AEDGE GROUP LIMITED

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

PROPOSED ACQUISITION OF PROPERTY LOCATED AT 9 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**") wishes to announce that the Company's wholly owned subsidiary, SAE Resources & Technologies Pte. Ltd. ("**Purchaser**"), had on 25 May 2023 been granted by Toko Tan Equipment Pte. Ltd. ("**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. 4749P of Mukim 7 together with the buildings and structures erected thereon known as No. 9 Tuas South Street 11 Singapore 636897 ("**Property**") ("**Proposed Acquisition**").

2 INFORMATION RELATING TO THE PROPERTY AND THE VENDOR

The Property is a leasehold property granted by JTC with a 21 years and 5 months lease term commencing from 11 July 2014. It has a land area of 7,432.1 square metres.

The Vendor is a company incorporated in Singapore and is in the business of installation of industrial machinery and equipment and mechanical engineering. As at this date of announcement, the Vendor is jointly owned by Ms. Pech Kim Hoi and Mr. Tan Day Gee, both of whom are also directors of the Vendor. 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 for its own use. 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 which will include a secondary workers' dormitory subject to obtaining all relevant government authorities approvals.

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$9,000,000.00 ("**Consideration**") which shall be satisfied by the Purchaser in the following manner:

(a) The amount of S$90,000.00, being 1% of the Consideration, ("**Option Money**") shall be payable to the Vendor or Vendor's Solicitors upon issuance of the Option;

(b) The amount of S$360,000.00, being 4% 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$8,550,000.00 shall be payable to the Vendor on Completion (as defined in Paragraph 4.3).

The Option may be exercised by the Purchaser on the date falling three (3) weeks from the date of

the Option.

The Consideration was arrived at pursuant to arm's length negotiations, on a willing-buyer, willing-seller basis, with due consideration given to the valuation commissioned by the Vendor of S$10,000,000 based on "Open Market Value" as at 15 December 2022 for the Property as well as past transactions and current asking prices of similar neighbouring properties. The acquisition of Property will be funded through a combination of internal resources and bank borrowings.

4.2 Conditional Acquisition

Completion is subject to and conditional upon, inter alia, the following conditions precedent:

(a) the written consent from JTC being obtained by the Purchaser for the sale, assignment or transfer of the remainder of the lease of the Property by the Vendor to the Purchaser and to the Purchaser's use of the Property for the fabrication, assembly and storage of construction and insulation materials ("JTC Approval");

(b) the Purchaser's solicitors having received satisfactory replies to the usual legal requisitions sent to the various relevant government departments.

Under the terms of the Option:

(a) in the event that the JTC's Approval is not obtained within six (6) months from the date of the Option (or such later date as may be agreed between the Vendor and the Purchaser), then either party may terminate the Option by giving notice in writing to the other party;

(b) in the event that any of the terms and conditions for the grant of the JTC Approval which are imposed on the Purchaser is not acceptable to the Purchaser, the Purchaser shall be entitled to terminate the Option by giving notice in writing to the Vendor; or

(c) if any replies received by the Purchaser from the relevant government authorities in respect of the Property is unsatisfactory, the Purchaser shall be entitled to rescind the Option by giving written notice to the Vendor no later than fourteen (14) days after receipt of such reply,

and the Vendor shall refund to the Purchaser the Deposit (without interests or deductions whatsoever) and thereafter neither party shall have any claim(s) against the other for damages, costs, compensation or otherwise.

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 on the later of:

(a) the date falling four (4) weeks after the receipt of JTC Approval; or

(b) the date falling 4 months after the date of the Option ("**Completion Date**").

The Property is sold with vacant possession to be delivered on Completion, save for an existing tenancy in respect of premises known as Workshop No. 2 for a lease term commencing on 15 June 2023 and ending on 14 June 2025 at gross monthly rent of S$15,000.00.

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.	31%[(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
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.	Not applicable

Notes:

(1) No profits will be generated from the Property as the Company intends to utilize it for own use.

(2) The Consideration of the Property is S$9,000,000.00. The Company's market capitalisation is S$29,044,000, 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$0.274 per share on 19 May 2023, being the last full market day preceding the date of the Option on which shares were last traded on the SGX-ST.

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

6. FINANCIAL EFFECTS OF THE 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 2022 ("**FY2022**")

6.1 Net tangible assets ("NTA") per share

Assuming that the acquisition had been completed on 30 June 2022, 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 2022 would be as follows:

	Before Acquisition	After Acquisition
NTA (S$ '000)	14,134	14,134
Number of shares ('000)	106,000	106,000
NTA per share (S$)	0.13	0.13

6.2 Earnings per share ("EPS")

Assuming that the acquisition had been completed on 1 July 2021, 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 FY2022 would be as follows:

	Before Acquisition	After Acquisition

Profit for the financial year attributable to equity holder of the Company ('000)	(1,439)	(1,508)
Weighted average number of ordinary shares ('000)	106,000	106,000
EPS (cents)	(1.36)	(1.42)

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders has any interest, direct or indirect, in the acquisition of the Property, 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 Director and Chief Executive Officer
25 May 2023

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*This announcement has been prepared by Aedge Group Limited (the "**Company**") and its contents have been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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