



(Incorporated in Singapore)
(Company Registration No. 200505764Z)

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- I. **PROPOSED ACQUISITION OF ORDINARY SHARES REPRESENTING 51.0% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PROVINO LOGISTICS PTE. LTD., AND**
 - II. **PROPOSED CAPITALISATION OF AN AGGREGATE S\$73,333.23 OUTSTANDING DIRECTOR'S FEES OWED AND PAYABLE TO A FORMER DIRECTOR FOR FY2021 and FY2022**
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1. INTRODUCTION

1.1. Proposed Acquisition

The board of directors ("**Board**" or "**Directors**") of SMI Vantage Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 27 June 2023 entered into a sale and purchase agreement ("**Agreement**") with Michael Hadley ("**MH**"), Loh Zen Chia Peter and Ling Chee May (collectively, the "**Vendors**"), pursuant to which the Vendors have agreed to sell, and the Company has agreed to purchase, in aggregate 255,000 ordinary shares ("**Sale Shares**") representing 51.0% of the issued and paid-up share capital of Provino Logistics Pte. Ltd. ("**Target**"), upon the terms and subject to the conditions in the Agreement ("**Proposed Acquisition**").

As one (1) of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual ("**Listing Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Listing Rules. Please refer to paragraph 7 of this announcement for further details.

1.2. Capitalisation of Outstanding Director's Fees

The Board wishes to also inform shareholders of the Company ("**Shareholders**") that the Company proposes to capitalise ("**Proposed Capitalisation**") outstanding director's fees amounting to S\$73,333.23, for the financial years ended 31 March 2021 ("**FY2021**") and 31 March 2022 ("**FY2022**") which director's fees were approved by Shareholders during the annual general meetings of the Company held on 15 December 2021 and 28 July 2022 respectively, and which remain owing to Wong Yen Siang ("**WYS**"), a former director of the Company ("**Outstanding Fees**"), and allot and issue to WYS an aggregate 1,666,664 new Shares (as defined below), credited as fully paid-up, at the Conversion Price (as defined below), in full and final discharge and settlement of the Company's obligations to pay the Outstanding Fees in cash ("**Capitalisation Shares**").

WYS retired from the Board with effect from 31 January 2022 as announced by the Company on 24 January 2022. Please refer to paragraph 5 of this announcement for further details on WYS and the Proposed Capitalisation.

The Capitalisation Shares shall, subject to the approval of the SGX-ST, be allotted and issued concurrently with the allotment and issuance of the Consideration Shares and Introducer Shares (both as defined below).

2. INFORMATION ON THE TARGET, VENDORS AND INTRODUCER

2.1. Target and Business

The Target is a private company limited by shares, incorporated on 22 June 2018 in Singapore, with a fully issued and paid-up share capital of S\$500,000 comprising 500,000 ordinary shares ("**Target Shares**"). The Target's business activities are based in Singapore and involves primarily the provision of inventory management, warehousing, and alcohol export services ("**Business**").

Based on the unaudited management accounts of the Target for the financial year ended 31 May 2023, the unaudited book value and net tangible assets of the Target is approximately S\$477,761 as at 31 May 2023.

Shareholders should note that there is no open market for the Target Shares as they are not publicly traded.

2.2. Vendors

As at the date of this announcement, the Vendors are the legal and beneficial owners of their respective Target Shares as set out opposite their name below:

Shareholder	Number of Target Shares held	Percentage of Share Capital of the Target
Michael Hadley	400,000	80.0%
Loh Zen Chia Peter	50,000	10.0%
Ling Chee May	50,000	10.0%
Total	500,000	100%

The Vendors are Singapore Citizens. MH is the founder and has been a director of the Target since it was incorporated.

As at the date of this announcement, none of the Vendors hold any shares in the capital of the Company.

None of the Vendors are related to and/or Associates (as defined in the Listing Rules) of any of the Directors or substantial shareholders of the Company or their respective Associates.

Save for the Agreement, none of the Vendors or the Target have any connections (including any business relationships or transactions) with the Company, the Directors or the substantial shareholders of the Company or their respective Associates.

