
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SingAsia Holdings Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.



SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

I. PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE; II. PROPOSED CHANGE IN BOARD LOT SIZE; AND III. NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent to the Company



Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders



Vinco Financial Limited

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 11 to 37 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 38 to 39 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 40 to 67 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Friday, 24 May 2024. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 6 June 2024 to Friday, 14 June 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 6 June 2024 to Friday, 14 June 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

A notice convening the EGM to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Wednesday, 22 May 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. Monday, 20 May 2024 at 3:00 p.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the paragraph headed "Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

* For identification purposes only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Rights Issue, the Change in Board Lot Size and the Placing which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	Date and time (Hong Kong time)
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Tuesday, 14 May 2024
Closure of register of members for determination of the right to attend and vote at the EGM (both days inclusive)	Thursday, 16 May 2024 to Wednesday, 22 May 2024
Latest time for lodging proxy forms for the EGM	3:00 p.m. on Monday, 20 May 2024
Record date for attendance and voting at the EGM	Wednesday, 22 May 2024
Expected time and date of the EGM to approve the proposed Rights Issue, the Placing and the transactions contemplated respectively thereunder	3:00 p.m. on Wednesday, 22 May 2024
Announcement of the poll results of the EGM	Wednesday, 22 May 2024
Register of members re-opens	Thursday, 23 May 2024
Last day of dealings in the Shares on a cum-rights basis of the Rights Issue	Thursday, 23 May 2024
First day of dealings in the Shares on an ex-rights basis of the Rights Issue	Friday, 24 May 2024
Latest time for the Shareholders to lodge transfer of the Shares to qualify for the Rights Issue	4:30 p.m. on Monday, 27 May 2024
Closure of register of members for the Rights Issue (both days inclusive)	Tuesday, 28 May 2024 to Monday, 3 June 2024
Record Date for the Rights Issue	Monday, 3 June 2024

EXPECTED TIMETABLE

Register of members of the Company re-opens	Tuesday, 4 June 2024
Despatch of Prospectus Documents (in the case of the Excluded Shareholders, the Prospectus only)	Tuesday, 4 June 2024
Effective date of the Change in Board Lot Size from 5,000 Shares to 20,000 Shares	Tuesday, 4 June 2024
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Tuesday, 4 June 2024
First day of dealings in nil-paid Rights Shares in the new board lot size of 20,000 Rights Shares	Thursday, 6 June 2024
Latest time for splitting of the PALs	4:30 p.m. on Tuesday, 11 June 2024
Last day of dealing in nil-paid Rights Shares in the new board lot size of 20,000 Rights Shares	Friday, 14 June 2024
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Wednesday, 19 June 2024
Latest time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 19 June 2024
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 21 June 2024
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent	Monday, 24 June 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Tuesday, 25 June 2024
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to Compensatory Arrangements	4:00 p.m. on Wednesday, 3 July 2024

EXPECTED TIMETABLE

Latest time for termination of the Placing Agreement	4:00 p.m. on Thursday, 4 July 2024
Announcement of the allotment results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Wednesday, 10 July 2024
Despatch of share certificates for fully-paid Rights Shares	Thursday, 11 July 2024
Despatch of refund cheques, if any, if the Rights Issue is terminated . . .	Thursday, 11 July 2024
Commencement of dealings in fully-paid Rights Shares in the new board lot size of 20,000 Rights Shares	9:00 a.m. on Friday, 12 July 2024
Payment of Net Gain to relevant No Action Shareholders (if any)	Friday, 26 July 2024

All times and dates in this circular refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 19 June 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 19 June 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

EXPECTED TIMETABLE

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 19 June 2024, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“AFRC”	the Accounting and Financial Reporting Council
“Announcement”	the announcement of the Company dated 30 January 2024 in relation to, among other things, the Rights Issue, the Change in Board Lot Size and the Placing
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 5,000 Shares to 20,000 Shares
“Company”	SingAsia Holdings Limited (星亞控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8293)
“Compensatory Arrangements”	the compensatory arrangements made pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements” in this circular

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 3:00 p.m. on Wednesday, 22 May 2024 for the purpose of considering and, if thought fit, approving the Rights Issue and the Placing
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Rights Issue

DEFINITIONS

“Independent Financial Adviser” or “Vinco Financial”	Vinco Financial Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution relating to the Rights Issue and the Placing at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	30 January 2024, last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Practicable Date”	22 April 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 19 June 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 4 July 2024 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Net Gain”	the premium paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agent
“No Action Shareholder(s)”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong

DEFINITIONS

“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	institutional, corporate or individual investor(s) procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 30 January 2024 (as supplemented by the Supplemental Placing Agreement) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares, which is expected to be Monday, 24 June 2024, and ending at 4:00 p.m. on Wednesday, 3 July 2024
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Tuesday, 4 June 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 11.23(7) of the GEM Listing Rules

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Monday, 3 June 2024 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue will be determined
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	The proposed issue of the Rights Shares by way of rights on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 144,000,000 new Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“S\$”	Singapore dollar(s), the lawful currency of Singapore
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules

DEFINITIONS

“Supplemental Placing Agreement”	the supplemental placing agreement dated 10 April 2024 entered into between the Company and the Placing Agent in relation to the Placing Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

Unless otherwise specified in this circular, the exchange rate adopted in this circular for illustration only is approximately S\$1 to HK\$5.82. No representation is made that any amounts in S\$ could have been or could be converted at that rate or at any other rates.

LETTER FROM THE BOARD



SINGASIA HOLDINGS LIMITED

星亞控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

Executive Directors:

Mr. Lam Chun Yip (*Chairman*)

Mr. Xie Feng

Independent non-executive Directors:

Mr. Chou Chiu Ho

Mr. Chai Ming Hui

Mr. Lin Jian Feng

Registered office:

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman, KY1-1108

Cayman Islands

Head office and principal place of business:

60 Paya Lebar Road

#12-29 Paya Lebar Square

Singapore 409051

Principal place of business in Hong Kong:

Unit 1307A, 13/F

Two Harbourfront

22 Tak Fung Street

Hunghom, Kowloon

Hong Kong

30 April 2024

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders (if any)*

Dear Sir or Madam,

**I. PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY
ONE (1) EXISTING SHARE HELD ON THE RECORD DATE; AND
II. PROPOSED CHANGE IN BOARD LOT SIZE**

INTRODUCTION

References are made to the Announcement in relation to, among other matters, the Rights Issue, the Placing and the Change in Board Lot Size.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; (iv) other information required under the GEM Listing Rules; and (v) a notice convening the EGM.

PROPOSED RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$14.4 million (assuming full subscription under the Rights Issue) by way of issuing up to 144,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.10 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). Further details of the Rights Issue are set out below:

Basis of the Rights Issue	:	two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Maximum number of Rights Shares to be issued	:	144,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Subscription Price	:	HK\$0.10 per Rights Share
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.09 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$14.4 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$13.6 million
Number of Shares in issue as at the Latest Practicable Date	:	72,000,000 Shares

LETTER FROM THE BOARD

Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed) : 216,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date)

Aggregate nominal value of the Rights Shares : HK\$7.2 million (assuming no change in the number of Shares in issue on or before the Record Date)

Assuming there is no change to the total issued share capital of the Company on or before the Record Date, 144,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 25.37% to the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 11.50% to the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 18.70% to the average closing price of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 20.63% to the average closing price of approximately HK\$0.126 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (v) a discount of approximately 3.85% to the theoretical ex-rights price of approximately HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 14.17% of the theoretical diluted price of approximately HK\$0.109 per Share to the benchmarked price of approximately HK\$0.127 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK\$0.113 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK\$0.127 per Share);
- (vii) a discount of approximately 67.32% to the net asset value of the Company of approximately HK\$0.306 per Share based on the latest published audited net asset value attributable to owners of the Company of approximately S\$3.78 million (equivalent to approximately HK\$22.0 million) as at 31 July 2023 as set out in the annual report of the Company for the year ended 31 July 2023 and the total number of issued Shares of 72,000,000 Shares as at the Latest Practicable Date; and
- (viii) a discount of approximately 59.68% to the unaudited net asset value of the Company of approximately HK\$0.248 per Share based on the unaudited net asset value attributable to owners of the Company of approximately S\$3.07 million (equivalent to approximately HK\$17.9 million) as at 31 January 2024 as set out in the interim report of the Company for the six months ended 31 January 2024 and the total number of issued Shares of 72,000,000 Shares as at the Latest Practicable Date.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.09.

During the 12 month period immediately preceding the Latest Practicable Date, the Company has not undertaken any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK\$0.109 per Share, HK\$0.127 per Share and 14.17%, respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Subscription Price was determined by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions in Hong Kong; (ii) the financial position of the Group; (iii) the reasons for and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and the use of proceeds” in this circular.

LETTER FROM THE BOARD

The Board considers, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Irrevocable Undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder(s) who apply to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement under Rule 11.23(7) of the GEM Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Right Shares) by no later than the Prospectus Posting Date;
- (ii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Placing Agent may agree. As at the Latest Practicable Date, none of the above conditions has been fulfilled.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue to proceed but such Unsubscribed Rights Shares or ES Unsold Rights Shares will not be issued by the Company

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and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. There will be no excess application arrangements in relation to the Rights Issue.

Status of the Rights Issue

The Rights Shares (when allotted, issued and fully paid or credited as fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

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In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. (Hong Kong time) on Monday, 27 May 2024.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Thursday, 23 May 2024, and the Shares will be dealt with on an ex-rights basis from Friday, 24 May 2024.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Excluded Shareholders for their information only.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold entitlement of Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Compensatory Arrangements to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue.

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Rights of the Overseas Shareholder(s) (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

As at the Latest Practicable Date, based on the record in the register of members of the Company, there were two Overseas Shareholders with registered addresses located in the PRC, which were interested in an aggregate of 6,000 Shares, representing approximately 0.01% of the total issued share capital of the Company. Save for the two Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC from the Rights Issue. Therefore, such Overseas Shareholders are not Excluded Shareholders and the Rights Issue will be extended to such Overseas Shareholders.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the securities of the Company.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 11 July 2024, to those entitled thereto by ordinary post, at their own risk, to their registered addresses.

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Refund cheques in respect of applications for Rights Shares if the Rights Issue is terminated are expected to be posted on or before Thursday, 11 July 2024 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Fractional Entitlements to the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Application for listing of the Rights Shares and applicable fees

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 20,000 Rights Shares.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

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Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering these Shares to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

Accordingly, on 30 January 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent Placees on a best effort basis. As a result of the revisions to the expected timetable as set out in the announcement of the Company dated 28 March 2024, the Company and the Placing Agent entered into the Supplemental Placing Agreement on 10 April 2024, to reflect the changes of the relevant dates of the Rights Issue as referred to in the Placing Agreement.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent Placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 3 July 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Excluded Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

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- B. the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date. If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Excluded Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Excluded Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

THE PLACING AGREEMENT

Principal terms of the Placing Agreement (as supplemented by the Supplemental Placing Agreement) are summarised as below.

On 30 January 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to, on a best effort basis, procure Placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies), to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date	:	30 January 2024 (after trading hours)
Issuer	:	the Company
Placing Agent	:	Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.

Placing Price	:	The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the placement process.
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- Placing Period : The period from Monday, 24 June 2024 up to 4:00 p.m. on Wednesday, 3 July 2024, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
- Placing Commission : The Company shall pay the Placing Agent a placing commission equivalent to, in Hong Kong dollars, (i) a fixed fee of HK\$100,000; or (ii) 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and ES Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.
- Placees : The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- For the avoidance of doubt, no Placee shall become a substantial shareholder of the Company.
- Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares : The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions Precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- i) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;
 - ii) the approval of the Rights Issue and the transactions contemplated thereunder (including the Placing Agreement) by more than 50% of the Independent Shareholders at the EGM by way of poll;

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- iii) the Placing Agreement not having been terminated in accordance with the provisions thereof; and
- iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect.

