THE PLACE HOLDINGS LIMITED
(Company Registration No. 200107762R)
(Incorporated in the Republic of Singapore)

THE PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF EACH OF SUN ORIENTAL PTE. LTD. AND SUN XIN INVESTMENT PTE. LTD.

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of The Place Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement dated 7 March 2022 in relation to the non-binding Memorandum of Understanding with Diamond Era Investment Limited ("**Diamond Era**") and World Globe International Holdings Limited ("**World Globe**") to acquire 51% of the issued and paid-up ordinary shares in the capital of each of Sun Oriental Pte. Ltd. ("**Sun Oriental**") and Sun Xin Investment Pte. Ltd. ("**Sun Xin**").

1.2 The Board wishes to announce that the Company had on 10 May 2022 entered into sale and purchase agreements with Diamond Era and World Globe respectively for the Company's proposed acquisition of 51% of the issued and paid-up ordinary shares in the capital of each of Sun Oriental and Sun Xin (the "**Proposed Acquisitions**").

1.3 In this announcement, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

"**Parties**"	:	The Company, Diamond Era and World Globe collectively, and "**Party**" means each of them
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Sun Oriental Completion**"	:	Has the meaning ascribed to it in Section 4.2 of this Announcement
"**Sun Oriental Completion Date**"	:	The date falling 5 Business Days after the date on which the conditions set out in conditions precedent of the sale and purchase agreement for the Sun Oriental Sale Shares have been fulfilled or waived or such other date as the Parties may mutually agree in writing
"**Sun Oriental Consideration**"	:	Has the meaning ascribed to it in Section 4.2 of this announcement
"**Sun Oriental Long Stop Date**"	:	31 December 2022 or such date as extended by mutual agreement of the Parties
"**Sun Oriental Sale Shares**"	:	Has the meaning ascribed to it in Section 4.2 of this announcement
"**Sun Oriental SPA**"	:	The sale and purchase agreement entered into between the Company and the Vendors on 10 May 2022 to acquire 51%

		of the issued and paid-up ordinary shares in the capital of Sun Oriental
"**Sun Xin Completion**"	:	Has the meaning ascribed to it in Section 4.2 of this announcement
"**Sun Xin Completion Date**"	:	The date falling 5 Business Days after the date on which the conditions set out in conditions precedent of the sale and purchase agreement for the Sun Xin Sale Shares have been fulfilled or waived or such other date as the Parties may mutually agree in writing
"**Sun Xin Consideration**"	:	Has the meaning ascribed to it in Section 4.2 of this announcement
"**Sun Xin Long Stop Date**"	:	31 December 2022 or such date as extended by mutual agreement of the Parties
"**Sun Xin Sale Shares**"	:	Has the meaning ascribed to it in Section 4.2 of this announcement
"**Sun Xin SPA**"	:	The sale and purchase agreement entered into between the Company and the Vendors on 10 May 2022 to acquire 51% of the issued and paid-up ordinary shares in the capital of Sun Xin
"**Target Companies**"	:	Sun Xin and Sun Oriental collectively, and "**Target Company**" means each of them individually
"**Vendors**"	:	Diamond Era and World Globe collectively, and "**Vendor**" means each of them individually

2. INFORMATION ON THE TARGET COMPANIES AND THE VENDORS

2.1 Information on the Vendors

Diamond Era (Company Registration Number: 140779) is an investment holding company incorporated in British Virgin Islands on 30 May 2007 with its registered office at Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands. The issued capital of Diamond Era comprises 50,000 shares with no par value and its paid-up capital is US$1 comprising 1 share.

World Globe (Company Registration Number: 1409267) is an investment holding company incorporated in British Virgin Islands on 6 June 2007 with its registered office at Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands. The issued capital of World Globe comprises 50,000 shares with no par value and its paid-up capital is US$1 comprising 1 share.

Diamond Era owns 65% of the issued and paid-up capital of each of Sun Xin and Sun Oriental, and World Globe owns 35% of the issued and paid-up capital of each of Sun Xin and Sun Oriental.

2.2 Information on the Target Companies

Sun Xin (Singapore Company Registration No. 202117454K) is a company incorporated in Singapore on 18 May 2021 with its registered office at 6 Battery Road #16-06, Singapore 049909. As at the date of this announcement, the issued and paid-up capital of Sun Xin is S$10,000 comprising 10,000 shares.

Sun Xin is an investment holding company whose principal business activity is to own and commercialise the intellectual property rights ("**IP rights**") that currently yield recurring royalty income. These IP rights include design patent and trademarks registered in the People's Republic of China ("**PRC**") that relate, but not limited, to the operation and management of Shimao Tianjie Sky Screen (as defined below) and real estate properties associated with THE PLACE (as defined below).