2.3. Introducer

The Vendors were introduced to the Company by Blackrun Corporate Pte. Ltd. ("**Introducer**"). The Introducer is a global investment firm headquartered in Singapore and an existing Shareholder holding 5,245,000 Shares representing 0.92% of the entire issued and paid-up share capital of the Company.

The Company will, concurrently with the allotment and issuance of Consideration Shares, allot and issue to the Introducer 2,500,000 new Shares ("**Introducer Shares**"), credited as fully paid-up, at the Issue Price (as defined below), amounting in value to an aggregate S\$120,000 as consideration for the Introducer's services ("**Introducer Fee**"). The Introducer Fee was arrived at after negotiations between the Introducer, the Company and the Vendors at arm's length and took into account, *inter alia*, the services provided by the Introducer, including amongst others, introducing the Vendors and Target to the Company, assisting in organising and facilitating the negotiations between the Company and the Vendors in connection with the Proposed Acquisition.

The Introducer Shares, when allotted and issued, will be credited as fully paid for, free and clear of all encumbrances and will rank *pari passu* with all existing Shares save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Introducer Shares.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is part of the Group's corporate strategy to diversify and expand into complementary business areas within the food and beverage industry. The Board is of the view that the Proposed Acquisition will allow the Company to further develop its logistics business, an area which the

Group already has an existing joint-venture in SMI-Senko Logistics Pte Ltd with Senko Co., Ltd. (Japan) and considerable expertise in, and combine it with the Group's chief executive officer's considerable knowledge of, and global network in the field of wines and spirits. This will provide the Group with a new source of revenue, improve profitability and enhance shareholder value.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1. The Proposed Acquisition

Pursuant to the terms and subject to the conditions of the Agreement, the Company shall acquire from the Vendors, and the Vendors shall sell to the Company their Sale Shares in the proportion as set out below, in aggregate representing 51% of the Target's entire issued share capital together with all rights, benefits and entitlements attaching or accruing thereto (including, without limitation, the rights to any dividends or other distributions declared or payable thereon) as at completion of the Proposed Acquisition ("**Completion**"), free from all encumbrances, and ranking *pari passu* with all existing Target Shares, in exchange for the Purchase Consideration (as defined below).

Shareholder	Number of Sale Shares to be sold	Percentage of Share Capital of the Target
Michael Hadley	204,000	40.8%
Loh Zen Chia Peter	25,500	5.1%
Ling Chee May	25,500	5.1%
Total	255,000	51.0%

4.2. Consideration

The consideration for the Proposed Acquisition is S\$1.734 million and shall be payable by the Company to the Vendors as follows ("**Purchase Consideration**"):

- (a) S\$1,213,800 to be satisfied by the allotment and issuance of an aggregate 25,287,500 new ordinary shares ("**Shares**") in the issued share capital of the Company ("**Consideration Shares**"), credited as fully paid-up, at an issue price of S\$0.048 for each Consideration Share ("**Issue Price**"), to the Vendors at or as soon as practicable after Completion, in the proportion set out below:

Shareholder	Number of Consideration Shares to be issued to the Vendor
Michael Hadley	20,230,000
Loh Zen Chia Peter	2,528,750
Ling Chee May	2,528,750
Total	25,287,500

- (b) S\$520,200 to be satisfied in cash ("**Cash Consideration**") to be paid by the Company to the Vendors proportion to their respective Sale Shares and in the following manner:

- (i.) S\$260,100 to be paid within 14 business days of Completion ("**Initial Cash Consideration**"); and
- (ii.) S\$260,100 to be paid on the date falling six (6) months after Completion ("**Deferred Cash Consideration**").

The breakdown of the Cash Consideration payable to the Vendors is set out below:

Shareholder	Initial Cash Consideration	Deferred Cash Consideration	Total Cash Consideration
Michael Hadley	208,080	208,080	416,160
Loh Zen Chia Peter	26,010	26,010	52,020
Ling Chee May	26,010	26,010	52,020
Total	260,100	260,100	520,200

The Purchase Consideration for the Proposed Acquisition was determined by agreement between the Company and the Vendors at arms' length, on a "willing-buyer, willing-seller" basis, taking into consideration factors such as the earnings and assets of the Target, potential benefits that may accrue to the Group, and an indicative valuation provided by Valuation Advisory Pte. Ltd., an independent valuer commissioned by the Company to conduct an independent valuation on 100% of the equity share capital of the Target ("**Valuation Report**").