The Placing Agent may in its absolute discretion waive the fulfillment of all or any part of the conditions by notice in writing to the Company, except paragraphs (i) and (ii) above which are not capable of being waived.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by 31 December 2024 (or such other date as may be agreed by the Placing Agent and the Company in writing). If any of the conditions precedent to the Placing Agreement have not been fulfilled by 31 December 2024 or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

Termination : The Placing Period shall end at 4:00 p.m. on Wednesday, 3 July 2024 or any other date by mutual agreement between the Placing Agent and the Company.

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The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on Thursday, 4 July 2024 (or any other date by mutual agreement between the Placing Agent and the Company) upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, to be material in the context of the Placing or has or may have a material adverse effect on the business or financial conditions or prospects of the Group or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and ES Unsold Rights Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing;
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole;

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- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing, excluding any suspension in connection with the clearance of the Prospectus Documents or other announcements and circulars of the Company in connection with the Rights Issue; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

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The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

In assessing the placing commission payable to the Placing Agent, the Board has taken into consideration (i) the prevailing economic conditions and stock market performance in Hong Kong; (ii) the overall market sentiment for subscription of rights shares of a company listed on GEM of the Stock Exchange; and (iii) the prevailing placing commission chargeable by placing agent for rights issues conducted by listed companies on the Stock Exchange within the six months prior to the Latest Practicable Date. Based on publicly available information, the Board noted that the placing commission rate of 1.5% chargeable by the Placing Agent generally falls within the range of placing commission, which ranges between 0.5% and 3.5%, chargeable by placing agent for placing under rights issues conducted by listed companies on the Stock Exchange within the six months prior to the Latest Practicable Date.

Besides, the Board considered that the fixed fee in the amount of HK\$100,000 charged by the Placing Agent under the Placing Agreement is fair and reasonable taking into consideration irrespective of the results of the Rights Issue and the number of Unsubscribed Rights Shares and ES Unsold Rights Shares successfully placed by the Placing Agent, the Placing Agent would have already incurred time and resources in conducting negotiation, client acceptance procedures and preparing relevant documentations in relation to the Placing.

As explained above, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders and Excluded Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Excluded Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is a Singapore-based workforce solutions provider which provides manpower outsourcing services, manpower recruitment services and manpower training services. The Group's workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage ("F&B") and other sectors across Singapore. These sectors are always in demand for flexible workforce support to reduce cost and respond to seasonal and fluctuating market conditions.

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As disclosed in the annual report of the Company for the year ended 31 July 2023, revenue of the Group grew from approximately S\$9,787,000 for the financial year ended 31 July 2022 to approximately S\$18,524,000 for the financial year ended 31 July 2023, representing a significant increase of approximately 89.3%. The increase in revenue largely attributed to an increase in revenue generated from manpower outsourcing services as the Singapore economy made significant progress towards normalisation during the financial year ended 31 July 2023.

As the impact of COVID-19 epidemic gradually recedes and benefited by the reopening of borders in various countries, Singapore's tourism industry has started to thrive. According to the information available from public domain, the number of international visitor arrivals in Singapore recorded from January 2023 to November 2023 was approximately 12.3 million, which is nearly double the figure for the entire year of 2022 (approximately 6.3 million). The Company expects the tourism sector in Singapore to continue its growth momentum in the year ahead, on the back of increasing flight connectivity and capacity, and China's gradual reopening. The Company believes the recovery of the tourism industry will simultaneously drive the hotel and resort, retail, F&B and other sectors in Singapore, thereby generating increased demand for manpower.

In light of the significant growth in the Group's revenue and the number of visitor arrivals in Singapore as mentioned above, the Company is of the view that this is an opportune time for the Group to scale up to seize market demand and, accordingly, generate profits. For this purpose, the Company plans to enhance the Group's enterprise resource planning system and other IT infrastructure to more efficiently align with customers' needs. The management considers that an improvement in the Group's IT infrastructure would enable it to build up a more comprehensive database on the attributes and backgrounds of its staff and contractors, which, in turn would facilitate the Group in matching the appropriate candidates or deployed staff with the right employers or customers. Additionally, the Company intends to recruit or hire more staff and/or freelance contractors so as to expand the labour force available for deployment, thereby capturing the growing market demand for manpower in the hotel and resort, retail, F&B and other sectors in Singapore.

Furthermore, the Company also plans to utilise part of the net proceeds from the Rights Issue to explore new business opportunities by way of establishing the Group's market presence and operations in Hong Kong. According to the information available from public domain, between 2018 and 2022, the labour force in Hong Kong has shown a consistent downward trend, contracting by a total of 219,000 individuals or 6%. As Hong Kong gradually returns to normalcy following the COVID-19 epidemic, this decline in the labour force has inevitably led to a significant shortage of manpower. In addition, the total number of job vacancies in the private sector has surged and nearly doubled within two years, reaching 77,800 in March 2023. Consequently, the vacancy rate has reached a nine-year high of 2.8%.

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The Company believes that the reopening of borders in Hong Kong last year, coupled with the government's successive implementation of policies to stimulate the tourism industry, will further increase the local private sector's demand for manpower, particularly the hotel and resort, retail and F&B sectors. Therefore, the Company considers this to be an opportunity to expand its business and capture the local market in Hong Kong. In view of this, the Company plans to establish an operation centre and employ certain staff in Hong Kong to support the Group's expansion plans, including providing manpower outsourcing services and manpower recruitment services to meet the local demand. Once the Group has established its workforce in Hong Kong, it would arrange vocational trainings for the staff to equip them with relevant knowledge and skills in serving different labour intensive industries in Hong Kong, with a particular focus on the hotel and resort, retail and F&B sectors. Leveraging the existing business model of the Group which proved to be highly successful in Singapore, the management believes that the Group's ability and consistent track record in deploying quality workers on an as-needed basis would facilitate business enterprises in Hong Kong to be readily supported by a reliable workforce, while sparing them from the significant time and expenses which may otherwise be required for the recruitment, training and retention of their own staff.

Accordingly, the Company requires substantial financial and operational resources to expand and raise the scale for operations. The net proceeds from the Rights Issue will not only provide the necessary funding to facilitate the development and expansion of the Group's business but also strengthen the financial positions of the Group.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$0.8 million) is expected to be approximately HK\$13.6 million, which will be used as follows during the forthcoming 12 months:

- (i) approximately HK\$4.1 million, being approximately 30% of the net proceeds, for enhancement of the enterprise resource planning system and other IT infrastructure of the Group;
- (ii) approximately HK\$4.1 million, being approximately 30% of the net proceeds, for recruiting or hiring additional staff and/or freelance contractors for the Group's business in Singapore;
- (iii) approximately HK\$2.7 million, being approximately 20% of the net proceeds, for establishing the Group's market presence and operations in Hong Kong; and
- (iv) approximately HK\$2.7 million, being approximately 20% of the net proceeds, for general working capital of the Group.

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The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, based on publicly available market information, the Board understands that where the Unsubscribed Rights Shares and ES Unsold Rights Shares are to be fully-underwritten, the underwriting commission charged by underwriters is generally much higher than the commission charged for placing on a best-effort basis. To improve the cost effectiveness of the Rights Issue and having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

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FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is principally engaged in the provision of specialised workforce solutions, including manpower outsourcing services and manpower recruitment to the hotel and resort, retail, food and beverage and other sectors such as event organisers, facility management and various industries in Singapore. The Directors believe that there are certain risks and uncertainties involved in the operations of the Group, some of which are beyond the Group's control. The Directors believe the significant risks relating to the business of the Group are as follows:

- the Group's revenue derived from its manpower outsourcing services is mainly dependent on the number of staff deployed. The Group generally enters into framework manpower outsourcing service agreements with its major customers, but such service agreements do not provide any obligation and/or commitment on the part of the Group's customers to use its manpower outsourcing services and they may be terminated by the customers within a short period of time. Any substantial decrease in the number of staff deployed by the Group may have a material adverse effect on its business, financial and results of operations;
- the efficient operation of the Group's business is dependent on its software, computer and network systems. Any unexpected disruption to the Group's software, computer or network system may have material adverse effects on the Group's business, operations as well as reputation;
- the Group is subject to extensive labour and immigration laws, regulations and policies that govern the employment of foreign workers. Any changes in the applicable laws, regulations or policies of Singapore or those of the foreign workers' countries of origin may result in labour shortages and/or increase in the Group's recruitment and operating costs;
- the labour turnover rate in the hotel and resort, food and beverage and retail sectors is high, and qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply. The Group's inability to recruit, train and maintain a sufficient number of qualified individuals may delay or affect the speed of its strategic execution and planned growth. Delayed expansion, significant increases in labour turnover rates or significant increases in labour costs could have a material adverse effect on the Group's business, financial condition and results of operations; and

LETTER FROM THE BOARD

- any economic downturn in Singapore may affect the retail, hotel and resort and food and beverage sectors, which may thereby lower their demand for labour force and materially and adversely the Group's business, financial condition and results of operations.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by existing Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Irregular Consulting Limited (Note 1) Public Shareholders	9,146,600	12.70	27,439,800	12.70	9,146,600	4.23
– Independent Placees (Note 2)	–	–	–	–	144,000,000	66.67
– Other public Shareholders	<u>62,853,400</u>	<u>87.30</u>	<u>188,560,200</u>	<u>87.30</u>	<u>62,853,400</u>	<u>29.10</u>
	<u>72,000,000</u>	<u>100.0</u>	<u>216,000,000</u>	<u>100.0</u>	<u>216,000,000</u>	<u>100.0</u>

Notes:

- The entire issued share capital of Irregular Consulting Limited is beneficially owned by Wee Yu-Chih.
- As it is not expected that any of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent will form part of the public float of the Company.

LETTER FROM THE BOARD

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the existing Shares are traded on the Stock Exchange in the board lot size of 5,000 Shares. The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 5,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Tuesday, 4 June 2024.

Based on the theoretical ex-rights price of HK\$0.104 per Share (calculated based on the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot of 5,000 Shares is HK\$520 and the estimated market value of each proposed new board lot of 20,000 Shares would be HK\$2,080.

The Change in Board Lot Size will not result in change in the relative right of the Shareholders. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

Arrangement on odd lot trading and matching services

In order to alleviate the difficulties of the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company will appoint Astrum Capital Management Limited as a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 4 June 2024 to 4:00 p.m. on Tuesday, 25 June 2024. Shareholders who wish to take advantage of this facility should contact Ms. Angie Yeung of Astrum Capital Management Limited at Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (telephone number: (852) 3665-8160 and facsimile number: (852) 2559-2880) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement.

All existing share certificates in board lot of 5,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of the existing share certificates in board lot of 5,000 Shares to new share certificate in board lot of 20,000 Shares is necessary.

LETTER FROM THE BOARD

REASONS FOR THE CHANGE IN BOARD LOT SIZE

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by The Hong Kong Exchange and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the fact that the closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date was HK\$0.134 per Share, the value of each existing board lot of 5,000 Shares was HK\$670, which was less than HK\$2,000.

Based on the above, the Board resolved to propose the Change in Board Lot Size, resulting in HK\$2,680 per board lot of 20,000 Shares (based on the closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date) with the view to complying with the trading requirements under the GEM Listing Rules.

Further, the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

In addition, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

Accordingly, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level in order to attract potential investors and to extend the shareholder base of the Company. The Board believes that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 16 May 2024 to Wednesday, 22 May 2024 (both dates inclusive) for determining the Shareholders’ entitlements for attending and voting at the EGM.

The register of members of the Company will be closed from Tuesday, 28 May 2024 to Monday, 3 June 2024 (both dates inclusive) for determining the entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is conditional upon the Independent Shareholders' approval at the EGM, and any controlling Shareholder(s) and their respective associates, or where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the Latest Practicable Date, the Company has no controlling Shareholder (as defined under the GEM Listing Rules) and there is no Director being beneficially interested in any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing and the transactions contemplated thereunder at the EGM.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue and the Placing. The register of members of the Company will be closed from Thursday, 16 May 2024 to Wednesday, 22 May 2024 (both days inclusive) for determining the Shareholders' entitlements for attending and voting at the EGM.