"THE PLACE" is a mixed-use development built in 2006, comprising two top-tier office buildings and a high-end shopping retail mall, located at No. 9 Guanghua Road, Chaoyang District, Beijing, the heart of Beijing's Central Business District. Sun Xin received royalty fees from entities using the IP rights, including Beijing Aozhong Xingye Real Estate Development Co., Ltd. ("**BJ Aozhong Xingye**") and Beijing Aozhong Shimao Wuye Property Management Co, Ltd which are respectively the developer and property manager of "THE PLACE".

Sun Oriental (Singapore Company Registration No. 202117131H) is a company incorporated in Singapore on 14 May 2021 with its registered office at 6 Battery Road #16-06, Singapore 049909. As at the date of this announcement, the issued and paid-up capital of Sun Oriental is S$10,000 comprising 10,000 shares.

Sun Oriental is an investment holding company and had incorporated a new wholly foreign owned enterprise in Beijing, namely Beijing Rongyuan Kechuang Technology Co., Ltd ("**Beijing Rongyuan**"), on 14 April 2022 to complete the acquisition of certain assets and businesses (the "**Skyscreen Assets**") relating to the Shimao Tianjie Sky Screen (as defined below) from BJ Aozhong Xingye. The acquisition of the Skyscreen Assets is expected to generate operating revenue.

Beijing Rongyuan (uniform social credit No. 91110105MA7MCFCQ56) is a company incorporated and existing under the laws of the People's Republic of China, with its registered address at No. 13 Shangyenei Floor 5 Block 4, No. 9 Guanghua Road, Chaoyang, Beijing, China.

BJ Aozhong Xingye is a property development and management company that currently, amongst others, owns and operates a 7,500 sqm LED sky screen known as the "**Shimao Tianjie Sky Screen**" located at No. 9 Guanghua Road, Chaoyang District, Beijing. Shimao Tianjie Sky Screen is one of the largest sky screens in Asia across a space of 250m long and 30m wide, offering a spectacular light show experience with high-resolution imagery and state-of-the-art, immersive sound systems as well as technological features that enable interactivity. More information on THE PLACE and Shimao Tianjie Sky Screen can be found at the link https://www.theplacebeijing.com.

Based on the latest available unaudited management accounts of Sun Xin and Sun Oriental for the financial year ended 31 December 2021, the net assets value of the Sun Xin and Sun Oriental is S$3,625,448 and S$9,947 respectively.

The net profit before tax attributable to the Sun Xin is S$3,615,448 and the net loss before tax attributable to Sun Oriental is S$53 respectively, based on their respective latest available unaudited management accounts for the financial year ended 31 December 2021.

Based on the draft valuation reports by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Valuer**") regarding the valuation of equity of Sun Oriental and Sun Xin (respectively, the "**Sun Oriental Valuation Report**" and the "**Sun Xin Valuation Report**") which was commissioned by the Company, the indicative preliminary valuations ("**Indicative Valuation**") of the 51% of the issued and paid-up ordinary shares in the capital of Sun Xin and Sun Oriental is S$33,150,000 and S$28,560,000 respectively. The indicative valuation was based on the unaudited management accounts of Sun Xin and Sun Oriental.

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

3.1 As mentioned in the Company's announcement dated 7 March 2022, the rationale of the Proposed Acquisitions, are to establish a mutually beneficial relationship, to cooperate and collaborate in good faith in relation to the Proposed Acquisitions. The Proposed Acquisitions will also provide the Group with opportunities to diversify as well as create new revenue streams through leveraging on the IP rights acquired.

3.2 The Group's business focus is on integrating traditional businesses with omni-channel strategies and digital solutions (which may include "new-retail" solutions, last mile logistics, immersive virtual reality technology, enterprise intelligent connectivity) to harness new growth opportunities in the digital economy. The Board has been exploring to create new value propositions within its 3 core business pillars, namely (i) integrated media-related businesses with management operation rights, (ii) property development and property management activities; and (iii) cultural tourism with "new retail" business concept, in the midst of the political and economic uncertainties and challenges globally.

3.3 To further expand the integrated media-related business, the Company intends to embark on the Proposed Acquisitions to obtain a controlling stake of the Skyscreen Assets and IP rights which are essential for the operation and management of the Shimao Tianjie Sky Screen and the real estate properties associated with THE PLACE.

3.4 Located next to the landmark property, THE PLACE, the Shimao Tianjie Sky Screen is an iconic and popular attraction for holding various events and also an important platform for advertisement and media. BJ Aozhong Xingye has built a unique business model centering on the Shimao Tianjie Sky Screen after 15 years of operational and management experience. Pioneering new experimental marketing experiences, the Shimao Tianjie Sky Screen continues to be a popular venue and platform for various events, advertisements and media. A key feature of this business model is the seamless combination of the LED screen and IP rights, which encompasses the advanced technologies behind the Shimao Tianjie Sky Screen, to create new value propositions in the digital economy.