4.3. Issue Price

The Issue Price of S\$0.048 for each Consideration Share represents a 9.09% premium to the volume weighted average price ("**VWAP**") of S\$0.044 for Shares traded on the Mainboard of the SGX-ST on 27 June 2023, being the last trading day on which the Shares were traded on the Mainboard of the SGX-ST preceding the date of the Agreement.

The Consideration Shares, when allotted and issued, will be credited as fully paid for, free and clear of all encumbrances and will rank *pari passu* with all existing Shares save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Consideration Shares.

4.4. Moratorium

Each Vendor undertakes, in relation to the Consideration Shares allotted and issued to him/her, that he/she shall not, during the period of two (2) years commencing from the date of Completion ("**Completion Date**"), without the prior written consent of the Company, dispose of or agree to dispose of any interest in any of their respective Consideration Shares.

4.5. Source of Funds

The Cash Consideration of S\$520,200 will be funded by the Company's internal resources.

4.6. Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the fulfilment and satisfaction (or waiver by the Company) of, *inter alia*, the following conditions precedent ("**Conditions Precedent**"):

- (a) the approval in principle of the SGX-ST for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST;
- (b) obtaining the consent of the landlord of the Target's warehouse and storage facility at 30 Toh Guan Road, #02-01A, Singapore 608840 for a change of control of the Target on such terms that the Company reasonably requires; and
- (c) the due execution of certain software licensing agreements between MH and the Company.

4.7. Representations and Warranties

The Vendors and the Target have provided representations and warranties to the Company typical for such transactions. In addition, the Vendors have warranted, *inter alia*, the following:

- (a) the Vendors acknowledge that the allotment and issuance of the Consideration Shares to them is made pursuant to the Company's reliance on the 'safe harbour' exemptions for a private placement under Section 272B of the Securities and Futures Act 2001 of Singapore ("**SFA**") and in compliance with all the conditions of these exemptions in the SFA therein;
- (b) the Vendors are subscribing for their respective Consideration Shares as principal for their own benefit and will not be holding the Consideration Shares as agent nominee or trustee for the benefit of other parties;
- (c) each Vendor shall comply with all the conditions of the 'safe harbour' exemptions for a private placement under Section 272B of the SFA and is not accepting the Company's offer of the Consideration Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
- (d) save for the Agreement and other documents to be entered in connection thereto, the Vendors and the Target have no connections (including any business relationships or transactions) with the Company, the Company's directors or the Company's substantial shareholders and are not Associates of and not persons Acting in Concert (as defined in the Singapore Code on Take-overs and Mergers ("**Code**") with any (i.) Director and/or (ii.) Shareholder;
- (e) the Vendors, the Target and the directors of the Target are not interested persons as defined under Chapter 9 of the Listing Rules and the Vendors do not fall under the class of restricted persons as specified in Rule 812(1) of the Listing Rules;
- (f) the Vendors have furnished or will furnish to the Company all supporting documents and information evidencing the consent and/or approval (as may be required of it) of all relevant governmental authorities for their entering into the Agreement and the transactions under the Agreement and will deliver to the Company or its advisers, such information, documents and/or undertakings as the Company may require for purposes of obtaining the approval of the SGX-ST for, *inter alia*, the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST, as well as for the Company's completion and filing of any returns or statutory forms as may be required under any applicable laws, and
- (g) subject to and upon Completion, where any Vendor's aggregate deemed and direct interest will be 5% or more of the Company's enlarged issued share capital including the Consideration Shares, such Vendor will be a substantial shareholder of the Company and such Vendor will comply with all the relevant notification requirements in relation to his interests as a substantial shareholder of the Company prescribed under the Listing Rules, SFA and/or the Companies Act 1967 of Singapore.

4.8. Shareholders' Agreement

On Completion, the Company, the Vendors and the Target will enter into a shareholders' agreement to regulate, *inter alia*, the rights and obligations of the Company and the Vendors as shareholders of the Target vis-à-vis the Target and with each other as shareholders of the Target.

