Singapore and the region by leveraging on their respective resources, business strengths and networks.

- 7.2 The Target Company is an e-commerce company principally engaged in the business of selling and distributing fresh produce (including fresh vegetables and fruits) and other food produce and food products including seafood, meat, poultry, dried provisions, dim sum and noodles to household consumers, food service providers, retailers, restaurants and hotels in Singapore. Given the nature of the Target Company's business, upon Completion, it is envisaged that the Group's existing sale and distribution business will not be limited to fresh vegetables and fruit produce but cover a wide range of consumer food products (such business segment being the Distribution Business as further described in paragraph 3.2.2 above). In addition, with the e-commerce platform utilised by the Target Company and its customer portfolio, the Group's customer/ client base for such business is also expected to be more diversified following Completion.
- 7.3 Due to the foregoing, the Company will be seeking Shareholders' approval for the expansion of and diversification into the Distribution Business at the EGM to be convened. Further information on the risk factors in respect of the Distribution Business as well as further details on such business will be set out in the Circular to be issued to Shareholders in due course.
- 7.4 Shareholders should note that following completion of the Proposed Acquisition/ the relevant Shareholders' approval being obtained at the EGM, the Group may:
- (a) expand the Distribution Business beyond the supply and distribution of vegetable and fruit produce to include the supply and distribution of other fresh produce (including seafood, meat and poultry) and other food produce and products; and/or
 - (b) expand the supply and distribution activities of the Distribution Business (or the expanded Distribution Business) to any specific business sector or industry [(whether or not related to the food and beverage industry)] or any geographical market.
- 7.5 To facilitate such expansion of the Distribution Business, the Group may as and when the opportunity arises:
- (a) invest in or purchase or otherwise acquire or dispose of any assets, investments and shares or interests in any entity that is also in the Distribution Business (or any business similar thereto); and/or
 - (b) explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Distribution Business (or any business similar thereto).

The Company will, where required under the Listing Rules and at the relevant juncture, make the relevant announcement(s) in respect of such transactions, and if required under the Listing Rules, obtain relevant shareholders' approval prior to completing such transactions.



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8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1 Bases and Assumptions

- 8.1.1 On 10 January 2022, the Company announced the change of its financial year end from 31 December to 30 June. Following the aforesaid change, the current financial year of the Company will end on 30 June 2022 and the most recently completed financial year of the Company will be the financial year ended 31 December 2020 (“FY2020”). Accordingly, the financial effects of the Proposed Acquisition on the share capital, earnings per Share (“EPS”) and net tangible assets (“NTA”) per share of the Group have been prepared based on (a) the audited consolidated financial statements of the Group for FY2020 (being the most recently completed financial year of the Group) and (b) the unaudited management accounts of the Target Company for the 12-month financial period ended 31 December 2020. The *pro forma* financial effects of the Proposed Acquisition are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the Proposed Acquisition.
- 8.1.2 For illustration purposes only, the financial effects of the Proposed Acquisition have been computed based on the following assumptions:
- (a) the financial effects on the Group’s NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Acquisition was completed on 31 December 2020, being the end of the most recently completed financial year;
 - (b) the financial effects on the Group’s earnings or loss attributable to the Shareholders and EPS have been computed assuming that Proposed Acquisition was completed on 1 January 2020, being the beginning of the most recently completed financial year;
 - (c) the expenses in connection with the Proposed Acquisition have been disregarded;
 - (d) completion of issuance of the 32,258,063 Conversion Shares at the conversion price of S\$0.062 per Conversion Share; and
 - (e) save for completion of the Tianci Acquisition and the issuance of Conversion Shares referred to in sub-paragraph (d) above, all other transactions that are currently being (or have been) undertaken by the Company (or any Group Company) since 1 January 2021 to date have been disregarded. In particular, the number of Shares and issued share capital before and after Completion are computed on the assumptions that no Shares have been issued to investors pursuant to the placement exercise announced by the Company on 15 July 2021 to raise up to S\$3,090,000.