3.5 Metaverse is a network of 3D virtual worlds focused on social connection and has increasingly become a global trend. With the acceleration in the development of 5G and artificial intelligence in recent years as well as the emerging 6G technology, there is strong potential to develop new commercial opportunities for the expansion of the operation and application of the Shimao Tianjie Sky Screen that can be interconnected with Metaverse. There are also various opportunities to leverage on the IP rights and technological features to develop new business propositions related to the digital economy (such as gamification, non-fungible tokens, metaverse) and create new revenue streams for the Group.

3.6 Both the IP rights and Shimao Tianjie Sky Screen are income-generative businesses. After the completion of the Proposed Acquisitions, the Group is expected to receive recurring royalty income from the licensing of the IP rights for the use in the operation and management of the Shimao Tianjie Sky Screen and the real estate properties associated with THE PLACE. In addition, the Group will also generate operating revenue from the operation of the Shimao Tianjie Sky Screen.

3.7 The Company therefore envisages that it will derive economic benefits from the Proposed Acquisitions whereby the financial performance of the Group will be strengthened by the Proposed Acquisitions. In addition, the Proposed Acquisitions will allow the Company to further customise this business model (which is inclusive of the IP rights) for expansion into Singapore and other countries in the near future.

3.8 The Board is of the view that the Proposed Acquisitions provide an opportunity as well as a concrete step in expanding the integrated media-related business of the Group.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITIONS

4.1 Main Assets of Sun Oriental and Sun Xin

Sun Oriental

The assets of Sun Oriental will comprise mainly fixed and movable hardware and software of the Shimao Tianjie Sky Screen (which will be acquired by Beijing Rongyuan) and business contracts in relation to the use of the Shimao Tianjie Sky Screen, which include, *inter alia*, a basketball court that is under the Sky Screen (which will be acquired by Beijing Rongyuan from Beijing Aozhong Xingye).

Further details of the main assets of Sun Oriental will be set out in the Circular (as defined below).

Sun Xin

The assets of Sun Xin comprise mainly of intellectual property rights, which includes the logo of "THE PLACE" and the trademarks and patent of the Shimao Tianjie Sky Screen.

Further details of the main assets of Sun Xin will be set out in the Circular (as defined below).

4.2 Consideration under the Sun Oriental SPA and Sun Xin SPA

Sun Oriental

The aggregate consideration for the 5,100 issued and paid-up ordinary shares in the capital of Sun Oriental, representing 51% of the issued and paid-up share capital of Sun Oriental, out of which, Diamond Era will sell 3,315 Shares World Global will sell 1,785 Shares (the "**Sun Oriental Sale Shares**") shall be S$20,468,000 (the "**Sun Oriental Consideration**").

Unless otherwise agreed by the Parties in writing, the Sun Oriental Consideration shall be satisfied by the payment thereof in cash, without deduction to the Vendors, out of which, 65% will be paid to Diamond Era and 35% will be paid to World Globe on completion of the sale and purchase of the Sun Xin Sale Shares (the "**Sun Oriental Completion**"). The Parties agree after taking into consideration the valuation report and assumptions therein that Sun Oriental Consideration will be payable as follows:

(a) within 10 days from the date on which the audited financial statements of Sun Oriental for the financial year ending 31 December ("**FY**") 2022 is available, the Company will pay an amount equivalent of 10% of the earning before interest, tax, depreciation and amortization ("**EBITDA**") of FY2022 of Sun Oriental to the Vendors ("**Sun Oriental First Milestone Payment**") provided that Sun Oriental is not loss making in FY2022;

(b) within 10 days from the date on which the audited financial statements of Sun Oriental for FY2023 is available, the Company will pay an amount equivalent of 10% of the EBITDA of FY2023 of Sun Oriental to the Vendors ("**Sun Oriental Second Milestone Payment**") provided that Sun Oriental is not loss making in FY2022;

(c) within 10 days from the date on which the audited financial statements of Sun Oriental for FY2024 is available, the Company will pay an amount equivalent of 10% of the EBITDA of FY2024 of Sun Oriental to the Vendors ("**Sun Oriental Third Milestone Payment**") provided that Sun Oriental is not loss making in FY2022;

(d) the aggregate amounts of Sun Oriental First to Third Milestone Payments based on the above 3 paragraphs (a), (b) and (c) are capped at the Sun Oriental Consideration;

(e) if the aggregate EBITDA of Sun Oriental for FY2022 to FY2023 as per the audited financial statements equals or is more than S$18,500,000, the remaining amount equals to the Sun Oriental Consideration less the aggregate amounts of the Sun Oriental First to Second Milestone Payments will be paid on or before 31 December 2024;

(f) if the aggregate EBITDA of Sun Oriental for FY2022 to FY2024 as per the audited financial statements equals or is more than S$18,500,000, the remaining amount equals to the Sun Oriental Consideration less the aggregate amounts of the Sun Oriental First to Third Milestone Payments will be paid on or before 31 December 2025; and