4.9. Longstop Date

The Company and the Vendors agree to use reasonable endeavours to ensure the satisfaction of the Conditions Precedent as soon as practicable and in any event by 31 October 2023 or such other date as the Company and the Vendors may mutually agree in writing.

4.10. Non-Competition and Non-Solicitation

The Vendors are subject to non-compete and non-solicit restrictions typical for such transactions and shall use reasonable endeavours to procure that their associates comply with the same, for a period of 24 months after the Completion Date.

4.11. Put/Call Option Agreement

Concurrently with the entry into the Agreement, the Company and the Vendors entered into a put and call option agreement for all the remaining shares in the Target ("**Remaining Shares**"), pursuant to which the Vendors grant the Company a call option to purchase from the Vendors all (but not part only) of the Remaining Shares, and the Company grants the Vendors a put option to sell to the Company all (but not part only) of the Remaining Shares ("**Option**").

The Option is exercisable from 2 July 2025 ("**Option Commencement Date**"), being the date falling five (5) days after the second anniversary of date of the Agreement, and 2 July 2028, being the third anniversary of the Option Commencement Date, following which the Option shall lapse.

5. PROPOSED CAPITALISATION

5.1. Details of WYS

On the date of this announcement, the Company and WYS entered into an agreement for the Proposed Capitalisation.

WYS was an independent director of the Group between 15 July 2005 and 31 January 2022. During his tenure, he held the positions of lead independent director, chairman of the audit committee and member of the remuneration and nominating committee of the Group.

5.2. Conversion Price

The issue price of the Capitalisation Shares of S\$0.044 ("**Conversion Price**") represents no discount and is equivalent to the daily VWAP of S\$0.044 for Shares traded on 27 June 2023, being the full market day on which the Shares were traded on the Mainboard of the SGX-ST prior to this announcement and determined after taking into account factors such as the general share price and net asset value of the Company as well as the extent of potential dilution to the other Shareholders.

5.3. Status

The Capitalisation Shares, when allotted and issued, will be credited as fully paid for, free and clear of all encumbrances and will rank *pari passu* with all existing Shares save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Capitalisation Shares.

5.4. Undertakings by WYS

WYS has represented, warranted and undertaken to the Company, *inter alia*, that:

- (a) pending the approval in principle of the SGX-ST for the listing and quotation of the Capitalisation Shares, he shall not take any action to enforce the right to payment in cash of the Outstanding Fees;
- (b) the Capitalisation Shares will be allotted and issued to him pursuant to the Company's reliance on the "safe harbour" exemptions for a private placement under Section 272B of the SFA and in compliance with all the conditions of these exemptions in the SFA therein;
- (c) he shall comply with all the conditions of the "safe harbour" exemptions for a private placement under Section 272B of the SFA and is not accepting the Company's offer of his Capitalisation Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
- (d) save for his prior directorship in the Company from 15 July 2005 and 31 January 2022, he has no connections (including any business relationships) with the Company, the Directors or the Company's substantial shareholders; and
- (e) no steps have been taken, nor have any proceedings, applications, petitions or summonses been started or threatened with a view to bankrupt him, or for the appointment of a receiver, trustee,

manager, assignee or similar officer over them and/or their businesses, undertakings, properties or assets or any of them.

5.5. Rationale and Use of Proceeds of Proposed Capitalisation

The allotment and issuance of the Capitalisation Shares by the Company to WYS under the Proposed Capitalisation is in lieu of cash payment by the Company to him for the Outstanding Fees and accordingly, no cash proceeds will be received by the Company from him. Subject to and upon completion of the allotment and issuance of the Capitalisation Shares to him under the Proposed Capitalisation, the Company's obligation to pay the Outstanding Fees shall be irrevocably and unconditionally terminated and settled, and the Company shall be fully, absolutely, finally and forever exonerated, released and discharged from the obligation to pay the Outstanding Fees to the him in cash, and he shall have no further or other claims of any nature whatsoever against the Company, arising out of or in relation to the Outstanding Fees.