In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. (Hong Kong time) on Tuesday, 14 May 2024.

LETTER FROM THE BOARD

A notice convening the EGM to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Wednesday, 22 May 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. Monday, 20 May 2024 at 3:00 p.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

The Company will despatch the Prospectus Documents containing, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information of the Group, and PAL(s) to the Qualifying Shareholders on or before Tuesday, 4 June 2024. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this circular.

Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholding in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

LETTER FROM THE BOARD

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chou Chiu Ho, Mr. Chai Ming Hui and Mr. Lin Jian Feng, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 38 to 39 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 40 to 67 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

For and on behalf of
SingAsia Holdings Limited
Xie Feng
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



SINGASIA HOLDINGS LIMITED

星亞控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

30 April 2024

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY
ONE (1) EXISTING SHARE HELD ON THE RECORD DATE**

We refer to the circular of the Company dated 30 April 2024 (the “**Circular**”) of which this letter forms part. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM.

Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 40 to 67 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 11 to 37 of the Circular.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages 40 to 67 of the Circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of
The Independent Board Committee

Mr. Chou Chiu Ho

Mr. Chai Ming Hui

Mr. Lin Jian Feng

Independent non-executive Directors
SingAsia Holdings Limited

LETTER FROM VINCO FINANCIAL

The following is the full text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue which has been prepared for the purpose of incorporation in this circular:

VINCO 
Vinco Financial Limited

30 April 2024

*To the Independent Board Committee and the Independent Shareholders of
SingAsia Holdings Limited*

Dear Sirs,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY
ONE (1) EXISTING SHARE HELD ON THE RECORD DATE**

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) fairness and reasonableness of the terms of the proposed Rights Issue; and (ii) how the Independent Shareholders should vote in respect of the relevant resolutions at the EGM, details of which are set out in the “Letter from the Board” in the circular (the “**Circular**”) issued by the Company to the Shareholders dated 30 April 2024 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Announcement, in relation to, among other things, the Rights Issue. On 30 January 2024, the Company proposed to raise gross proceeds of up to approximately HK\$14.4 million (assuming full subscription under the Rights Issue) by way of issuing up to 144,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.10 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is conditional upon the Independent Shareholders’ approval at the EGM, and any controlling Shareholder(s) and their respective associates, or where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

LETTER FROM VINCO FINANCIAL

As at Latest Practicable Date, the Company has no controlling Shareholder (as defined under the GEM Listing Rules) and there is no Director being beneficially interested in any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing and the transactions contemplated thereunder at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chou Chiu Ho, Mr. Chai Ming Hui and Mr. Lin Jian Feng has been established to make recommendations to the Independent Shareholders as to whether the Rights Issue is, or is not, on normal commercial terms, fair and reasonable, is in the interest of the Company and the Shareholders as a whole and whether to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Rights Issue. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Rights Issue are on normal commercial terms, fair and reasonable, are in the interest of the Company and the Shareholders as a whole and whether to vote in the favour of the resolutions to be proposed at the EGM to approve the Rights Issue so far as the Independent Shareholders are concerned and such appointment has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue of the Company. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the Group and its associates. We have not acted as an independent financial adviser and has not provided any other services to the Company during the past two years.

Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

LETTER FROM VINCO FINANCIAL

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

In formulating our opinion, we have not considered the taxation implications on Independent Shareholders in relation to the subscription for, holding or disposal of the Rights Shares, since these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effects on, or liabilities of any person resulting from the subscription for, holding or disposal of the Rights Shares. In particular, Independent Shareholders subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

LETTER FROM VINCO FINANCIAL

We consider that we have reviewed all currently available information and documents, among others: (i) the Placing Agreement; (ii) the Announcement; (iii) annual report of the Company for the year ended 31 July 2023 (the “**Annual Report 2023**”); (iv) the first quarterly report of the Company for three months ended 31 October 2023; (v) the interim report of the Company for the six months ended 31 January 2024 (the “**Interim Report 2024**”); and (vi) the Supplemental Placing Agreement, which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue and the transactions contemplated thereunder, we have considered the principal factors and reasons set out below:

1. Information on the Group

The Group is a Singapore-based workforce solutions provider which provides manpower outsourcing services, manpower recruitment services and manpower training services.

2. Historical financial performance of the Group

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 July 2023, as extracted from the Annual Report 2023 of the Company respectively:

	For the year ended 31 July	
	2023	2022
	(audited)	(audited)
	S\$	S\$
Revenue	18,523,764	9,786,667
Profit/(Loss) for the year	565,028	(1,717,492)

LETTER FROM VINCO FINANCIAL

	As at 31 July	
	2023	2022
	(audited)	(audited)
	S\$	S\$
Cash and cash equivalents	1,559,209	271,146
Total assets	7,473,724	6,614,110
Total liabilities	3,690,918	3,340,899
Net assets	3,782,806	3,273,211

Audited consolidated results for the two years ended 31 July 2023

As disclosed in the Annual Report 2023, the Group is principally engaged in provision of manpower outsourcing and recruitment services in Singapore. During the year ended 31 July 2023 (“**FY2023**”), the Group’s revenue increased by approximately S\$8.7 million or approximately 89.3%, from approximately S\$9.8 million for the year ended 31 July 2022 (“**FY2022**”) to approximately S\$18.5 million in FY2023. The increase in revenue largely attributed to an increase in revenue generated from manpower outsourcing services as the Singapore economy made significant progress towards normalisation during the year ended 31 July 2023.

The profit of the Group in FY2023 was approximately S\$565,000 compared to a loss of approximately S\$1.7 million in FY2022, the turnaround mainly due to the increase in revenue, the higher government grants received and the gain on disposal of subsidiaries.

As at 31 July 2023, the Group recorded cash and cash equivalents, total assets, total liabilities and net assets of approximately S\$1.6 million, S\$7.5 million, S\$3.7 million and HK\$3.8 million, respectively. The increase in net assets as at 31 July 2023 was mainly due to the increase in cash and cash equivalents. The Group’s gearing ratio, calculated as percentage of net debt to the total equity of the Company, was approximately 53.7% as at 31 July 2023 as compared to approximately 93.5% as at 31 July 2022.

LETTER FROM VINCO FINANCIAL

Prospects of the Group

As disclosed in the Annual Report 2023, the Group will continue to deepen its relationships with existing customers and seek new business opportunities with new customers. The Group will continue to implement new business strategies to remain competitive in the market, manage its expenditure and undertake a series of measures to increase its resilience and protect the interest of all the stakeholders. The Group will also proactively seek opportunities to expand its market share and implement new business strategies to remain competitive in the market to enhance value to its shareholders.

3. Background of and reasons for the Rights Issue and the use of proceeds

Reasons for the Rights Issue and use of proceeds

As set out in the “Letter from the Board”, the Group is a Singapore-based workforce solutions provider which provides manpower outsourcing services, manpower recruitment services and manpower training services. The Group’s workforce solutions meet customers’ needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage (the “**F&B**”) and other sectors across Singapore. These sectors are always in demand for flexible workforce support to reduce cost and respond to seasonal and fluctuating market conditions.

As disclosed in the Annual Report 2023, revenue of the Group grew from approximately S\$9.8 million in FY2022 to approximately S\$18.5 million in FY2023, representing a significant increase of approximately 89.3%. The increase in revenue largely attributed to an increase in revenue generated from manpower outsourcing services as the Singapore economy made significant progress towards normalisation during the year ended 31 July 2023.

As the impact of COVID-19 epidemic gradually recedes and benefited by the reopening of borders in various countries, Singapore’s tourism industry has started to thrive. According to the information available from public domain, the number of international visitor arrivals in Singapore recorded from January 2023 to November 2023 was approximately 12.3 million, which is nearly double the figure for the entire year of 2022 (approximately 6.3 million). The Company expects the tourism sector in Singapore to continue its growth momentum in the year ahead, on the back of increasing flight connectivity and capacity, and China’s gradual reopening. The Company believes the recovery of the tourism industry will simultaneously drive the hotel and resort, retail, F&B and other sectors in Singapore, thereby generating increased demand for manpower. Pursuant to the news we found on the website of the Singapore Tourism Board, a statutory board under the Ministry of Trade and Industry of Singapore, published in 2023 (source: <https://www.stb.gov.sg/content/stb/en/media-centre/media-releases/Singapore-tourism-sector-recovers-strongly-in-2022-visitor->

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numbers-expected-to-double-in-2023.html), we noted that the total tourism workforce as of September 2022 was approximately 78% of that in 2019. Besides, we obtained the workforce data in Singapore in 2023 from the report named “Labour Force in Singapore 2023” published by the Ministry of Manpower of Singapore (source: <https://stats.mom.gov.sg/iMASPdfLibrary/mrsd2023LabourForce.pdf>), we found there were approximately 18% of employed residents aged 25 and above worked in industry of transportation and storage, retail trade, food and beverage services and accommodation in Singapore in 2023 while having an increase in the total number of employed labour force from 2022 to 2023, which indicates there are certain needs of labour in those industries in Singapore. We have also discussed with the management of the Company that the above mentioned sectors are relevant to the manpower outsourcing services and hence we concur with the view of the Board that the demand of such services would increase due to the growing market demand in Singapore.

In light of the significant growth in the Group’s revenue and the number of visitor arrivals in Singapore as mentioned above, the Company is of the view that this is an opportune time for the Group to scale up to seize market demand and, accordingly, generate profits. For this purpose, the Company plans to enhance the Group’s enterprise resource planning system and other IT infrastructure to more efficiently align with customers’ needs. The management considers that an improvement in the Group’s IT infrastructure would enable it to build up a more comprehensive database on the attributes and backgrounds of its staff and contractors, which, in turn would facilitate the Group in matching the appropriate candidates or deployed staff with the right employers or customers. Additionally, the Company intends to recruit or hire more staff and/or freelance contractors so as to expand the labour force available for deployment, thereby capturing the growing market demand for manpower in the hotel and resort, retail, F&B and other sectors in Singapore.

Furthermore, the Company also plans to utilise part of the net proceeds from the Rights Issue to explore new business opportunities by way of establishing the Group’s market presence and operations in Hong Kong. According to the information available from public domain, between 2018 and 2022, the labour force in Hong Kong has shown a consistent downward trend, contracting by a total of 219,000 individuals or 6%. As Hong Kong gradually returns to normalcy following the COVID-19 epidemic, this decline in the labour force has inevitably led to a significant shortage of manpower. In addition, the total number of job vacancies in the private sector has surged and nearly doubled within two years, reaching 77,800 in March 2023. Consequently, the vacancy rate has reached a nine-year high of 2.8%.

The Company believes that the reopening of borders in Hong Kong last year, coupled with the government’s successive implementation of policies to stimulate the tourism industry, will further increase the local private sector’s demand for manpower, particularly the hotel and resort, retail and F&B sectors. According to Census and

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Statistics Department in Hong Kong (the “C&S”) (source: <https://www.censtatd.gov.hk/>), there were over 34 million of visitors arrived in Hong Kong in 2023, an increase of approximately 55% compared to that in 2022. The growth in visitor arrivals has further increased the spending in retail by 16.2% when comparing the year-on-year value index between 2022 and 2023. Pursuant to the latest provisional value index of restaurant receipts and accommodation services disclosed by C&S, we found there was a year-on-year increase of approximately 7.5% and approximately 45.1% respectively in the fourth quarter of 2023. Therefore, the Company considers this to be an opportunity to expand its business and capture the local market in Hong Kong. In view of this, the Company plans to establish an operation centre and employ certain staff in Hong Kong to support the Group’s expansion plans, including providing manpower outsourcing services and manpower recruitment services to meet the local demand. Once the Group has established its workforce in Hong Kong, it would arrange vocational trainings for the staff to equip them with relevant knowledge and skills in serving different labour intensive industries in Hong Kong, with a particular focus on the hotel and resort, retail and F&B sectors. Leveraging the existing business model of the Group which proved to be highly successful in Singapore, the management believes that the Group’s ability and consistent track record in deploying quality workers on an as-needed basis would facilitate business enterprises in Hong Kong to be readily supported by a reliable workforce, while sparing them from the significant time and expenses which may otherwise be required for the recruitment, training and retention of their own staff.