The financial effects of the Proposed Acquisition have been computed based on the Minimum Consideration Scenario only. As set out in paragraph 6.2.1 above, at this juncture, the Company is unable to determine the number of Additional Consideration Shares that may be issued in a Maximum Consideration Scenario. Shareholders should note that if the Additional Consideration Shares are to be issued, the number of such Shares to be issued will be subject to the AC Shares Limit, as further described in paragraph 4.2.2 above.



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8.2 Share Capital

	Before Completion	After Completion ⁽¹⁾
Number of Shares	347,927,082	363,970,560
Issued and paid-up share capital (S\$)	38,776,000	40,252,000

Note:

(1) Based on the Issue Price of S\$0.092 per Consideration Share and Consideration amount of S\$1,476,000, an aggregate of 16,043,478 Consideration Shares will be issued as satisfaction of the Consideration following Completion.

8.3 NTA per Share

The financial effects of the Proposed Acquisition on the consolidated NTA per Share for FY2020, assuming Completion (and the issuance of the 16,043,478 Consideration Shares) had taken place on 31 December 2020 (being the end of FY2020) are set out below.

	Before Completion	After Completion
Consolidated NTA attributable to Shareholders (S\$)	3,323,000	4,799,000
Number of Shares	347,927,082	363,970,560
Consolidated NTA per Share attributable to Shareholders (Singapore cents)	0.96	1.32

8.4 EPS

The financial effects of the Proposed Acquisition on the consolidated EPS for FY2020, assuming Completion (and the issuance of the 16,043,478 Consideration Shares) had taken place on 1 January 2020 (being the beginning of FY2020) are set out below.

	Before Completion	After Completion
Consolidated net earnings attributable to Shareholders (S\$)	20,182,000	20,533,000
Weighted average number of issued Shares (excluding treasury shares)	347,927,082	363,970,560
Consolidated EPS (Singapore cents)	5.80	5.64



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9. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract will be entered into between the Company and any such person.

However, the Vendor will remain as a director of the Target Company following Completion and will also be entering into the Service Agreement with the Target Company in respect of his appointment as chief executive officer of the Target Company. Further information on the Service Agreement is set out in paragraph 4.7.1 above.

10. CIRCULAR TO SHAREHOLDERS

As the Proposed Acquisition is conditional upon the Company having obtained the relevant Shareholders' approval under Chapter 10 of the Listing Rules and as the Company is seeking Shareholders' approval for the potential change in risk profile of the Company arising from the completion of the Proposed Acquisition, the Circular to the Shareholders containing, among others, information in respect thereof will be issued to Shareholders in due course.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Acquisition.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the 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 the 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 the announcement in its proper form and context.

13. TRADING CAUTION

Trading in the Company's Shares on the SGX-ST has been voluntarily suspended by the Company on 17 August 2021. The Company will make further announcements as appropriate or when there are material developments in connection with the foregoing.



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Shareholders may refer to the Company's announcements dated 17 August 2021 and 26 August 2021 in relation to the voluntary trading suspension.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. The completion of the Proposed Acquisition is subject to certain conditions which include, among others, the lifting of the voluntary suspension in trading of the Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof or that the Shares will resume trading on the SGX-ST. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

14. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep Shareholders informed as and when there are further material updates and developments in respect of the Proposed Acquisition.

15. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966 during normal business hours for a period of 3 months commencing from the date of this announcement.

In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the SPA should contact the Company at the email address <contactus@ktl.group> at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the SPA. Shareholders will need to identify themselves by stating his/ her/ its full name as it appears on his/ her/ its CDP/ CPF/ SRS share records, contact number and NRIC/ Passport/ UEN number and state the manner in which he/ she/ it holds his/ her/ its Shares in the Company (e.g. via CDP, CPF or SRS).

By Order of the Board

Chin Teck Oon

Executive Director and Chief Executive Officer

21 April 2022