The Proposed Capitalisation will enable the Group to augment its capital base by converting the Outstanding Fees into equity of the Company, strengthen the Group's balance sheet and improve its debt-equity position. The short-term obligation to pay the Outstanding Fees would be settled and the Group's cash can be conserved for other purposes.

No placement agent was appointed by the Company for the Proposed Capitalisation. In view of the specific purpose of discharging and releasing the Company from the obligation to pay the Outstanding Fees, there is no underwriting arrangement for the Proposed Capitalisation.

The Board has weighed the benefits against the potential costs to the Company as elaborated above and is of the view that the Proposed Capitalisation is beneficial to and in the interests of the Company and enables the Group to improve its working capital position and reduce its indebtedness and gearing while conserving its cash resources.

6. AUTHORITY FOR ALLOTMENT AND ISSUANCE OF CONSIDERATION SHARES, INTRODUCER SHARES AND CAPITALISATION SHARES

6.1. No other entitlements

The Proposed Acquisition do not confer on the Vendors and Introducer, and the Proposed Capitalisation does not confer on WYS, any rights or entitlements to participate in any distributions and/or offers of further securities made by the Company.

6.2. 2022 General Mandate

The Consideration Shares, Introducer Shares and Capitalisation Shares will be issued pursuant to the general mandate approved by the Company's shareholders at the extraordinary general meeting of the Company held on 28 July 2022 ("**2022 General Mandate**").

The 2022 General Mandate authorises the Directors to allot and issue new Shares and/or convertible securities not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2022 General Mandate (being 261,048,608 Shares), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing shareholders shall not be more than 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2022 General Mandate (being 104,419,443 Shares).

As announced by the Company on 9 October 2022, it had on the same day entered into a subscription agreement with Octo Force Capital Partners Co. Ltd. for the allotment and issuance by the Company of 32,427,632 Shares ("**Subscription Shares**") at the issue price of S\$0.0304 for each Subscription Share, for an aggregate consideration of JP¥100,000,000 to be paid to the Company ("**Octo Force Placement**") utilising the 2022 General Mandate. The Octo Force Placement was completed on 16 December 2022, and resulted in the Company's issued share capital increasing to 573,222,910 Shares.

Following the Octo Force Placement, the number of Shares that may be issued by the Company in reliance on the 2022 General Mandate is 71,991,811 Shares.

The 25,287,500 Consideration Shares, 2,500,000 Introducer Shares and 1,666,664 Capitalisation Shares, when allotted and issued, will in aggregate represent approximately (a) 5.64% of the Company's entire issued share capital of 522,097,216 as at 28 July 2022, being the date of approval of the 2022 General Mandate, (b) 5.13% of the Company's entire issued share capital of 573,222,910 Shares as at the date of this announcement, and (c) 4.89% of the Company's enlarged share capital upon the allotment and issuance of the Consideration Shares, Introducer Shares and Capitalisation Shares.

As such, the proposed allotment and issuance of the Consideration Shares, Introducer Shares and Capitalisation Shares by the Company are collectively within the limits of the 2022 General Mandate. No transfer of a controlling interest in the Company within the meaning of Rule 803 of the Listing Rules will arise from the allotment and issuance of the (a) Consideration Shares, (b) Introducer Shares, or (c) Capitalisation Shares.

6.3. Restricted Persons

None of the Vendors, Introducer and WYS fall within the category of restricted persons as listed in Rule 812(1) of the Listing Rules. Accordingly, none of the Consideration Shares, Introducer Shares and Capitalisation Shares will be issued and allotted to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Rules.

6.4. Securities and Futures Act 2001 of Singapore

The Consideration Shares, Introducer Shares and Capitalisation Shares are to be allotted and issued to the Vendors, Introducer and WYS respectively pursuant to the "safe harbour" exemptions for a private placement under Section 272B of the SFA and in compliance of with the conditions of these exemptions in the SFA. The Vendors, Introducer and WYS are not accepting the Company's offer of the Consideration Shares, Introducer Shares and Capitalisation Shares respectively with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the proposed allotment and issuance of Consideration Shares, Introducer Shares or Capitalisation Shares.