(g) if the aggregate EBITDA of Sun Oriental for FY2022 to FY2024 as per the audited financial statements is less than S$18,500,000, the EBITDA of Sun Oriental for FY2025 and onwards will be aggregated until such year ("**Sun Oriental Milestone Year**") in which the aggregate EBITDA between FY2022 and the Sun Oriental Milestone Year equals or exceeds S$18,500,000. From FY2025 to the Sun Oriental Milestone Year, the milestone payment of an amount equivalent of 10% of annual EBITDA of the respective FY of Sun Oriental will be paid to the Vendors by the Company ("**Sun Oriental Remaining Milestone Payments**") annually within 10 days from the date on which the audited financial statements of Sun Oriental for the applicable FY is available. The remaining amount equals to the Sun Oriental Consideration less the aggregate amounts of Sun Oriental First to Third Milestone Payments and the Sun Oriental Remaining Milestone Payments will be paid on or before 31 December of the year immediately after the Sun Oriental Milestone Year.

Sun Xin SPA

The aggregate consideration for the 5,100 issued and paid-up ordinary shares in the capital of Sun Xin, representing 51% of the issued and paid-up share capital of Sun Xin, out of which, Diamond Era will sell 3,315 Shares World Global will sell 1,785 Shares (the "**Sun Xin Sale Shares**") shall be S$26,520,000 (the "**Sun Xin Consideration**").

Unless otherwise agreed by the Parties in writing, the Sun Xin Consideration shall be satisfied by the payment thereof in cash, without deduction to the Vendors, out of which, 65% will be paid to Diamond Era and 35% will be paid to World Globe on completion of the sale and purchase of the Sun Xin Sale Shares (the "**Sun Xin Completion**"). The Parties agree after taking into consideration the valuation report and assumptions therein that Sun Xin Consideration will be payable as follows:

(a) within 10 days from the date on which the audited financial statements of Sun Xin for the financial year ending 31 December ("**FY**") 2022 is available, the Company will pay an amount equivalent of 10% of the EBITDA of FY2022 of Sun Xin to the Vendors ("**Sun Xin First Milestone Payment**") provided that Sun Xin is not loss making in FY 2022;

(b) within 10 days from the date on which the audited financial statements of Sun Xin for FY2023 is available, the Company will pay an amount equivalent of 10% of the EBITDA of FY2023 of Sun Xin to the Vendors ("**Sun Xin Second Milestone Payment**") provided that Sun Xin is not loss making in FY 2022;

(c) within 10 days from the date on which the audited financial statements of Sun Xin for FY2024 is available, the Company will pay an amount equivalent of 10% of the EBITDA of FY2024 of Sun Xin to the Vendors ("**Sun Xin Third Milestone Payment**") provided that Sun Xin is not loss making in FY 2022;

(d) the aggregate amounts of Sun Xin First to Third Milestone Payments based on the above 3 paragraphs (a), (b), (c) are capped at the Sun Xin Consideration;

(e) if the aggregate EBITDA of Sun Xin for FY2022 to FY2023 as per the audited financial statements equals or is more than S$29,000,000, the remaining amount equals to the Sun Xin Consideration less the aggregate amounts of Sun Xin First to Second Milestone Payments will be paid on or before 31 December 2024;

(f) if the aggregate EBITDA of Sun Xin for FY2022 to FY2024 as per the audited financial statements equals or is more than S$29,000,000, the remaining amount equals to the Sun Xin Consideration less the aggregate amounts of Sun Xin First to Third Milestone Payments will be paid on or before 31 December 2025; and

(g) if the aggregate EBITDA of Sun Xin for FY2022 to FY2024 as per the audited financial statements is less than S$29,000,000, the EBITDA of Sun Xin for FY2025 and onwards will be aggregated until such year ("**Sun Xin Milestone Year**") in which the aggregate EBITDA between FY2022 and the Sun Xin Milestone Year equals or exceeds S$29,000,000. From FY2025 to the Sun Xin Milestone Year, the milestone payment of an amount equivalent of 10% of annual EBITDA of the respective FY of Sun Xin will be paid to the Vendors by the Company ("**Sun Xin Remaining Milestone Payments**") annually within 10 days from the date on which the audited financial statements of Sun Xin for the applicable FY is available. The remaining amount equals to the Sun Xin Consideration less the aggregate amounts of Sun Xin First to Third Milestone Payments and the Sun Xin Remaining Milestone Payments will be paid on or before 31 December of the year immediately after the Sun Xin Milestone Year.

The Sun Oriental Consideration and Sun Xin Consideration were determined based on arm's length negotiations between the Company and the Vendors on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the indicative independent valuations of Sun Oriental and Sun Xin, the net asset values of Sun Oriental and Sun Xin and the rationale for the Proposed Acquisitions (as further described in Section 3 in this announcement).

