AEDGE GROUP LIMITED

(Company Registration Number 201933214E)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF PROPERTY LOCATED AT 4 TUAS SOUTH STREET 11, SINGAPORE

1 INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of Aedge Group Limited ("**Company**", together with its subsidiaries, the "**Group**") wish to announce that the Company's 51%-owned subsidiary, GPF Holdings Pte Ltd ("**Purchaser**"), had on 6 August 2024 been granted by Tiong Aik Construction Pte. Ltd. (in Creditors' Voluntary Liquidation) ("**Vendor**"), an unrelated third party, an Option to Purchase ("**Option**") in respect of the balance of the lease between the Vendor and Jurong Town Corporation ("**JTC**") for Lot No. 4829X of Mukim 7 together with the buildings and structures erected thereon known as No. 4 Tuas South Street 11 Singapore 636896 ("**Property**") ("**Proposed Acquisition**").

2 INFORMATION RELATING TO THE PROPERTY AND THE VENDOR

The Property is a leasehold property granted by JTC with a 20 years and 10 months lease term commencing from 21 October 2014. It has a land area of 10,000.3 square metres.

The Vendor is a company incorporated in Singapore and is in the business of building construction. As at this date of announcement, the Vendor is under creditors' voluntary liquidation. The Vendor is not related to the Company, the Directors and controlling shareholders of the Company, and their respective associates.

3 RATIONALE

The proposed acquisition of the Property is part of the Group's long-term growth plan to expand the engineering business. The Group intends to utilise the Property mainly for its own use with the additional remaining space being tenanted out. With the Proposed Acquisition as well as some planned asset enhancement initiative, it will enable the Company to re-purpose the building to suit the Group's engineering growing needs.

4 SALIENT TERMS OF THE OPTION

4.1 Consideration

Pursuant to the terms and conditions of the Option, the consideration for the Property is S$8,500,000.00 ("**Consideration**") which shall be satisfied by the Purchaser in the following manner:

(a) The amount of S$85,000.00, being 1% of the Consideration, ("**Option Money**") is payable to the Vendor or as directed by the Vendor upon issuance of the Option;

(b) The amount of S$765,000.00, being 9% of the Consideration, (which together with the Option Money shall constitute the "**Deposit**") shall be payable to the Vendor's Solicitors and held as stakeholding monies pending Completion (as defined in Paragraph 4.3) upon exercise of the Option; and

(c) The balance purchase price of S$7,650,000.00 shall be payable to the Vendor on Completion (as defined in Paragraph 4.3).

The Consideration was arrived at pursuant to arm's length negotiations, on a willing-buyer, willing-seller basis, with due consideration given to the indicative valuation of S$8,500,000 as at 2 August 2024 obtained by the Purchaser as well as past transactions and current asking prices of similar neighbouring properties. The finalised valuation report for the Property will be issued by the valuer

commissioned by the Purchaser prior to the exercise of the Option and will be available for inspection. The acquisition of Property will be funded through a combination of internal resources and bank borrowings.

4.2 Exercise of Option

The Option may be exercised by the Purchaser by 4.00pm on the date which is two (2) weeks from the date of the Option. If the Option is not exercised by the Purchaser in accordance with the terms of the Option, it shall become null and void and it will of no further effect whatsoever, and the Vendor shall forfeit the Option Money absolutely and thereafter neither party shall have any claim against the other whatsoever.

4.3 Completion

Completion of the sale and purchase of the Property ("**Completion**") is expected to take place twelve weeks from the exercise of the Option and in any event, no later than 15 December 2024.

The Property is sold with vacant possession to be delivered on Completion.

Save as disclosed above, there are no other material conditions attached to the Option.

5. RELATIVE FIGURES

The relative figures for the acquisition of Property computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are as follows:

Catalist Rules	Content	Relative Figures (%)
Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits.	Not applicable(1)
Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	15.4%(2)
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable(3)
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. The basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable(4)

Notes:

(1) No profits attributable to the Property as it was sold with vacant possession.

(2) Calculated based on the Company's 51% interest in the Property and market capitalization. Based on the Consideration of S$8,500,000.00, the Company's 51% interest in the Property is S$4,335,000.00. The Company's market capitalisation is S$28,090,000.00, determined by multiplying the number of shares in issue (excluding treasury shares) of 106,000,000 shares by the volume weighted average price of the Company's shares of S$0.2650 per share on 11 July 2024, being the last full market day preceding the date of the Option on which shares were last traded on the SGX-ST.

(3) This basis is not applicable as no equity securities are to be issued as part of the Consideration.

(4) This basis is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure set out under Rule 1006(c) exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a "Disclosable Transaction" as defined under Chapter 10 of the Catalist Rules

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the acquisition set out below are for illustrative purposes only and do not reflect the actual future financial performance or position of the Group after Completion.

The financial effects of the acquisition have been computed based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2023 ("**FY2023**") and on the assumptions that (a) the loan to value ratio for the Proposed Acquisition is 75%; (b) interests on borrowings of 3.58% per annum; and (c) there will be rental savings and rental income with effect from 1 July 2022 for the purpose of earnings per share calculation.

6.1 Net tangible assets ("NTA") per share

Assuming that the Proposed Acquisition had been completed on 30 June 2023, being the end of the latest announced audited financial year for the Group, the financial effects of the acquisition on the Group's NTA per share as at 30 June 2023 would be as follows

	Before Acquisition	After Acquisition
NTA (S$ '000)	11,891	11,891
Number of shares ('000)	106,000	106,000
NTA per share (S$)	0.112	0.112

Note: NTA means total assets less total liabilities, intangible assets and non-controlling interests.

6.2 Earnings per share ("EPS")

Assuming that the Proposed Acquisition had been completed on 1 July 2022, being the beginning of the latest announced audited financial year for the Group, the financial effects of the acquisition on the Group's EPS for FY2023 would be as follows:

	Before Acquisition	After Acquisition
Profit for the financial year attributable to equity holder of the Company ('000)	(2,246)	(1,982)
Weighted average number of ordinary shares ('000)	106,000	106,000
EPS (cents)	(2.12)	(1.87)

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

8. SERVICE CONTRACT

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

9. DOCUMENT FOR INSPECTION

The Option will be made available for inspection during normal business hours at the Company's registered office at 4009 Ang Mo Kio Ave 10 #04-33 Tech Place I, Singapore 569738 for three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements in relation to the Proposed Acquisition as and when there are material developments.

By Order of the Board

Poh Soon Keng
Executive Chairman and CEO
6 August 2024

---

*This announcement has been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.