6.5. Additional Listing Application

The Company will be making an application to the SGX-ST for the listing of and quotation for the Consideration Shares, Introducer Shares and Capitalisation Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

7. RELATIVE FIGURES BASED ON RULE 1006 OF THE LISTING RULES

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

1006(a)	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 ⁽¹⁾
1006(b)	Net profits attributable to the Sale Shares, compared with the group's net loss ⁽²⁾ .	Not meaningful ⁽³⁾
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	6.45% ⁽⁴⁾

1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	4.41% ⁽⁵⁾
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 ⁽⁶⁾

Notes:

- (1) Not applicable as the Proposed Acquisition does not relate to a disposal of assets.
- (2) Under Rule 1002(3)(b) of the Listing Rules, "net profit" means the profit before income tax, minority interests and extraordinary items.
- (3) Based on the net profits attributable to the Sale Shares of S\$114,203 based on unaudited management accounts of the Target for the financial period from 1 June 2022 to 31 May 2023 and the Group's net loss of S\$2,521,000 based on the Group's latest announced unaudited financial statements for the financial period ended 31 March 2023.
- (4) Based on the Purchase Consideration of S\$1.734 million and the Company's market capitalisation of S\$26,517,791.27 as at 27 June 2023, being the trading day preceding the signing of the Agreement. The market capitalisation of the Company is determined by multiplying the number of Shares in issue (being 573,222,910 Shares, excluding treasury shares) by the VWAP of S\$0.044 of the Shares transacted on 27 June 2023 (being the trading day preceding the signing of the Agreement).
- (5) Based on 25,287,500 Consideration Shares and the 573,222,910 Shares (excluding treasury shares) in issue as at the date of the Agreement.
- (6) Not applicable as the Proposed Acquisition does not relate to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figure computed under Rule 1006(c) of the Listing Rule exceeds 5%, and none of the relative figures computed under Rule 1006(b), (c) and (d) of the Listing Rules exceeds 20%, the Proposed Acquisition is classified as a "discloseable transaction" requiring immediate announcement pursuant to Rule 1010 of the Listing Rules. Accordingly, no approval of the Shareholders is required for the Proposed Acquisition.

8. FINANCIAL EFFECTS

8.1. Bases and Assumptions

The *pro forma* financial effects of the Proposed Acquisition on the share capital, net tangible assets ("NTA") and loss per share ("LPS") of the Company are based on (i.) the audited financial results of the Group for the financial year ended FY2022, (ii.) the unaudited management accounts of the Target for the financial year ended 31 May 2023.

The *pro forma* financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the Proposed Acquisition.

For the purposes of illustrating the financial effects of the Proposed Acquisition, the following key assumptions have been adopted:

- (a) the financial effects on the Group's NTA are computed assuming that the Proposed Acquisition was completed on 31 March 2022, without any adjustment to align the financial year end of the Group with that of the Target;
- (b) the financial effects on the Group's LPS are computed assuming that the Proposed Acquisition had been effected on 1 April 2021, without any adjustment to align the financial year end of the Group with that of the Target; and
- (c) the NTA per Share and LPS per Share for the Proposed Acquisition are computed based on an enlarged share capital of 602,677,074 Shares, taking into account the allotment and issuance of the Consideration Shares, Introducer Shares and Capitalisation Shares.

8.2. Share Capital

	Before the Proposed Acquisition and Proposed Capitalisation	After the Proposed Acquisition and Proposed Capitalisation
No. of Shares	573,222,910	602,677,074
Paid-up Capital (S\$)	\$100,432,544	S\$101,839,677

8.3. NTA of the Group

	Before the Proposed Acquisition and Proposed Capitalisation	After the Proposed Acquisition and Proposed Capitalisation
NTA (US\$'000)	11,870	12,215
No. of Shares	573,222,910	602,677,074
NTA per Share (US cents)	2.1	2.0
NTA per Share (Singapore cents)	2.8	2.7

8.4. LPS

	Before the Proposed Acquisition and Proposed Capitalisation	After the Proposed Acquisition and Proposed Capitalisation
Loss attributable to owners of the Company (US\$'000)	4,125	4,155
Number of Shares	573,222,910	602,677,074
LPS (US cents)	0.72	0.69
LPS (Singapore cents)	0.97	0.93