The aggregate consideration of Sun Oriental and Sun Xin of S$46,988,000 represents a discount of approximately 23.86% to the preliminary indicative aggregate value of 51% of the equity value of the of Sun Xin and Sun Oriental which was independently assessed and determined by the Valuer pending finalisation of the valuation report.

4.3 Sale of the Sun Oriental Sale Shares and Sun Xin Sale Shares

Sun Oriental SPA

Each of the Vendors hereby agrees to grant a right of first refusal ("**ROFR**") to the Company to acquire the balance 49% shares in Sun Oriental. The ROFR provides that (i) in case of any proposed sale of all or part of the said 49% shares ("**Sun Oriental Proposed Shares**") in Sun Oriental, the Vendors will issue a written notice to the Company; and (ii) within 3 months from the receipt of the said notice (or such longer period as agreed by the Parties), the Company shall have the right by written notice to the Vendors to exercise its right to acquire the Sun Oriental Proposed Shares held by the Vendors in its sole discretion. For the avoidance of doubt, if the ROFR is not exercised by the Company or the Company expressly declines to exercise the ROFR within the above period, the Vendors may sell the Sun Oriental Proposed Shares to any third party on terms no more favorable than those offered to the Company. It is acknowledged that the exercise of ROFR and the acquisition of the balance 49% shares in Sun Oriental will be subject to a separate sale and purchase agreement to be signed by the Parties and separate approvals from shareholders and/or where applicable, the SGX-ST or any other regulatory authorities (as the case may be).

Sun Xin SPA

Each of the Vendors hereby further agrees to grant a ROFR to the Company to acquire the balance 49% shares in Sun Xin. The ROFR provides that (i) in case of any proposed sale of all or part of the said 49% shares ("**Sun Xin Proposed Shares**") in the Company, the Vendors will issue a written notice to the Company; and (ii) within 3 months from the receipt of the said notice (or such longer period as agreed by the Parties), the Company shall have the right by written notice to the Vendors to exercise its right to acquire the Sun Xin Proposed Shares held by the Vendors in its sole discretion. For the avoidance of doubt, if the ROFR is not exercised by the Company or the Company expressly declines to exercise the ROFR within the above period, the Vendors may sell the Sun Xin Proposed Shares to any third party on terms no more favorable than those offered to the Company. It is acknowledged that the exercise of ROFR and the acquisition of the balance 49% shares in Sun Xin will be subject to a separate sale and purchase agreement to be signed by the Parties and separate approvals from shareholders and/or where applicable, the SGX-ST or any other regulatory authorities (as the case may be).

4.4 Conditions Precedent under the Sun Oriental SPA and Sun Xin SPA

Sun Oriental SPA

The Sun Oriental Completion under the Sun Oriental SPA is conditional upon the satisfaction of the following conditions precedent:

(a) the receipt by the Company of such waivers or consents as may be necessary to enable the Company and/or its nominee(s) to be registered as holder of any and all of the Sun Oriental Sale Shares;

(b) all other consents and approvals required under any and all applicable laws for the sale of the Sale Shares and to give effect to the transactions contemplated in the Sun Oriental SPA (including, without limitation, such waivers and consents as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendors or Sun Oriental is a party or by which the Vendors or Sun Oriental or its or their respective assets are bound as well as any approvals and appraisals required) being obtained;

(c) all warranties remaining true and not misleading in any respect at the Sun Oriental Completion, as if repeated at the Sun Oriental Completion and at all times between the date of the Sun Oriental SPA and the Sun Oriental Completion;

(d) neither the Company nor the Vendors having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Sun Oriental SPA and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;

(e) there being no material adverse change in the business of Sun Oriental since the date of signing of the Sun Oriental SPA;

(f) the Company and its advisers having completed its due diligence investigations in respect of Sun Oriental, and the results being satisfactory to the Company in its discretion;

(g) the requisite approval of shareholders of the Company at an EGM being obtained for the acquisition of the Sun Oriental Sale Shares;

(h) the approval of the SGX-ST being obtained in respect of the acquisition and if such approval is subject to conditions, such conditions being reasonably acceptable to the

Parties and if required by the SGX-ST, such conditions being fulfilled or satisfied on or before Completion, and such approval remaining in full force and effect;

(i) the independent valuation report and the independent financial adviser letter being issued pursuant to the relevant requirements under the Listing Manual of SGX-ST; and

(j) the following restructuring exercise (the "**Restructuring Exercise**") has been completed to the satisfaction of the Purchaser in its sole absolute discretion before the Sun Oriental Completion Date:

a. within 120 days from the signing of the Sun Oriental SPA, the Company will complete a due diligence on certain assets and business to be acquired by Beijing Rongyuan (as listed in Schedule 3 of the Sun Oriental SPA); and

b. subject to subject to the satisfaction of the due diligence results under Section 4.3(j)a of this announcement above, Beijing Rongyuan will sign the asset purchase agreement ("**APA**") with BJ Aozhong Xingye within 180 days from the signing of the Sun Oriental SPA, and complete the sale and purchase of the assets and businesses set out in the Sun Oriental SPA within 210 days from the signing of the Sun Oriental SPA.