Accordingly, the Company requires substantial financial and operational resources to expand and raise the scale for operations. The net proceeds from the Rights Issue will not only provide the necessary funding to facilitate the development and expansion of the Group’s business but also strengthen the financial positions of the Group. Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$0.8 million) is expected to be approximately HK\$13.6 million, which will be used as follows during the forthcoming 12 months:

- (i) approximately HK\$4.1 million, being approximately 30% of the net proceeds, for enhancement of the enterprise resource planning system and other IT infrastructure of the Group;
- (ii) approximately HK\$4.1 million, being approximately 30% of the net proceeds, for recruiting or hiring additional staff and/or freelance contractors for the Group’s business in Singapore;

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- (iii) approximately HK\$2.7 million, being approximately 20% of the net proceeds, for establishing the Group's market presence and operations in Hong Kong; and
- (iv) approximately HK\$2.7 million, being approximately 20% of the net proceeds, for general working capital of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses.

Fund raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, we are of the view and concur with the view of the Directors that raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

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Based on the above, we are of the view of the Board that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, based on publicly available market information, we noted the Board understands that where the Unsubscribed Rights Shares and ES Unsold Rights Shares are to be fully-underwritten, the underwriting commission charged by underwriters is generally much higher than the commission charged for placing on a best effort basis. To improve the cost effectiveness of the Rights Issue and having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, we also concur with the view of the Board that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

4. Principal terms of the Rights Issue

The Board proposes to raise gross proceeds of up to approximately HK\$14.4 million (assuming full subscription under the Rights Issue) by way of issuing up to 144,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.10 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). Further details of the Rights Issue are set out below:

Basis of the Rights Issue	:	two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Maximum number of Rights Shares to be issued	:	144,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Subscription Price	:	HK\$0.10 per Rights Share
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.09 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$14.4 million

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Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$13.6 million
Number of Shares in issue as at the Latest Practicable Date	:	72,000,000 Shares
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	216,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	HK\$7.2 million (assuming no change in the number of Shares in issue on or before the Record Date)

Assuming there is no change to the total issued share capital of the Company on or before the Record Date, 144,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 25.37% to the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 11.50% to the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (iii) a discount of approximately 18.70% to the average closing price of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 20.63% to the average closing price of approximately HK\$0.126 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 3.85% to the theoretical ex-rights price of approximately HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 14.17% of the theoretical diluted price of approximately HK\$0.109 per Share to the benchmarked price of approximately HK\$0.127 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK\$0.113 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK\$0.127 per Share);
- (vii) a discount of approximately 67.32% to the net asset value of the Company of approximately HK\$0.306 per Share based on the latest published audited net asset value attributable to owners of the Company of approximately S\$3.78 million (equivalent to approximately HK\$22.0 million) as at 31 July 2023 as set out in the Annual Report 2023 and the total number of issued Shares of 72,000,000 Shares as at the Latest Practicable Date; and
- (viii) a discount of approximately 59.68% to the unaudited net asset value of the Company of approximately HK\$0.248 per Share based on the unaudited net asset value attributable to owners of the Company of approximately S\$3.07 million (equivalent to approximately HK\$17.9 million) as at 31 January 2024 as set out in the Interim Report 2024 of the Company for the six months ended 31 January 2024 and the total number of issued Shares of 72,000,000 Shares as at the Latest Practicable Date.

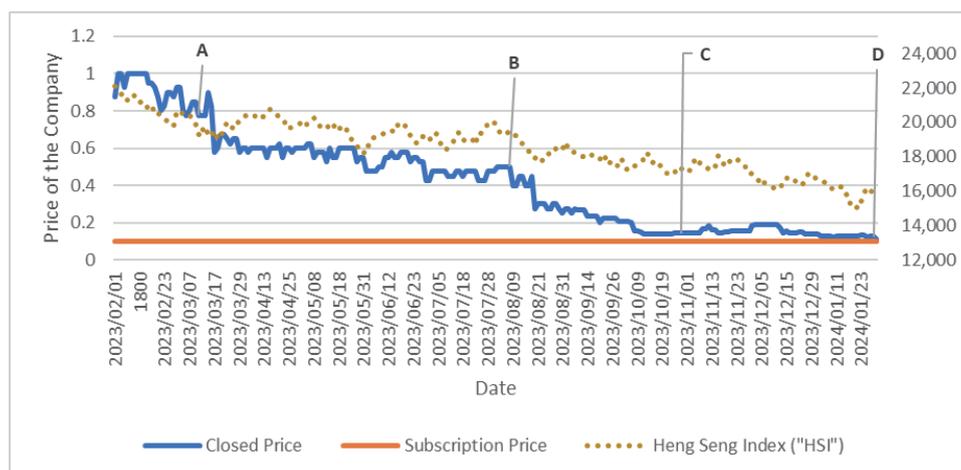
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Comparison with historical closing prices of the Shares

As stated in the “Letter from the Board”, the Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions and the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS” in the Circular.

In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the closing prices of the Shares and the trading liquidity of the Shares for the period from 1 February 2023, being the 12-month period prior to the date of the Announcement, up to and including the Last Trading Day (the “**Review Period**”). We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Announcement and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which may distort the analysis. The chart below illustrates the daily closing price per Share (the “**Closing Price**”) versus the Subscription Price of HK\$0.10 per Rights Share during the Review Period:

Graph A: Closing Price during the Review Period



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Published announcements of the Company:

- A. announcement of interim results for the six months ended 31 January 2023, published on 13 March 2023
- B. proposed share consolidation, published on 8 August 2023
- C. announcement of annual results for the year ended 31 July 2023, published 27 October 2023
- D. the Announcement

As shown in the chart above, during the Review Period, the average Closing Price was approximately HK\$0.421 (the “**Average Closing Price**”). The highest Closing Price was HK\$1.00 (the “**Highest Closing Price**”) recorded on 2 February 2023, 3 February 2023 and from 7 February 2023 to 15 February 2023 and the lowest Closing Price was HK\$0.113 (the “**Lowest Closing Price**”) recorded on 30 January 2024.

We noted that (i) the Closing Price has general downward trend, recorded from HK\$1.00 on 2 February 2023 to HK\$0.113 on 30 January 2024; and (ii) the closing price of the HSI has general downward trend, recorded from 22,072 on 1 February 2023 to 15,703 on 30 January 2024. As such, the movement of the Closing Price was in line with the HSI. As discussed with the management of the Group, they were not aware of any reason for such movement in the Closing Price as mentioned above. We have also reviewed the announcements disclosed during the Review Period and we are not aware of any information which caused the substantial change in the Closing Price.

We noted that the Shares were traded above the Subscription Price. The Subscription Price of HK\$0.10 represents (i) a discount of approximately 90.00% to the Highest Closing Price; (ii) a discount of approximately 11.50% to the Lowest Closing Price; and (iii) a discount of approximately 76.25% to the Average Closing Price. As such, the attractiveness of the Rights Issue, for the Qualifying Shareholders to participate and maintain their respective shareholding interests in the Company, would have been enhanced accordingly with the Subscription Price offered at discounts to the Highest Closing Price, the Lowest Closing Price and the Average Closing Price.

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Historical trading liquidity of the Shares

(“Table A”)	Total trading volume <i>(Note 1)</i>	Number of trading days	Average daily volume <i>(Note 2)</i>	Approximately % of average daily trading volume to total number of issued Shares <i>(Note 3)</i>	Approximately % of average daily trading volume to total number of issued Shares held by public Shareholders <i>(Note 4)</i>
2023					
February	884,000	20	44,200	0.0025%	0.0028%
March	2,534,400	23	110,191	0.0061%	0.0070%
April	304,800	17	17,929	0.0010%	0.0011%
May	476,800	21	22,705	0.0013%	0.0014%
June	744,600	21	35,457	0.0020%	0.0023%
July	209,800	20	10,490	0.0006%	0.0007%
August	1,437,580	23	62,503	0.0035%	0.0040%
September	166,000	19	8,737	0.0121%	0.0139%
October	160,200	20	8,010	0.0111%	0.0127%
November	632,600	22	28,755	0.0399%	0.0457%
December	980,600	19	51,611	0.0717%	0.0821%
2024					
January	924,200	21	44,010	0.0611%	0.0700%

Source: website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

- (1) Total trading volume for the month/period is sourced from the website of the Stock Exchange.
- (2) Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which excludes any trading day on which trading in the Shares on the Stock Exchange was suspended for the whole trading day.
- (3) The calculation is based on the average daily trading volume for the month/period by the total number of Shares in issue at the end of each respective month/period.
- (4) The calculation is based on the total number of the Shares in public hands (i.e., after excluding the controlling shareholder(s) or single largest shareholder) at the end of each respective month/period according to the public information on the Stock Exchange.

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As shown in the “Table A”, the average daily trading volume, the average daily trading volume of the Shares for the respective month/period during the Review Period ranged from 8,010 Shares in October 2023 to 110,191 Shares in March 2023, representing approximately 0.0111% to approximately 0.0061% of the total number of issued Shares at the end of their respective month/period, or approximately 0.0127% to approximately 0.0070% of the total number of issued Shares held by public Shareholders at the end of their respective month/period.

Given that (i) the generally thin liquidity of the Shares during the Review Period, which would be difficult for the Shareholders to acquire a substantial block of the Shares in the open market without exerting a significant impact on the Share price; (ii) the general downtrend of the Closing Price from 2 February 2023 to the Last Trading Day; and (iii) HSI was on a decreasing trend during the Review Period, we are of the view that it is reasonable for the Subscription Price to be set at a discount to the Average Closing Price of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue.

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Comparison to other rights issue

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue approximately 12 months prior to the Last Trading Day (the “**Comparison Period**”) to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 62 rights issue comparables (the “**Comparables**”) during the Comparison Period.