9. SHAREHOLDING EFFECTS

As at the date of this announcement, the Company has an issued and paid-up share capital of \$100,432,543.83 comprising 573,222,910 Shares. Immediately following Completion and the allotment and issuance of Capitalisation Shares, the Company will have an enlarged issued and paid-up capital of S\$101,839,677 comprising 602,677,074 Shares having the following shareholding structure:

	Before the Proposed Acquisition and Proposed Capitalisation		After the Proposed Acquisition and Proposed Capitalisation	
	No. of Shares	% of share capital ⁽¹⁾	No. of Shares	% of enlarged share capital ⁽²⁾

Directors				
Ho Kwok Wai ⁽³⁾	164,749,871	28.74	164,749,871	27.34
Mark Francis Bedingham ⁽⁴⁾	175,918,383	30.69	175,918,383	29.19
Sam Chong Keen	-	-	-	-
Willem Mark Nabarro	-	-	-	-
Edna Claudine Leong Lai Yee	-	-	-	-
Substantial Shareholders (other than Directors)				
Jet Place Holdings Limited ⁽³⁾	33,400,000	5.83	33,400,000	5.54
Taipan Grant Investments Limited ⁽³⁾	77,933,000	13.60	77,933,000	12.94
The9 Limited ⁽⁵⁾	44,568,090	7.78	44,568,090	7.40
The9 Singapore Pte. Ltd. ⁽⁵⁾	44,568,090	7.78	44,568,090	7.40
Octo Force Capital Partners Co. Ltd.	38,660,319	6.74	38,660,319	6.41
Vendors				
Michael Hadley	-	-	20,230,000	3.36
Loh Zen Chia Peter	-	-	2,528,750	0.42
Ling Chee May	-	-	2,528,750	0.42
Others				
Introducer	5,245,000	0.92	7,745,000	1.29
WYS	363,636	0.06	2,030,300	0.34
Other Public Shareholders	143,717,611	25.00	143,717,611	23.85
Total⁽⁶⁾	573,222,910	100%	602,677,074	100%

Notes:

- (1) Percentage is calculated based on 573,222,910 Shares as at the date of this announcement.
- (2) Percentage is calculated based on 602,677,074 Shares including the Consideration Shares, Introducer Shares and Capitalisation Shares.
- (3) Jet Palace Holdings Limited's 33,400,000 Shares and Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of nominee accounts. Mr Ho Kwok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (53,416,871 Shares).
- (4) Mr Mark Francis Bedingham is deemed to be interested in 175,918,383 Shares held by Bank Julius Baer.
- (5) The9 Limited is deemed to be interested in the 44,568,090 Shares held by The9 Singapore Pte. Ltd. by virtue of its 100% shareholding in The9 Singapore Pte. Ltd.
- (6) For illustration purposes, the computation of the total number and percentage of Shares shall exclude the Shares held by Jet Palace Holdings Limited, Taipan Grand Investments Limited and The9 Singapore Pte. Ltd. Please refer to Notes 3 and 4 above. The figures do not add up to 100.0% due to rounding errors.

10. SERVICE AGREEMENTS

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition and no service contracts in relation to the appointment of any Director are proposed to be entered into by the Company.

11. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN THE PROPOSED ACQUISITION

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect in the Proposed Acquisition or Proposed Capitalisation, save for their interests by virtue of their shareholdings and/or directorships, as the case may be, in the Company.

12. DOCUMENT FOR INSPECTION

A copy of the following documents will be available for inspection during normal business hours at the registered office of the Company at 300 Beach Road, #31-03 The Concourse, Singapore 199555 for a period of three (3) months from the date of this announcement:

- (a) the Agreement;
- (b) the Valuation Report;
- (c) the constitution of the Company; and
- (d) the annual report of the Company for FY2022.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@sin-mi.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time.

13. 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.

14. 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, Proposed Capitalisation, the Vendors, the Target, the Introducer, WYS, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

15. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors should note that completion of the Proposed Acquisition is subject to fulfilment of various conditions as set out in the Agreement and the Proposed Capitalisation will be subjected to the receipt of approval in principle of the SGX-ST for the listing and quotation of the Capitalisation Shares. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Mark Francis Bedingham
President and CEO

27 June 2023