The Vendors undertake to procure the fulfilment of the conditions set out above (other than the condition specified in paragraphs (a), (g), (h) and (i) of this section of this announcement) by the Sun Oriental Long Stop Date. Unless specifically waived by the Company, if any of the conditions stated above (other than the condition specified in paragraphs (a), (g), (h) and (i) of this section of this announcement) shall not be fulfilled on or before the Sun Oriental Long Stop Date or such other date as the Parties shall mutually agree in writing, the Sun Oriental SPA shall *ipso facto* cease and determine and neither Party shall have any claim against the other for costs, damages, compensation or otherwise.

The Company undertakes to procure the fulfilment of the conditions set out in paragraphs (a), (g), (h) and (i) of this section of this announcement by the Sun Oriental Long Stop Date. Unless specifically waived by the Vendors, if the condition stated in paragraphs (a), (g), (h) and (i) of this section of this announcement shall not be fulfilled on or before the Sun Oriental Long Stop Date or such other date as the Parties shall mutually agree in writing, the Sun Oriental SPA shall *ipso facto* cease and determine and neither Party shall have any claim against the other for costs, damages, compensation or otherwise.

Sun Xin SPA

The Sun Xin Completion under the Sun Xin SPA is conditional upon the satisfaction of the following conditions precedent:

(a) the receipt by the Company of such waivers or consents as may be necessary to enable the Company and/or its nominee(s) to be registered as holder of any and all of the Sun Xin Sale Shares;

(b) all other consents and approvals required under any and all applicable laws for the sale of the Sun Xin Sale Shares and to give effect to the transactions contemplated in the Sun Xin SPA (including, without limitation, such waivers and consents as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendors or Sun Xin is a party or by which the Vendors or Sun Xin or its or their respective assets are bound as well as any approvals and appraisals required) being obtained;

(c) all warranties remaining true and not misleading in any respect at the Sun Xin Completion, as if repeated at the Sun Xin Completion and at all times between the date of the Sun Xin SPA and the Sun Xin Completion;

(d) neither the Company nor the Vendors having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Sun Xin SPA and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;

(e) there being no material adverse change in the Business of Sun Xin since the date of signing of the Sun Xin SPA;

(f) the requisite approval of shareholders of the Company at an EGM being obtained for the acquisition of the Sun Xin Sale Shares;

(g) the approval of the SGX-ST being obtained in respect of the acquisition and if such approval is subject to conditions, such conditions being reasonably acceptable to the Parties and if required by the SGX-ST, such conditions being fulfilled or satisfied on or before the Sun Xin Completion, and such approval remaining in full force and effect; and

(h) the independent valuation report and the independent financial adviser letter being issued pursuant to the relevant requirements under the Listing Manual of SGX-ST.

The Vendors undertake to procure the fulfilment of the conditions set out in above (other than the condition specified in paragraphs (a), (f), (g) and (h) of this section of the announcement) by the Sun Xin Long Stop Date. Unless specifically waived by the Company, if any of the conditions stated above (other than the condition specified in paragraphs (a), (f), (g) and (h) of this section of the announcement) shall not be fulfilled on or before the Sun Xin Long Stop Date or such other date as the Parties shall mutually agree in writing, the Sun Xin SPA shall *ipso facto* cease and determine and neither Party shall have any claim against the other for costs, damages, compensation or otherwise.

The Company undertakes to procure the fulfilment of the conditions set out in paragraphs (a), (f), (g) and (h) of this section of the announcement by the Sun Xin Long Stop Date. Unless specifically waived by the Vendors, if the condition stated in paragraphs (a), (f), (g) and (h) of this section of the announcement shall not be fulfilled on or before the Sun Xin Long Stop Date or such other date as the Parties shall mutually agree in writing, the Sun Xin SPA shall *ipso facto* cease and determine and neither Party shall have any claim against the other for costs, damages, compensation or otherwise.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

5.1 The financial effects of the Proposed Acquisitions as set out below are for **illustrative purposes only** and are not intended to reflect the actual future financial performance or position of the Group immediately after the Sun Oriental Completion and the Sun Xin Completion. The financial effects of the Proposed Acquisitions set out below have been prepared on the following key bases and assumptions:

(a) the financial effects of the Proposed Acquisitions on the net tangible assets ("**NTA**") per Share and earning per share ("**EPS**") or loss per share ("**LPS**") of the Group are based on (i) the Group's audited consolidated financial statements for FY2021; and (ii) the unaudited management accounts of Sun Xin and Sun Oriental for FY2021;

(b) for the purposes of illustrating the financial effects of the Proposed Acquisitions on the NTA per Share of the Group, it is assumed that the Proposed Acquisitions (including the

completion of the Restructuring Exercise and APA) had been completed on 31 December 2021;