We noted that the business activities of the Comparables may not be directly comparable to the business activities carried out by the Group. We noted that the terms of the rights issue announced by the Comparables may not be directly comparable to the terms of the Rights Issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issue on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, theoretical ex-rights price, net asset value, maximum dilution on the shareholding and theoretical dilution effect; (iii) a 12-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

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Table B: Details of the Comparables

Date of announcement	Listed company	Stock code	Basis of entitlement	Premium/ (discount) (Last Trading Day) (%)	Premium/ (discount) – theoretical ex-rights (%)	Premium/ (discount) – net asset value (%)	Maximum dilution on the shareholding (%)	Theoretical dilution effect (Note 1) (%)	Excess Application/placing	Placing commission (Note 2) (%)	Underwriting arrangement (Note 3)	Underwriting fee (Note 3) (%)
18/1/2024	CCIAM Future Energy Limited	145	1 for 2	(12.5)	(8.7)	(5.4)	33.3	4.2	Placing	5.0	Non-underwritten	N/A
16/1/2024	China Oriented International Holdings Limited	1871	1 for 2	(18.4)	(13.0)	(63.3)	33.3	6.1	Placing	3.0	Non-underwritten	N/A
12/1/2024	Tongda Hong Tai Holdings Limited	2363	2 for 1	(1.7)	-	Net liabilities	66.7	1.7	Placing	2.0	Non-underwritten	N/A
10/1/2024	Teamway International Group Holdings Limited	1239	1 for 1	(32.8)	(19.6)	Net liabilities	50.0	16.4	Placing	0.5	Non-underwritten	N/A
28/12/2023	Huasheng International Holding Limited	1323	1 for 2	(12.2)	(8.7)	(47.7)	33.3	3.8	Placing	3.0	Non-underwritten	N/A
28/12/2023	Sin Kong Holdings Limited	8631	2 for 1	(34.8)	(15.5)	(70.9)	66.7	23.5	Placing	1.0	Non-underwritten	N/A
28/12/2023	Elite Holdings Limited	223	1 for 5	3.5	2.9	335.0	16.7	0.0	Excess application	N/A	Underwritten on a best effort basis	2.5
14/12/2023	Major Holdings Limited	1389	2 for 3	(53.1)	(40.4)	(57.0)	40.0	21.2	Placing	3.0	Fully-underwritten	0.0
8/12/2023	Imperium Financial Group Limited	8029	1 for 2	(11.1)	(7.7)	Net liabilities	33.3	3.7	Placing	2.0	Non-underwritten	N/A
5/12/2023	Finsoft Financial Investment Holdings Limited	8018	3 for 1	(28.2)	(8.9)	(83.1)	75.0	21.1	Placing	3.5	Non-underwritten	N/A
1/12/2023	China Financial Leasing Group Limited	2312	1 for 1	(32.6)	(19.5)	(64.0)	50.0	16.3	Excess application	N/A	Fully-underwritten	1.0
28/11/2023	IBO Technology Company Limited	2708	3 for 1	(25.2)	(7.6)	(87.5)	75.0	19.3%	Excess application	N/A	Underwritten on a best effort basis	2.0
24/11/2023	Lapco Holdings Limited	8472	3 for 1	(30.2)	(9.8)	(84.9)	75.0	22.7	Placing	2.5	Non-underwritten	N/A
21/11/2023	Gameone Holdings Limited	8282	1 for 2	6.8	4.5	(11.3)	33.3	0.0	Excess application	N/A	Fully-underwritten	3.0
20/11/2023	Cool Link (Holdings) Limited	8491	3 for 1	(28.7)	(9.2)	(56.5)	75.0	21.5	Placing	1.5	Non-underwritten	N/A
17/11/2023	Huabang Technology Holdings Limited	3638	1 for 2	(24.1)	(17.4)	(49.2)	33.3	8.0	Placing	2.0	Non-underwritten	N/A
17/11/2023	Da Yu Financial Holdings Limited	1073	1 for 1	11.1	4.9	(63.4)	50.0	0.0	Excess application	N/A	Non-underwritten	N/A
6/11/2023	Zhejiang Expressway Co., Ltd.	576	3.8 for 10	(32.1)	(25.3)	(68.7)	27.5	8.8	Excess application	N/A	Fully-underwritten	1.7
3/11/2023	Rego Interactive Co., Ltd	2422	1 for 2	(49.4)	(16.5)	(38.8)	33.3	16.5	Placing	0.5	Non-underwritten	N/A
17/10/2023	Gofintech Innovaiton Limited	290	3 for 1	(9.1)	(2.4)	(46.7)	75.0	10.0	Placing	1.0	Non-underwritten	N/A
3/10/2023	Universe Printshop Holdings Limited	8448	3 for 2	(14.8)	(8.0)	Net liabilities	60.0	11.1	Excess application	N/A	Fully-underwritten	0.0
15/9/2023	Royal Century Resources Holdings Limited	8125	5 for 1	(19.3)	(3.8)	(85.0)	83.3	16.1	Placing	1.0	Non-underwritten	N/A
11/9/2023	Asian Citrus Holdings Limited	73	1 for 2	(34.0)	(25.5)	(45.3)	33.3	11.3	Excess application	N/A	Underwritten on a best effort basis	2.5
6/9/2023	Orient Securities International Holdings Limited	8001	1 for 2	(50.8)	(40.4)	(93.7)	33.3	17.5	Placing	0.5	Non-underwritten	N/A
3/9/2023	Rare Earth Magnesium Technology Group Holdings Limited	601	1 for 2	(39.9)	(23.8)	(97.1)	33.3	13.5	Excess application	N/A	Fully-underwritten	7.1

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Date of announcement	Listed company	Stock code	Basis of entitlement	Premium/ (discount) (Last Trading Day) (%)	Premium/ (discount) – theoretical ex-rights (%)	Premium/ (discount) – net asset value (%)	Maximum dilution on the shareholding (%)	Theoretical dilution effect (Note 1) (%)	Excess Application/placing (%)	Placing commission (Note 2) (%)	Underwriting arrangement (Note 3)	Underwriting fee (Note 3) (%)
15/8/2023	Wisdomome Group Holdings Limited	8079	3 for 1	(22.4)	(6.3)	(86.4)	75.0	16.8	Excess application	N/A	Fully-underwritten	7.1
11/8/2023	Almana Limited	8186	3 for 1	(26.7)	(8.3)	22.2	75.0	22.6	Placing	1.0	Non-underwritten	N/A
28/7/2023	Atago Holdings Limited	3313	2 for 1	(29.4)	(11.2)	(95.5)	66.7	19.6	Placing	1.0	Non-underwritten	N/A
26/7/2023	China Best Group Holding Limited	370	2 for 5	(37.3)	(31.0)	(71.0)	28.6	11.1	Placing	A fixed fee of HK\$100,000 and 1%	Non-underwritten	N/A
24/7/2023	Platt Nera International Limited	1949	1 for 2	(58.0)	(47.9)	(54.1)	33.3	19.3	Placing	3.0	Non-underwritten	N/A
14/7/2023	Tasty Concepts Holding Limited	8096	5 for 2	4.7	1.5	566.7	71.4	2.6	Placing	A fixed fee of HK\$100,000 or 2.5%, whichever is higher	Non-underwritten	N/A
6/7/2023	Classified Group (Holdings) Limited	8232	3 for 2	(15.0)	(6.6)	(49.1)	60.0	8.8	Placing	Fixed commission fee of HK\$38,000	Fully-underwritten	0.0
19/6/2023	E-House (China) Enterprise Holdings Limited	2048	12 for 10	(20.7)	(10.6)	Net liabilities	54.5	11.0	Placing	0.6	Fully-underwritten	0.0
16/6/2023	Future World Holdings Limited	572	1 for 1	(27.7)	(16.1)	(91.7)	50.0	13.9	Excess application	N/A	Fully-underwritten	2.5
11/6/2023	China Zhesang Bank Co., Ltd.	2016	3 for 10	(15.2)	(12.1)	(94.3)	23.1	3.5	Excess application	N/A	Fully-underwritten	1.0
8/6/2023	Hi-Level Technology Holdings Limited	8113	1 for 1	(35.5)	(21.6)	188.0	50.0	17.7	Placing	1.0	Non-underwritten	N/A
7/6/2023	GBA Holdings Limited	261	4 for 5	(25.0)	(16.7)	(90.3)	44.4	11.1	Placing	3.5	Underwritten on a best effort basis	4.0
7/6/2023	Tesson Holdings Limited	1201	3 for 4	(11.5)	(9.1)	(72.2)	42.9	2.7	Excess application	N/A	Non-underwritten	N/A
5/6/2023	Solomon Worldwide Holdings Limited	8133	1 for 2	(20.8)	(15.8)	66.7	33.3	7.3	Excess application	N/A	Underwritten on a best effort basis	1.5
30/5/2023	Min Fu International Holding Limited	8511	1 for 2	(8.3)	(5.7)	12.4	33.3	3.3	Placing	4.0	Non-underwritten	N/A
29/5/2023	Hao Bai International (Cayman) Limited	8431	1 for 2	(5.7)	(3.9)	37.0	33.3	3.8	Placing	1.6	Non-underwritten	N/A
25/5/2023	China Investment Development Limited	204	1 for 1	(41.2)	(26.1)	(83.1)	50.0	20.4	Placing	1.0	Non-underwritten	N/A
25/5/2023	Jinnu Group Limited	8187	2 for 1	15.6	4.7	Net liabilities	66.7	0.0	Excess application	N/A	Fully-underwritten	Fixed commission fee of HK\$100,000

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Date of announcement	Listed company	Stock code	Basis of entitlement	Premium/ (discount) (Last Trading Day) (%)	Premium/ (discount) – theoretical ex-rights (%)	Premium/ (discount) – net asset value (%)	Maximum dilution on the shareholding (%)	Theoretical dilution effect (Note 1) (%)	Excess Application/placing (%)	Placing commission (Note 2) (%)	Underwriting arrangement (Note 3)	Underwriting fee (Note 3) (%)
17/5/2023	CROSSTEC Group Holdings Limited	3893	1 for 2	(9.1)	(6.3)	Net liabilities	33.3	3.0	Excess application	N/A	Non-underwritten	N/A
12/5/2023	China Ruifeng Renewable Energy Holdings Limited	527	5 for 2	(28.0)	(10.0)	(34.2)	71.4	20.0	Placing	A fixed fee of HK\$70,000 and 1.5%	Non-underwritten	N/A
5/5/2023	Tongda Hong Tai Holdings Limited	2363	2 for 1	(16.7)	(6.6)	Net liabilities	66.7	11.1	Placing	2.5	Non-underwritten	N/A
5/5/2023	China Medical & HealthCare Group Limited	383	1 for 2	(15.4)	(11.1)	(59.1)	33.3	5.7	Excess application	N/A	Fully-underwritten	2.5
28/4/2023	PT International Development Corporation Limited	372	1 for 2	(69.2)	(60.0)	(87.3)	33.3	23.1	Placing	0.3	Fully-underwritten	0.5
14/4/2023	Xinyi Energy Holdings Limited	3868	1 for 10	(9.9)	(9.1)	38.6	9.1	0.8	Excess application	N/A	Non-underwritten	N/A
13/4/2023	Finet Group Limited	8317	1 for 2	(52.4)	(42.2)	96.1	33.3	18.0	Placing	Fixed commission fee of HK\$20,000	Fully-underwritten	0.0
13/4/2023	Prestone Capital Limited	804	1 for 2	(40.8)	(31.5)	(64.2)	33.3	13.6	Placing	1.5	Non-underwritten	N/A
11/4/2023	China Wantian Holdings Limited	1854	1 for 5	(41.9)	(37.6)	350.0	16.7	7.0	Excess application	N/A	Fully-underwritten	7.1
6/4/2023	Kingland Group Holdings Limited	1751	1 for 2	(70.4)	(61.3)	262.8	33.3	23.5	Placing	3.5	Non-underwritten	N/A
6/4/2023	Luk Hing Entertainment Group Holdings Limited	8052	1 for 1	(5.9)	(3.0)	Net liabilities	50.0	2.9	Placing	3.0	Fully-underwritten	3.0
28/3/2023	Haitong International Securities Group Limited	665	3 for 10	-	-	(79.2)	23.1	0.1	Excess application	N/A	Non-underwritten	N/A
27/3/2023	Sandmartin International Holdings Limited	428	3 for 2	(16.7)	(7.4)	(22.4)	60.0	10.0	Placing	2.0	Fully-underwritten	1.0
6/3/2023	CBK Holdings Limited	8428	5 for 1	(15.9)	(2.9)	(79.1)	83.3	13.2	Placing	3.5	Non-underwritten	N/A
3/3/2023	Diwang Industrial Holdings Limited	1950	3 for 2	1.5	0.6	(37.4)	60.0	6.8	Placing	0.5	Non-underwritten	N/A
24/2/2023	Bossini International Holdings Limited	592	1 for 2	(21.3)	(3.2)	236.0	33.3	8.5	Excess application	N/A	Underwritten on a best effort basis	A fixed fee of HK\$1,000,000 or 1.5%, whichever is higher
17/2/2023	State Innovation Holdings Limited	8275	3 for 2	(26.5)	(12.5)	(53.5)	60.0	16.0	Placing	2.5	Non-underwritten	N/A
10/2/2023	WINDMILL Group Limited	1850	2 for 1	(1.5)	-	(54.1)	66.7	2.8	Placing	1.0	Non-underwritten	N/A
10/2/2023	Link Real Estate Investment Trust	823	1 for 5	(29.6)	(26.0)	(45.3)	16.7	5.0	Excess application	N/A	Fully-underwritten	1.5

