OTS HOLDINGS LIMITED
(Company Registration Number: 201505559W)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF 50% OF EQUITY INTEREST IN DELTA BRIDGE PTE LTD ("JV CO")

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of OTS Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company ("**Vendor**") has on 26 December 2024 entered into a sale and purchase of shares and assignment of loan agreement ("**SPA**") with Valencier International Limited ("**Purchaser**") to dispose of the Company's entire 50% equity interest in the JV Co ("**Proposed Disposal**").

The JV Co is a directly held, 50% joint venture entity of the Company. The remaining 50% of the JV Co is held by Hogsworld Pte Ltd ("**Hogsworld**"), an unrelated third party to the Group. Upon completion of the Proposed Disposal ("**Completion**"), the Company will no longer hold any equity interest in the JV Co. Pursuant to the SPA, the Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to acquire the Sale Shares (as defined in Paragraph 2.3 below) from the Vendor on and subject to the terms and conditions of the SPA.

2. THE PROPOSED DISPOSAL

2.1 Information on the JV Co

The JV Co is a private limited company established in 2019 in Singapore and is an investment holding company holding 90% of PT Delta Bridge Foods. The JV Co is a joint venture entity held 50% by the Company and the remaining 50% by Hogsworld. As at the date of this announcement, the shareholding structure of the JV Co is as follows:

Name of Shareholder	Number of share held in JV Co	Proportion of shares held in JV Co
Company	950,000	50%
Hogsworld	950,000	50%

2.2 Information on the Purchaser

The Purchaser is a BVI Business Company incorporated in the British Virgin Islands ("**BVI**") on 5 May 2009. The Purchaser's Company Number is 1530495 and its principal activity is investment holding. The Purchaser is wholly owned by Hogsworld. The Purchaser, its directors and shareholder are unrelated to the Group.

2.3 Sale Shares

The Vendor has agreed to sell and the Purchaser has agreed to purchase 950,000 ordinary shares of the JV Co, representing 50% of the total issued and paid-up share capital of the JV Co ("**Sale Shares**"). The Sale Shares shall be free from all liens, charges, pledges, equities, mortgages, and any encumbrances whatsoever and with all rights and advantages attaching thereto or accruing thereon as at the Completion Date (as defined in paragraph 2.6) for the Purchase Consideration (as defined in paragraph 2.4) on and subject to the terms and conditions of the SPA. The Sale Shares represent all of the Vendor's equity interest in the JV Co.

2.4 Purchase Consideration

2.4.1 The consideration for the Sale Shares shall be in the amount of S$500,000 ("**Purchase Consideration**"), to be paid in cash in the following manner:

(i) First payment: S$150,000 being 30% of the Consideration payable upon signing of the SPA.
(ii) Second payment: S$350,000 being 70% of the Consideration payable upon Completion of the SPA.

On 17 November 2022, the JV partners, namely the Company and Hogsworld had agreed to advance to JV Co S$300,000 each. The loans were interest-free and unsecured. The sole purpose of the loans is for the working capital in JV Co's subsidiary, PT Delta Bridge Foods.

The Vendor acknowledges and agrees to assign the outstanding loan of S$300,000 to Hogsworld of all of its rights, title and interests in the Shareholder Loan before the Completion of SPA. The Company has fully impaired this loan amount in FY2023.

2.4.2 The Purchase Consideration was arrived at, on a willing-buyer and willing-seller basis, with reference to, *inter alia,* the Company's 50% interest in the net book value of the JV Co's fixed assets before full impairment as at 30 June 2024 held under its subsidiary, PT Delta Bridge Foods. No independent valuation has been commissioned for the Proposed Disposal.

2.4.3 There is no open market value for the Sale Shares as they are not publicly traded.

2.5 Conditions Precedent

Completion is conditional on the following conditions being satisfied (the "**Conditions Precedent**"):
(a) Handover of proper records and accounts of JV Co and its subsidiary;
(b) Handover of all licences, consents, permits and certificates necessary or desirable for JV Co and its subsidiary to carry on its business (including but not limited to the submission of past application dossiers to the relevant authorities);
(c) Removal of authorised signatories appointed by the Company in respect of the operation of all bank accounts of JV Co and its subsidiary, and giving authority to include such person(s) as the Purchaser may nominate to operate such accounts; and
(d) Provision of information in respect to the Subsidiary's operations as stated in the SPA.

2.6 Completion

Subject to the terms and conditions of the SPA, Completion shall take place on the Completion Date when:
- Conditions Precedent in paragraph 2.5 are met;
- Company shall deliver duly executed transfer of the Sale Shares in favour of Purchaser;
- Company shall deliver duly signed and approved letters of resignation as directors of JV Co and its subsidiary;
- Company shall deliver certified extracts of the Board resolutions of the Company approving the sale of the Sale Shares in JV Co; and
- Company shall return its original share certificates in JV Co to Purchaser for cancellation.

2.7 Conditions Subsequent

Pursuant to the terms in the SPA, the Company undertakes to provide on-site support for fourteen (14) days to nominated person(s) of Hogsworld and/or Purchaser which shall include expert guidance on the manufacturing processes, machine handling techniques and operating manuals (if any) in relation to the production line that is set-up under the JV Co's subsidiary, within twelve (12) months from the Completion Date (or such later date as agreed to in writing by the Company and Purchaser).

3. RATIONALE FOR THE PROPOSED DISPOSAL

The JV Co's subsidiary faced challenges due to unforeseen outbreak of African Swine Fever ("**ASF**") on the Riau Islands, Indonesia in May 2023. As a result, its Indonesia supplier has halted its pork supplies due to a shortage of raw materials, which resulted in share of losses and impairment charges pertaining to the JV Co recognised by the Group in FY2023. To date, there is no clear timeline for the plant to fully resume operations.