(c) for the purposes of illustrating the financial effects of the Proposed Acquisitions on the EPS of the Group, it is assumed that the Proposed Acquisitions (including the completion of the Restructuring Exercise and APA) had been completed on 1 January 2021;

(d) the NTA per Share is computed based on the 5,880,654,539 Shares in issue, excluding treasury shares, as at 31 December 2021, and the EPS of the Group is computed based on the weighted average of 5,880,654,539 Shares in issue as at 31 December 2021;

(e) estimated expenses of approximately S$750,000 to be incurred in relation to the Proposed Acquisitions; and

(f) the financial effects of the Proposed Acquisitions are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Acquisitions on the NTA per Share and EPS or LPS (as the case may be) of the Group, nor do they represent the future financial performance and/or position of the Group immediately following the Sun Oriental Completion and Sun Xin Completion.

5.2 Effect of the Proposed Acquisitions on the NTA per Share of the Group

On the bases and assumptions set out above, the pro forma effect of the Proposed Acquisitions on the NTA per Share of the Group is as follows:

	Before the Proposed Acquisitions	**After the Proposed Acquisitions**
Consolidated NTA (S$'000)	93,074	47,946[(1)]
Number of Shares	5,880,654,539	5,880,654,539
Consolidated NTA per Share (S$ cents)	1.58	0.82

Note:

(1) The consolidated NTA of the Group after the Proposed Acquisitions shall exclude the value of the intangible assets relating to the IP rights which will be accounted for as fair value upon completion of the Proposed Acquisitions.

5.3 Effect of the Proposed Acquisitions on EPS of the Group

On the bases and assumptions set out above, the pro forma effect of the Proposed Acquisitions on the EPS of the Group is as follows:

	Before the Proposed Acquisitions	**After the Proposed Acquisitions**
(Loss)/Profit attributable to equity holders of the Company (S$'000)	(2,866)	12,584[(2)]
Weighted average number of Shares	5,880,654,539	5,880,654,539
(LPS)/EPS (S$ cents)	(0.05)	0.21

(2) The (loss)/profit attributable to equity holders of the Company after the Proposed Acquisitions shall include negative goodwill.

6. RELATIVE FIGURES OF THE PROPOSED ACQUISITIONS UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Relative Figures of the Proposed Acquisitions under Rule 1006 of the Listing Manual

Based on the latest announced audited consolidated financial statements of the Group for FY2021 (being the most recent available unaudited consolidated financial statements of the Group), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows for the Proposed Acquisitions:

Listing Rules / Bases	**Acquisition (S$'000)**	**Group (S$'000)**	**Relative Figure (%)**
Rule 1006(a): Net asset value of the assets to be disposed of, compared with the NAV of the Group	Not applicable to the Proposed Acquisitions which are acquisitions of assets.		
Rule 1006(b): Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	2,858	(2,468)	(115.80)
Rule 1006(c): Aggregate value of the consideration given or received, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares	46,988	479,076	9.81
Rule 1006(d): Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities will be issued by the Company in connection with the Proposed Acquisitions.		
Rule 1006(e): The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. 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 to the Proposed Acquisitions which are acquisitions of assets.		

6.2 The Proposed Acquisitions as Disclosable Transactions under Chapter 10 of the Listing Manual

The applicable figure computed under Rule 1006(b) of the Listing Manual is a negative figure and under Rule 1014(2) that Rule 1014 does not apply in the case of an acquisition of profitable

assets if the only limit breached is Rule 1006(b), the Proposed Acquisitions constitute "disclosable transactions" under Chapter 10 of the Listing Manual.

7. THE PROPOSED ACQUISITIONS AS INTERESTED PERSON TRANSACTIONS ("IPTS") UNDER CHAPTER 9 OF THE LISTING MANUAL

7.1 In respect of the Proposed Acquisitions:

(a) Diamond Era and World Globe are the Vendors which the Company will be purchasing 51% of the issued and paid-up ordinary shares in the capital of each of Sun Oriental and Sun Xin from. Diamond Era owns 65% of the issued and paid-up capital of each of Sun Xin and Sun Oriental, and World Globe owns 35% of the issued and paid-up capital of each of Sun Xin and Sun Oriental.

(b) The Company is an "**entity at risk**" for the purposes of Chapter 9 of the Listing Manual.

(c) Diamond Era functions as the assets holding company of the family office of Mr. Ji Zenghe, Ji Zenghe Family Office 13U (SG), and is wholly owned by Mr. Ji Zenghe. World Globe functions as the assets holding company of the family office of Mr. Fan Xianyong, Fan Xianyong Family Office 13U (SG), and is wholly owned by Mr. Fan Xianyong.

(d) Diamond Era and World Globe also hold in aggregate 29.90% of the shareholdings in the Company, of which Diamond Era holds 16.45%, and World Globe holds 13.45%, of the shareholdings of the Company.