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Date of announcement	Listed company	Stock code	Basis of entitlement	Premium/ (discount) (Last Trading Day) (%)	Premium/ (discount) – theoretical ex-rights (%)	Premium/ (discount) – net asset value (%)	Maximum dilution on the shareholding (%)	Theoretical dilution effect (Note 1) (%)	Excess Application/placing (%)	Placing commission (Note 2) (%)	Underwriting arrangement (Note 3) (%)	Underwriting fee (Note 3) (%)
	Maximum			15.6	4.9	566.7	83.3	23.5		5.0		7.1
	Minimum			(70.4)	(61.3)	(97.1)	9.1	-		0.3		0.0
	Average			(22.9)	(14.4)	(7.8)	47.4	11.0		2.0		2.2
(excluding outliers)	Maximum			-	-	96.1	-	-		-		-
	Minimum			-	-	(97.1)	-	-		-		-
(note 5)	Average			-	-	(50.0)	-	-		-		-
30/1/2024	The Company	8293	2 for 1	(11.5)	(3.9)	(67.3)	66.7	14.2	Placing	A fixed fee of HK\$100,000 or 1.5%, whichever is higher	Non-underwritten	N/A

Source: website of the Stock Exchange (<http://www.hkex.com.hk>)

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Notes:

1. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange or Rule 10.44A of the GEM Listing Rules.
2. Pursuant to Rule 7.21(1) of the Listing Rule or Rule 10.31(1) of the GEM Listing Rule.
3. In order to calculate the average, minimum and maximum percentage of the underwriting/placing commission of the Comparables, we have excluded the minimum underwriting/placing commissions and absolute underwriting/placing commissions.
4. The discount of its subscription price to its net asset value per share was calculated based on its subscription price of HK\$2.23 per H share, latest annual report of approximately RMB165,930 million as at 31 December 2022 and number of issued H-share of 4,554.0 million. A conversion rate of RMB1 to HK\$1.08 was used for indicative purpose.
5. Elife Holdings Limited (stock code: 223), Tasty Concepts Holding Limited (stock code: 8096), Hi-Level Technology Holdings Limited (stock code: 8113), China Wantian Holdings Limited (stock code: 1854), Kingland Group Holdings Limited (stock code: 1751) and Bossini International Holdings Limited (stock code: 592) (collectively, the “**Outliners**”) are considered as outliners in terms of their subscription prices to their net assets.

Based on the “Table B”, we noted from the above table that almost all of the Comparables had set the subscription price of their rights issue at a discount to the prevailing market price of the relevant shares before the relevant announcements in respect of the rights issue were made except seven Comparables, Haitong International Securities Group Limited (stock code: 665), with its subscription price same as the closing price on the last trading day and nil discount of the subscription price to its theoretical ex-right share, and the followings Elife Holdings Limited (stock code: 223), Gameone Holdings Limited (stock code: 8282), Da Yu Financial Holdings Limited (stock code: 1073), Tasty Concepts Holding Limited (stock code: 8096), Jimu Group Limited (stock code: 8187) and Diwang Industrial Holdings Limited (stock code: 1950), with premium of its subscription price to the closing on the last trading day and its theoretical ex-right share. Therefore, we consider it is a normal market practice for listed companies to set the subscription price of rights issue at a discount to the prevailing market price of the relevant shares so as to encourage the shareholders’ participation but it is not uncommon to set subscription price with nil discount or premium to prevailing price.

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Based on the “Table B”, we noted that (i) the subscription prices to the closing price on the last trading day prior to the announcement of the Comparables ranged from a discount of approximately 70.4% to a premium of approximately 15.6%, with an average discount of approximately 22.9%. The discount of the Subscription Price to the closing price per Share as at the Last Trading Day of approximately 11.5% is within the range; (ii) the subscription prices to the theoretical ex-rights price per share based on the closing price per share on the last trading day prior to announcement in relation to the Comparables ranged from a discount of approximately 61.3% to a premium of approximately 4.9%, with an average discount of approximately 14.4%. The discount of the Subscription Price to the theoretical ex-rights price per Share on the Last Trading Day of approximately 3.9% is within the range; (iii) nine Comparables recorded net liabilities and the premium of the Outliners to their net assets over 100%. Excluding those recorded net liabilities and the Outliners, the subscription prices to the net asset value per share based on the closing price per share on the last trading day prior to announcement in relation to the Comparables ranged from a discount of approximately 97.1% to a premium of approximately 96.1%, with an average discount of approximately 50.0%. The discount of the Subscription Price to the net asset value per Share on the Last Trading Day of approximately 67.3% is within the range; (iv) the theoretical dilution effect of the Comparables ranged from nil to approximately 23.5%, with an average dilution effect of approximately 11.0%. Due to the fact that (a) the theoretical dilution effect represented by the Rights Issue of approximately 14.2% falls within the range of the Comparables; (b) the net proceeds from the Rights Issue would help expand and diversify the Group’s business; and (c) the Subscription Price favors the Qualifying Shareholders to subscribe for the Rights Shares and maintain their respective pro-rata shareholding interests in the Company, we consider that the theoretical dilution effect represented by the Rights Issue is acceptable so far as the Independent Shareholders are concerned; and (v) the maximum dilution on the shareholding of the Comparables ranged from approximately 9.1% to approximately 83.3%, with an average of approximately 47.4%. The maximum dilution on the shareholding of the Rights Issue of approximately 66.7% falls within the range of the Comparables. Taking into consideration the maximum dilution on the shareholding of the Rights Issue falls within the range of the Comparables, we are of the view that the proposed offer basis is in the interest of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned. Taking into account the above findings, we consider the Subscription Price is fair and reasonable.

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No excess application

As mentioned in the Letter from the Board, there will be no excess application arrangements in relation to the Rights Issue. Amongst the Comparables, 40 out of 62 Comparables did not offer excess application for its shareholders. As such, we consider the absence of excess application in rights issue is not an uncommon market practice. Instead of excess application arrangement, the Company has arranged the Compensatory Arrangements and the Placing.

Placing commission

The Company and the Placing Agent entered into the Placing Agreement (as supplemented by the Supplemental Placing Agreement), pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as part of the Compensatory Arrangements. For further details of the principal terms of the Placing Agreement, please refer to section headed “Placing Agreement” in the Circular. As set out in the “Letter from the Board”, the Company shall pay the Placing Agent a placing commission equivalent to, in Hong Kong dollars, (i) a fixed fee of HK\$100,000; or (ii) 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and ES Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.

According to the Comparables as set out in Table B, the placing commission of the Comparables ranged from approximately 0.3% to 5.0%, with average placing commission of approximately 2.0% respectively. We note that the Company shall pay the Placing Agent a placing commission equivalent to, in Hong Kong dollars, (i) a fixed fee of HK\$100,000; or (ii) 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and ES Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher. Among the Comparables, we note that five Comparables involve fixed placing commissions and two of them involve fixed placing commissions of HK\$100,000. As such, we are of the view that the minimum placing commission of the Placing of HK\$100,000 is not uncommon. As the placing commission in the Placing Agreement is lower than the average placing commission of the Comparables and falls within the range of the Comparables, we are of the view that the placing commission is in the interests of the Company and Independent Shareholders as a whole.

The Company had not conducted any equity fundraising activities in the 12 months immediately preceding the Latest Practicable Date.

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Potential dilution effect on the interests of the Independent Shareholders

All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to their existing shareholding in the Company held on the Record Date. Those Qualifying Shareholders who take up their entitlements in full under the Rights Issue could maintain their shareholding interests in the Company after the Rights Issue.

With reference to the shareholding tables in the section headed “CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY” of the Letter from the Board, the shareholding interests of the existing public Shareholders would be diluted by a maximum of approximately 66.70% immediately after completion of the Rights Issue (assuming no new Shares are issued or repurchased on or before the Record Date).

With reference to the Letter of the Board, there will be a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 14.17% discount represented by the theoretical diluted price of approximately HK\$0.109 per Share to the benchmarked price of approximately HK\$0.127 per Share (as defined under Rule 10.44A of the GEM Listing Rules).

We are aware of the potential dilution effects as just mentioned. Nonetheless, we consider that the foregoing should be balanced by the following factors:

- Independent Shareholders are offered a chance to express their views on the terms of the Rights Issue through their votes at the EGM;
- Qualifying Shareholders have their choice of whether to accept the Rights Issue or not;
- the Rights Issue offers the Qualifying Shareholders a chance to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at discount to the prevailing market prices of the Shares;
- those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company after the Rights Issue;
- the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders; and
- the theoretical dilution effect falls within the range of those in the Comparables and it is in compliance with Rule 10.44A of the GEM Listing Rules.

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In view of the above, we are of the view that the dilution impact of the Rights Issue is acceptable.

5. Financial effects of the Rights Issue

According to the unaudited pro forma financial information of the Group set out in Appendix II to the Circular, the audited consolidated net tangible assets, before any adjustments, of the Group attributable to owners of the Company was approximately S\$3.8 million as at 31 July 2023.

Net tangible assets

Assuming no other issue of Shares on or before the Record Date, upon completion of the Rights Issue (i) the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately S\$6.1 million as at 31 July 2023 upon the completion of the Rights Issue; and (ii) the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share would decrease from approximately S\$0.053 to approximately S\$0.028 as at 31 July 2023.

Liquidity

According to the Annual Report 2023, as at 31 July 2023, the cash and cash equivalents of the Group was approximately S\$1.6 million and the Group had current assets of approximately S\$4.7 million and current liabilities of approximately S\$3.7 million. Accordingly, the current ratio of the Group (being the current assets of the Group divided by the current liabilities of the Group) as at 31 July 2023 was approximately 1.3 times. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately S\$2.3 million.

Upon the completion of the Rights Issue, the current ratio of the Group would increase from approximately 1.3 times to approximately 1.9 times as at 31 July 2023. As such, the current ratio and the liquidity of the Group would be improved upon the completion of the Rights Issue.

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Gearing Ratio

According to the Annual Report 2023, as at 31 July 2023, the gearing ratio of the Group (calculated as percentage of bank borrowings to the total equity attributable to owners of the Company) was approximately 53.7%. Upon the completion of the Rights Issue, the equity attributable to owners of Company would be enlarged by the expected net proceeds from the Rights Issue of approximately HK\$13.6 million.

The gearing ratio of the Group would be improved from approximately 53.7% to approximately -5.0%. As such the gearing ratio of the Group is expected to improve upon the completion of the Rights Issue.

The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share would decrease and the Rights Issue would improve (i) the liquidity position of the Group represented by current ratio; and (ii) the gearing ratio of the Group. Hence, we are of the view that the Rights Issue are in the interests of the Company and the Shareholders as a whole.

Shareholders should note that the aforesaid analyses are for illustrative purpose only and do not purport to represent the financial position of the Group upon completion of the Rights Issue and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of (i) the financial position of the Company as at 31 July 2023 or any future date; or (ii) the net tangible assets attributable to owners of the Company per Share as at 31 July 2023 or any future date.