As announced on 28 November 2023, the Company announced that its indirect wholly-owned subsidiary, Ellaziq (Malaysia) Sdn. Bhd. has entered into a sale and purchase agreement to acquire a factory in Malaysia (the "**Property**"). The Proposed Disposal will enable the Company to focus its resources on its operations in the new Malaysia factory and to strengthen the Group's cash flows.

4. USE OF PROCEEDS

The estimated net proceeds from the Proposed Disposal attributable to the Company is S$500,000 ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds for its general working capital. The Company does not anticipate transaction-related costs to be material.

Pending deployment, the Net Proceeds may be deposited with banks, or used for any other purposes on a short-term basis, as the Board may deem appropriate in the interests of the Group.

The Proposed Disposal is expected to result in a gain on disposal of S$500,000.

5. FINANCIAL INFORMATION

The key financials for the financial year ended 30 June 2024 and 30 June 2023 of the Delta Bridge Group are as set out below:

Profit and loss (S$'000)	**Audited** **FY ended 30 June 2024**	**Audited** **FY ended 30 June 2023**
Loss before income tax	(287)	(1,298)

Financial position (S$'000)	**Unaudited** **As at 30 June 2024**	**Audited** **As at 30 June 2023**
Net tangible liabilities	(455)	(277)
Carrying value in the Vendor's books	-*	-*

*Fully impaired as at 30 June 2024 and 30 June 2023.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures of the Proposed Disposal presented below are computed on the relevant bases set out in Rule 1006 of the Catalist Rules. Based on the latest announced audited consolidated financial statements of the Group for FY2024, the relative figures are as follows:

Rule		**Relative Figures for the Proposed Disposal (%)**
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 June 2024. The basis is not applicable to an acquisition of assets.	(0.85)[(1)]

1006(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss as at 30 June 2024.	516.94[(2)]
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares.	2.61[(3)]
1006(d)	The number of equity securities issued by the issuer as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

(1) Computed based on 50% (being the Group's interest in the JV Co) of the net liabilities value of the JV Co of S$454,692 as at 30 June 2024 and the Group's net asset value of S$26,665,178 as at 30 June 2024.

(2) Computed based on 50% (being the Group's interest in the JV Co) of the loss before income tax of the JV Co of S$287,492 for FY2024 and the Group's loss before income tax of S$27,807 for FY2024.

(3) Computed based on the Purchase Consideration of S$500,000 and the advance of S$300,000 from the Company to the JV Co to be novated to Hogsworld, a related party of the Purchaser, divided by the Company's market capitalization of S$30,602,000. Pursuant to Practice Note 10A of the Catalist Rules, in computing the aggregate value of consideration, any additional amounts related to the transaction, shall be included in the aggregated value of consideration. The market capitalization is determined by multiplying 214,000,000 ordinary shares in issue by the weighted average price of the shares of S$0.143 per share on 4 December 2024, being the last market day on which the Company's shares were traded preceding the date of the SPA.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. As the transaction relates to a disposal of a loss-making asset by the Group, the absolute relative figures calculated under Rules 1006(a) and 1006(c) of the Catalist Rules amount to less than 5% and the Proposed Disposal will result in a gain on disposal, pursuant to paragraph 4.3(e) of Practice Note 10A of the Catalist Rules, the Proposed Disposal constitutes a non-discloseable transaction pursuant to Chapter 10 of the Catalist Rules. Notwithstanding, the Group is making an announcement pursuant to Rule 703 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1 Basis and Assumptions

The financial effects of the Proposed Disposal are prepared based on the Group's latest audited consolidated financial statements for the financial year ended 30 June 2024 ("**FY2024**"). The financial effects of the Proposed Disposal set out below are purely for illustrative purposes and do not reflect the actual future financial results or position of the Group after the completion of the Proposed Disposal.

7.2 Net Tangible Assets per Share ("NTA")

Assuming that the Proposed Disposal had been completed on 30 June 2024, the effect on the NTA of the Group as at 30 June 2024 would have been:

As at 30 June 2024	Before the Proposed Disposal	After the Proposed Disposal
NTA (S$'000)	26,665	27,165
Number of shares ('000)	214,000	214,000
NTA per Share (in cents)	12.46	12.69

The NTA after the Proposed Disposal has taken into account the Purchase Consideration of S$500,000.

7.3 Earnings per Share ("EPS")

Assuming that the Proposed Disposal had been completed on 1 July 2023, the effect on the EPS of the Group for FY2024 would have been:

FY2024	Before the Proposed Disposal	After the Proposed Disposal
(Loss)/Profit after tax (S$'000)[(1)]	(227)	273
Number of shares ('000)	214,000	214,000
(Loss)/Earnings per basic and diluted shares (in cents)	(0.11)	0.13

The EPS after the Proposed Disposal has taken into account the gain on disposal of S$500,000.

8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and the Vendor's directors in the JV Co and its subsidiary shall resign as directors effective from Completion. Accordingly, no service contract is proposed to be entered into by the Company in connection with the Proposed Disposal.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

10. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above, and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal. Shareholders are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the shares of the Company. Shareholders who are in doubt as to the action should consult their legal, financial, tax or other professional advisors.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal office hours at the registered office of the Company at 30 Senoko South Road Singapore 758088 for three (3) months from the date of this announcement.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are material developments in respect of the Proposed Disposal.

BY ORDER OF THE BOARD

Ong Bee Chip
Managing Director

26 December 2024

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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 Ms. Audrey Mok (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.