(e) Mr. Ji Zenghe is the Executive Chairman of the Board and Mr. Fan Xianyong is the Executive Director as well as the Chief Executive Officer of the Company. Accordingly, for the purposes of Chapter 9 of the Listing Manual, Sun Oriental, Sun Xin, Diamond Era and World Globe are associates (as defined in the Listing Manual) of Mr. Ji Zenghe and Mr. Fan Xianyong respectively as at the Latest Practicable Date, and Diamond Era, World Globe, Mr. Ji Zenghe and Mr. Fan Xianyong are "**Interested Persons**" of the Company.

7.2 Based on the latest audited consolidated financial statements of the Group for FY2021, the aggregate amount of the Sun Oriental Consideration and the Sun Xin Consideration of S$46,988,000 represents approximately 50.48% of the latest audited consolidated NTA of the Group as at 31 December 2021. In accordance with Chapter 9 of the Listing Manual, the Proposed Acquisitions are interested person transactions, the value of which more than 5% of the latest audited NTA of the Group, and is hence subject to the approval of Shareholders at the EGM.

7.3 Save as disclosed above, there are no other interested person transactions with the same Interested Persons.

8. THE ADOPTION OF THE PROPOSED GENERAL MANDATE FOR IPTS (THE "PROPOSED IPT MANDATE")

The Company will be seeking the shareholders' approval at the EGM for the adoption of a general mandate for certain recurring IPTs following the completion of the Proposed Acquisitions. Further information on this will be set out in the Circular (as defined below).

9. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

9.1 The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as its financial adviser in relation to the Proposed Acquisitions.

9.2 The Company has appointed Stirling Coleman Capital Limited as its independent financial adviser (the "**IFA**") to advise, amongst other things, the independent directors of the Board on whether the Proposed Acquisitions and the methods and procedures to determine the transaction prices covered under the Proposed IPT Mandate are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The opinion of the IFA will be set out in the Circular (as defined below) to be made available to the shareholders of the Company in due course.

10. AUDIT COMMITTEE STATEMENT

The audit committee of the Company (the "**Audit Committee**") will be obtaining an opinion from the IFA before forming its view on the Proposed Acquisitions and the Proposed IPT Mandate. The statement from the Audit Committee will be disclosed in the Circular (as defined below) to be made available to the shareholders of the Company in due course.

11. DIRECTORS' SERVICE AGREEMENTS

No person will be appointed to the Board in connection with the Proposed Acquisitions and no service contracts in relation thereto will be entered into by the Company.

12. EGM AND CIRCULAR

A circular (the "**Circular**") to shareholders containing, *inter alia*, further information of the Proposed Acquisitions, to seek shareholders' approval for the Proposed Acquisitions as substantial acquisitions and IPTs, and the adoption of the Proposed IPT Mandate, together with the notice of EGM to be convened, will be made available by the Company to shareholders in due course. In the meantime, shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

13.1 Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisitions, other than through their respective shareholdings (if any) in the Company.

13.2 In accordance with Rule 919 of the Listing Manual, each of Diamond Era, World Globe, Mr. Ji Zenghe and Mr. Fan Xianyong will abstain, and has undertaken to ensure that its/his respective associates will abstain, from voting on the ordinary resolution to approve the Proposed Acquisitions and the adoption of the Proposed IPT Mandate and at the extraordinary general meeting ("**EGM**") which will be held.

13.3 Mr. Ji Zenghe and Mr. Fan Xianyong, being directors of the Company, have also abstained from making any recommendation on the Proposed Acquisitions and Proposed IPT Mandate. Further, each of Mr. Ji Zenghe and Mr. Fan Xianyong shall decline to accept appointment as proxies at the EGM unless specific instructions as to voting are given at the EGM.

13.4 In accordance with Rule 920(1)(b)(viii) of the Listing Manual, each of the Interested Persons will abstain, and has undertaken to ensure that each of his associates will abstain, from voting on the resolution approving the Proposed IPT Mandate.

14. DIRECTORS' RESPONSIBILITY STATEMENT

14.1 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 Acquisitions and Proposed IPT Mandate, the Company and its subsidiaries, and the Board are not aware of any facts the omission of which would make any statement in this announcement misleading.

14.2 Where information contained in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Board has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this announcement in its proper form and context.

15. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Company at 6 Battery Road, #16-06, Singapore 049909 during normal business hours for a period of three (3) months from the date of this announcement:

(a) the Sun Oriental SPA; and

(b) the Sun Xin SPA.

16. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and development in respect of the Proposed Acquisitions.

17. CAUTIONARY STATEMENT

17.1 Shareholders and potential investors of the Company are advised to exercise caution in trading the Company's shares as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisitions will be completed or that no changes will be made to the terms thereof.

17.2 The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

By Order of the Board

Ji Zenghe
Executive Chairman
11 May 2022