C. RECOMMENDATION

Having taken into consideration of the following principal factors and reasons regarding the major terms of the Rights Issue including:

- (i) the Company is in need of the net proceeds from the Rights Issue for enhancement of the enterprise resource planning system and other IT infrastructure of the Group; recruiting or hiring additional staff and/or freelance contractors for the Group's business in Singapore; and establishing the Group's market presence and operations in Hong Kong as stated under the paragraph headed "Reasons for the Rights Issue and use of proceeds" above in this letter;
- (ii) taking into account the benefits and cost of each of the alternatives, the Rights Issue represents an appropriate means for fund raising to strengthen its balance sheet without facing the increasing interest expense and minimise the cost of fund raising as stated under the paragraph headed "Fund raising alternatives" above in this letter;

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- (iii) having considered (a) the Qualifying Shareholders may have difficulties in acquiring or selling a significant number of Shares in the open market if the same trading pattern of the Shares persists during and after the completion of the Rights Issue without exerting impact on the market price of the Shares; (b) the general downtrend of the Closing Price from 2 February 2023 to the Last Trading Day; and (c) HSI was on a decreasing trend during the Review Period, we therefore are of the view that the Subscription Price at a discount to the Average Closing Price would encourage the Qualifying Shareholders to participate in the Rights Issue, and to maintain their respective shareholding interests in the Company as stated under the paragraph headed “Subscription Price” above in this letter;
- (iv) the Subscription Price is fair and reasonable in our view for the reasons set out in earlier sections headed “Subscription Price” and “Comparison to other rights issue” in this letter; and
- (v) Rights Issue is conducted on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportionate interests in the Company and allows the Qualifying Shareholders to participate in the future growth of the Company, and the maximum dilution effect only occur when the Qualifying Shareholders do not subscribe for their proportionate Rights Shares,

we are of the view that the terms of the Rights Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in and completed various advisory transactions involving companies listed in Hong Kong in respect of the Takeovers Code for over 10 years.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 July 2021, 2022 and 2023 and the six months ended 31 January 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (www.singasia.com.sg), respectively:

- (i) the audited consolidated financial information of the Group for the year ended 31 July 2021 is disclosed in the annual report of the Company for the year ended 31 July 2021 published on 29 October 2021, from pages 58 to 121 (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/1029/2021102900689.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 July 2022 is disclosed in the annual report of the Company for the year ended 31 July 2022 published on 28 October 2022, from pages 61 to 127 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1028/2022102800406.pdf>);
- (iii) the audited consolidated financial information of the Group for the year ended 31 July 2023 is disclosed in the annual report of the Company for the year ended 31 July 2023 published on 30 October 2023, from pages 57 to 125 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/1030/2023103000811.pdf>);
- (iv) the unaudited consolidated financial information of the Group for the six months ended 31 January 2024 is disclosed in the interim report of the Company for the six months ended 31 January 2024 published on 19 April 2024, from pages 3 to 17. (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0419/2024041900612.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 29 February 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

(i) Bank and other borrowings

As at 29 February 2024, the Group had bank and other borrowings of approximately S\$898,510, which consisted of secured bank loans of S\$289,373, secured factoring loans of S\$471,916 and other borrowings of S\$137,221. The secured bank loans and secured factoring loans contain repayment on demand clauses.

As at 29 February 2024, the secured bank loans of S\$290,373 are secured by corporate guarantee by the Company. The effective interest rate of the secured bank loans is 6.5% per annum with repayment in accordance with the agreed repayment schedule. The interest rate was fixed at 6.5% per annum.

As at 29 February 2024, the secured factoring loans of S\$471,916 are payable on demand and secured over certain trade receivables of the Group in the amount of S\$526,766 and corporate guarantee by the Company. The effective interest rate per annum of the factoring loans is 7.42%. The factoring loans will be repayable after 90 days from date of invoice in accordance with the agreed repayment schedule.

As at 29 February 2024, the unsecured other borrowings of S\$137,221 are payable within one year. The effective interest rate per annum of the other borrowings is 8%.

(ii) Other payables

As at 29 February 2024, the Group's other payables included advances from three independent third parties in an aggregate amount of S\$403,128. The advances are unsecured, interest free and with no fixed repayment terms.

(iii) Bond payables

As at 29 February 2024, the Company had bond payables of S\$1,209,160. The Group issued 1 year 10% coupon unlisted bonds in an aggregate principal amount of S\$1,029,160 (equivalent to HK\$6,000,000 at the exchange rate of 5.83) to independent third party. The bond was unsecured and denominated in Hong Kong dollars.

(iv) Lease liabilities

As at 29 February 2024, the Group had lease liabilities of S\$63,060 representing present value of the remaining lease payments for certain office equipment and leased property, discounted by the Group's incremental borrowing rates in accordance with HKFRS 16.

(v) Pledge assets

As at 29 February 2024, the Group's trade receivables in the amount of S\$526,766 were pledged to certain bank as security for the loan facilities granted to the Group.

(vi) Contingent liabilities

As at 29 February 2024, the Group had no material contingent liabilities.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 29 February 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 29 February 2024 up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this circular.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 July 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a Singapore-based workforce solutions provider which provides manpower outsourcing services, manpower recruitment services and manpower training services. The Group's workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage (“**F&B**”) and other sectors across Singapore.

As the impact of COVID-19 epidemic gradually recedes and benefited by the reopening of borders in various countries, Singapore's tourism industry has started to thrive. According to the information available from public domain, the number of international visitor arrivals in Singapore recorded from January 2023 to November 2023 was approximately 12.3 million, which is nearly double the figure for the entire year of 2022 (approximately 6.3 million). The Company expects the tourism sector in Singapore to continue its growth momentum in the year ahead, on the back of increasing flight connectivity and capacity, and China's gradual reopening. The Company believes the recovery of the tourism industry will simultaneously drive the hotel and resort, retail, F&B and other sectors in Singapore, thereby generating increased demand for manpower. In light of the significant growth in the Group's revenue and the number of visitor arrivals in Singapore as mentioned above, the Company is of the view that this is an opportune time for the Group to scale up to seize market demand and, accordingly, generate profits.

Further, the Company believes that the reopening of borders in Hong Kong last year, coupled with the government's successive implementation of policies to stimulate the tourism industry, will further increase the local private sector's demand for manpower, particularly the hotel and resort, retail and F&B sectors. Therefore, the Company considers this to be an opportunity to expand its business by establishing an operation centre in Hong Kong to provide manpower outsourcing services and manpower recruitment services and capture the local market in Hong Kong.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) which has been prepared by the directors of the Company in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effects of the Rights Issue, on the unaudited consolidated net tangible assets of the Group as at 31 July 2023 attributable to the owners of the Company, as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 July 2023 or at any future date.

The Unaudited Pro Forma Financial Information of the Group as at 31 July 2023 is prepared by the directors of the Company based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as derived from the audited consolidated statements of financial position of the Group as at 31 July 2023 as extracted from the published annual report of the Group for the year ended 31 July 2023, with adjustments described below.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 July 2023 \$ (Note 1)	Unaudited estimated net proceeds from the Rights Issue \$ (Note 2)	Unaudited consolidated pro forma adjusted net tangible assets of the Group attributable to owners of the Company as at 31 July 2023 immediately upon completion of the Rights Issue \$ (Note 3)	Audited consolidated net tangible assets of the Group per share attributable to owners of the Company immediately before the Right Issue \$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share upon completion of the Rights Issue \$ (Note 4)
3,782,806	2,335,365	6,118,171	0.053	0.028

Based on 144,000,000 Rights Shares to be issued at Subscription Price of HK\$0.10 per Rights Share

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 July 2023 is extracted from the annual report of the Company for the year ended 31 July 2023, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 July 2023 of approximately S\$3,782,806.
- (2) The estimated net proceeds of approximately HK\$13,600,000 (equivalent to S\$2,335,365 at the exchange rate 5.8235) from the Rights Issue are based on a total of 144,000,000 Rights Shares (assuming no new Shares are issued and no repurchase of shares on or before the Record Date) to be issued on the basis of two (2) Rights Shares for every one (1) existing Shares at the Subscription Price of HK\$0.10 per Rights Share and after deduction of estimated related expenses of approximately HK\$800,000 (equivalent to S\$137,375 at the exchange rate 5.8235) including but not limited to advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges payable by the Company.
- (3) The audited consolidated net tangible assets per share attributable to owners of the Company as at 31 July 2023 was S\$0.053, which is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 July 2023 of approximately S\$3,782,806 divided by 72,000,000 Shares in issue as at 31 July 2023 immediately before the Rights Issue.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately S\$6,118,171 which is arrived at after aggregating the audited consolidated net tangible assets of the Group attributable to owners of the Company of approximately S\$3,782,806 and the estimated net proceeds of approximately S\$2,335,365 from the Rights Issue (note 2 above) divided by 216,000,000 Shares which comprise 72,000,000 Shares in issue before completion of the Rights Issue and 144,000,000 Rights Shares (assuming no new Shares are issued and no repurchase of shares on or before the Record Date) were issued immediately after completion of the Rights Issue, assuming the Rights Issue had been completed on 31 July 2023.
- (5) For the purpose of preparation of the Unaudited Pro Forma Financial Information, no adjustment has been made to reflect any trading results or other transactions of the Group entered subsequent to 31 July 2023.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group’s unaudited pro forma financial information prepared for the purpose of incorporation in this circular.



24th Floor
Siu On Centre
188 Lockhart Road,
Wanchai, Hong Kong

30 April 2024

Independent Reporting Accountants’ assurance report on the compilation of unaudited financial information

The Board of Directors of
SingAsia Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of SingAsia Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 July 2023 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 30 April 2024 (the “**Circular**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of two rights shares for every one existing share at the subscription price of HK\$0.10 per rights share (the “**Rights Issue**”) on the Group’s consolidated net tangible assets attributable to owners of the Company as at 31 July 2023 as if the Rights Issue had taken place on 31 July 2023. As part of this process, information about the Group’s net tangible assets attributable owners of the Company at 31 July 2023 has been extracted by the directors from the Group’s audited consolidated statement of financial position as at 31 July 2023, included in the annual report of the Group for the year ended 31 July 2023 on which the auditor’s report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 July 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountants’ understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue and the Change in Board Lot Size (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.05 each	<u>50,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>72,000,000</u> Shares of HK\$0.05 each	<u>3,600,000</u>

(b) Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)

<i>Authorised:</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.05 each	<u>50,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>72,000,000</u> Shares of HK\$0.05 each	<u>3,600,000</u>
<u>144,000,000</u> Rights Shares to be allotted and issued under the Rights Issue	<u>7,200,000</u>
<u>216,000,000</u> Shares in issue immediately upon completion of the Rights Issue	<u>10,800,000</u>

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into Shares. The Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares and Underlying Shares

Name	Number of shares held, capacity and nature of interest			Approximate percentage of the issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Irregular Consulting Limited	9,146,600 <i>(Note)</i>	–	9,146,600	12.70%
Wee Yu-Chih	–	9,146,600 <i>(Note)</i>	9,146,600	12.70%

Note: Irregular Consulting Limited is beneficially wholly-owned by Wee Yu-Chih. Under the SFO, Wee Yu-Chih is deemed to be interested in all the shares of the Company held by Irregular Consulting Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 July 2023, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (i) the Placing Agreement;
- (ii) the Supplemental Placing Agreement; and
- (iii) the supplemental sale and purchase agreement dated 13 June 2022 entered into between the Company, as purchaser and Mr. Cheung Chim Pan, as vendor, to extend the long stop date to 9 July 2022 for the sale and purchase of 49% of the issued share capital of YESINSPACE LIMITED (悦思國際有限公司) at the consideration of HK\$20,100,000 which will be settled by the allotment and issue of 300,000,000 new shares by the Company to Mr. Cheung Chim Pan (or his nominee) upon completion. Completion took place on 30 June 2022. For further details, please refer to the announcements of the Company dated 10 December 2021, 13 June 2022 and 30 June 2022.

9. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular (collectively, the “**Experts**”):

Name	Qualification
Vinco Financial Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 July 2023, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$0.8 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors*Executive Directors*Mr. Lam Chun Yip (*Chairman*)

Mr. Xie Feng

Independent Non-executive Directors

Mr. Chou Chiu Ho

Mr. Chai Ming Hui

Mr. Lin Jian Feng

Audit committeeMr. Chou Chiu Ho (*Chairman*)

Mr. Chai Ming Hui

Mr. Lin Jian Feng

Nomination committeeMr. Lin Jian Feng (*Chairman*)

Mr. Lam Chun Yip

Mr. Xie Feng

Mr. Chou Chiu Ho

Mr. Chai Ming Hui

Remuneration committeeMr. Chai Ming Hui (*Chairman*)

Mr. Lin Jian Feng

Mr. Chou Chiu Ho

Mr. Lam Chun Yip

Registered office

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

**Head office and principal place of
business**

60 Paya Lebar Road

#12-29 Paya Lebar Square

Singapore 409051

**Principal place of business in Hong
Kong**

Unit 1307A, 13/F

Two Harbourfront

22 Tak Fung Street

Hung Hom, Kowloon

Hong Kong

Authorised representatives	Mr. Lam Chun Yip Ms. Tam Tsz Yan
Business address of all Directors and authorised representatives	Unit 1307A, 13/F Two Harbourfront 22 Tak Fung Street Hungghom, Kowloon Hong Kong
Company secretary	Ms. Tam Tsz Yan
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513 DBS Bank Ltd 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Auditor	McMillan Woods (Hong Kong) CPA Limited <i>Certified Public Accountants</i> 24th Floor Siu On Centre 188 Lockhart Road Wanchai, Hong Kong
Legal adviser to the Company as to Hong Kong laws	David Fong & Co. Unit A, 12th Floor China Overseas Building 139 Hennessy Road Wanchai, Hong Kong

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Vinco Financial Limited Unit 2602, 26/F The Center 99 Queen's Road Central Hong Kong
Placing Agent	Astrum Capital Management Limited Room 2704 Tower 1, Admiralty Centre 18 Harcourt Road Admiralty, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Lam Chun Yip (林振業) (“Mr. Lam”), aged 34, was appointed as executive Director on 10 October 2022. Mr. Lam graduated from The Chinese University of Hong Kong in 2012. He has more than 10 years of experience in system technology, specialising in management, financial research and development and human resource management. Mr. Lam has designed and developed various type of human resource systems in many multinational organisations. He specialises in deploying technology to promote the innovation of human resources industry, thereby improving company's operational efficiency and improve the performance of the employees. Prior to joining the Group, Mr. Lam has been a system consultant in a multinational financial institution.

Mr. Xie Feng (謝峰) (“Mr. Xie”), aged 35, was appointed as an executive Director on 1 August 2023. He graduated from Central Radio and Television University (currently known as the Open University of China) majoring in administrative management in January 2011. He has extensive experience in corporate management.

Mr. Xie was employed as senior management positions such as the head of human resources and general manager in various large corporations in the People's Republic of China, mainly responsible for strategic planning, human resource management, and company operations.

Independent non-executive Directors

Mr. Chou Chiu Ho (周昭何) (“**Mr. Chou**”), aged 42, has over 20 years of experience in accounting and auditing. Mr. Chou worked in an accounting firm from September 2003 to January 2006, with his last position being semi-senior auditor. He then joined PricewaterhouseCoopers from January 2006 to December 2010. From January 2011 to March 2012, Mr. Chou worked as the head of corporate services of Beijing Sports and Entertainment Industry Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1803) (formerly known as ASR Logistics Holdings Limited). Since April 2013, Mr. Chou has been working as the financial controller and company secretary of Millennium Pacific Group Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8147) (“**MP Group**”). Mr. Chou resigned as the financial controller and the company secretary of MP Group in September 2014 and March 2017 respectively. Mr. Chou also served as the chief financial officer of HF Financial Group Limited and subsequently transferred to HF Management (China) Limited from January 2015 to July 2016. Mr. Chou has been an executive director and the authorised representative of Xinming China Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2699) on 5 February 2020 and redesignated as a non-executive director on 1 May 2020. Mr. Chou resigned as a non-executive director and the authorised representative of Xinming China Holdings Limited on 18 November 2021 and 25 November 2021 respectively. He is currently the director of Archon Prime Strategic (Group) Limited since September 2017 and the company secretary and financial controller of Prime Intelligence Solutions Group Limited (a company listed on GEM of the Stock Exchange, stock code: 8379) since September 2015.

Mr. Chou obtained a bachelor of arts degree in accountancy from the Hong Kong Polytechnic University in November 2003. He was admitted as a member of the Hong Kong Institute of Certified Public Accountant in November 2011. He was also admitted as a member of the Association of Chartered Certified Accountants in November 2010 and subsequently a fellow member in November 2015.

Mr. Chai Ming Hui (蔡明輝) (“**Mr. Chai**”), aged 49, was appointed as the independent non-executive Director on 2 December 2022. Mr. Chai is presently running his own business consulting company Zegen Holdings Pte Ltd, helping various companies to expand their business operations in South East Asia. Prior to this, Mr. Chai worked as a Remisier with Oversea-Chinese Banking Corporation (OCBC) Securities Pte Ltd for 9 years. Mr. Chai is well-versed with listing rules and regulations. Mr. Chai has actively participated in assisting companies in merger and acquisition for more than 6 years and has personally acted as a business consultant for initial public offerings in Hong Kong and Singapore. Mr. Chai was also previously General Manager of IPTE Asia Pacific Pte Ltd, where he was in charge of the business operations for the whole of South East Asia. Mr. Chai also co-founded an Engineering company, Bestell Technology Pte Ltd, that specializes in vision technology and Artificial Intelligence integration.

Mr. Chai obtained an Executive Master Degree in Business Administration from Southern Illinois University Carbondale in 2009 and graduated from the Nanyang Technological University, Singapore in 1999 with an Honors Degree in Mechanical Engineering.

Mr. Lin Jian Feng (林見峰) (“Mr. Lin”), aged 35, was appointed as the independent non-executive Director on 1 March 2023. Mr. Lin obtained a bachelor degree in Business Administration from National Chengchi University in Taiwan. Mr. Lin worked in management role for many years. As an experienced chief executive, Mr. Lin specialises in business development, employee management, performance management and marketing strategy.

Senior management

Mr. Wong Swee Fatt (黃永發) (“Mr. Wong”), aged 52, was appointed as the director of operations of TCC Hospitality Resources Pte. Ltd. in January 2008. He is responsible for managing, executing and coordinating the operations of manpower resource deployment to the Group’s customers. Mr. Wong completed GCE “N” level in October 1987. Mr. Wong has more than 20 years of experience in hotel management, F&B operations and training in various 5-star hotels.

Mr. Woo Chee Sin (鄺志新) (“Mr. Woo”), aged 53, was appointed as the Group director of people affairs in August 2014. He is responsible for the Group’s human resources matters, company policy making and recruitment. Mr. Woo has more than 15 years of working experience in both public and private sectors. Prior to joining the Group, Mr. Woo has served the public sector for 10 years and was involved in a wide range of responsibilities and activities such as office operation, customer relations and public affairs.

Ms. Tam Tsz Yan (譚芷欣) (“Ms. Tam”) aged 28, was appointed as the company secretary of the Company on 6 March 2023. She is not engaged as an employee of the Group, but as an external service provider. She holds a master’s degree in corporate governance. She is currently an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. Ms. Tam has extensive work experience in the company secretarial profession.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Chou Chiu Ho (the chairman of the Audit Committee), Mr. Chai Ming Hui and Mr. Lin Jian Feng. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and senior management” in this appendix. The primary duties of the Audit Committee include, among others, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; (b) review the Group’s financial statements and periodic reports and accounts, and to review significant financial reporting judgements contained therein; and (c) review the Group’s financial reporting controls, risk management and internal control systems.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (www.singasia.com.sg) from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 July 2021, 2022 and 2023;
- (c) the interim report of the Company for the six months ended 31 January 2024;
- (d) the Placing Agreement;
- (e) the Supplemental Placing Agreement;
- (f) the letter from the Board, the text of which is set out on pages 11 to 37 of this circular;
- (g) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 38 to 39 of this circular;
- (h) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 40 to 67 of this circular;
- (i) the accountant’s report on the unaudited pro forma financial information of the Group issued by McMillan Woods (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this circular;

- (j) the material contracts referred to in the paragraph headed “8. Material contracts” of this appendix;
- (k) the written consent referred to in paragraph headed “9. Experts and consents” of this appendix; and
- (l) this circular.

15. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) As at the Latest Practicable Date, the Group mainly operates in the Singapore with the majority of its transactions denominated and settled in Singapore dollars, which is the functional currency of the Group’s operating subsidiaries. However, the Group incurred some expenses denominated in Hong Kong dollars and United States dollars. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.
- (c) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF EGM



SINGASIA HOLDINGS LIMITED

星亞控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of SingAsia Holdings Limited (the “Company”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 22 May 2024 at 3:00 p.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing (with or without amendment) the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT** subject to the conditions set out in the letter from the board under the heading “Conditions of the Rights Issue” in the circular of the Company dated 30 April 2024:
 - (a) the allotment and issue of 144,000,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date (as defined below) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) (the “**Rights Shares**”) pursuant to an offer by way of rights to the shareholders of the Company (the “**Shareholders**”) at the subscription price of HK\$0.10 per Rights Share (the “**Subscription Price**”) on the basis of two (2) Rights Share for every one (1) Share held by the Shareholders (“**Qualifying Shareholders**”) whose names appear on the register of members of the Company on Monday, 3 June 2024, or such other date as may be determined by the Company for determining entitlements of Shareholders to participate in the Rights Issue (as defined below) (the “**Record Date**”), as described in further details in a circular issued by the Company dated 30 April 2024 (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the

* For identification purposes only

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relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (“**Excluded Shareholders**”), and on and subject to such terms and conditions as may be determined by the Directors (the “**Rights Issue**”), be and is hereby approved, confirmed and ratified;

- (b) the placing agreement dated 30 January 2024 (the “**Placing Agreement**”) (as supplemented by the supplemental placing agreement dated 10 April 2024) entered into between the Company and Astrum Capital Management Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Excluded Shareholders, and to do all such acts and things or make such arrangements as it considers necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and
- (d) any one or more Directors be and is/are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.”

By order of the Board
SingAsia Holdings Limited
Xie Feng
Executive Director

Hong Kong, 30 April 2024

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Registered office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal place of business in Hong Kong:

Unit 1307A, 13/F
Two Harbourfront
22 Tak Fung Street
Hungghom, Kowloon
Hong Kong

Notes:

- (1) An eligible shareholder is entitled to appoint one or more proxies to attend, speak and vote in his/her stead at the EGM (or at any adjournment of it) provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy forms. The proxy does not need to be a shareholder of the Company.
- (2) Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (3) A proxy form for use at the EGM is enclosed.
- (4) In order to be valid, the completed proxy form must be received by the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, at least 48 hours before the time appointed (i.e. Monday, 20 May 2024 at 3:00 p.m.) for holding the EGM or adjourned meeting (as the case may be). If a proxy form is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to the Hong Kong branch share registrar and transfer office of the Company together with the proxy form. In the case of a corporation, the proxy form must either be executed under its common seal or be signed by an officer or agent duly authorised in writing.
- (5) For the purposes of determining shareholders' eligibility to attend, speak and vote at the EGM (or at any adjournment of it), the register of members of the Company will be closed from Thursday, 16 May 2024 to Wednesday, 22 May 2024 (both dates inclusive), during which period no transfer of shares of the Company will be registered. To be eligible to attend, speak and vote at the above meeting (or at any adjournment of it), all properly completed transfer documents accompanied by the relevant share certificate must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 14 May 2024.
- (6) Detailed information on other business to be transacted at the EGM is set out in this circular.
- (7) As set out in the Letter from the Board included in this circular, each of the resolutions set out in this notice should be voted on by poll.

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- (8) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
- (9) If a typhoon signal No. 8 or above is hoisted or a “black” rainstorm warning signal is in force at or at any time after 1:00 p.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the website of the Company (www.singasia.com.sg) and the HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the adjourned meeting. The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions bearing in mind their own situations.

As at the date of this notice, the executive Directors are Mr. Lam Chun Yip and Mr. Xie Feng; and the independent non-executive Directors are Mr. Chou Chiu Ho, Mr. Chai Ming Hui and Mr. Lin Jian Feng.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This notice will also be published on the Company’s website at www.singasia.com.sg.

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