

CORTINA HOLDINGS LIMITED
(Company Registration No.:197201771W)
(Incorporated in the Republic of Singapore)

THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SINCERE WATCH LIMITED. – (1) EXECUTION OF SUPPLEMENTAL DEED IN RELATION TO THE ACQUISITION; AND (2) COMPLETION OF ACQUISITION

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**") of Cortina Holdings Limited (the "**Company**" or "**Purchaser**", and together with its subsidiaries, collectively the "**Group**") refers to the following:-
- (a) its announcement dated 17 November 2020, in which it announced that it had, on 16 November 2020, entered into a sale and purchase agreement ("**SPA**") with Be Bright Limited (the "**Vendor**") for the proposed acquisition by the Company of the total number of shares in the issued share capital of Sincere Watch Limited. (the "**Target**") ("**Proposed Acquisition**");
 - (b) its circular to shareholders dated 5 February 2021 in relation to the Proposed Acquisition ("**Circular**"); and
 - (c) its announcement dated 24 February 2021 in relation to the results of the extraordinary general meeting held on 24 February 2021, in which the resolution to approve the Proposed Acquisition was duly passed.
- 1.2. Unless otherwise defined, capitalised terms herein shall have the same meaning ascribed to them in the Circular.

2. SUPPLEMENTAL DEED TO THE SPA

- 2.1. The Board wishes to announce that the Company and the Vendor had, on 16 March 2021, entered into a supplemental deed to the SPA dated 16 March 2021 ("**Supplemental Deed**"), to modify, amend and vary certain terms of the SPA in the manner as set out in the Supplemental Deed, as set out in paragraph 2.5 below.
- 2.2. Except to the extent supplemented, varied or amended by the provisions of the Supplemental Deed, the terms and conditions of the SPA are confirmed and shall remain in full force and effect.
- 2.3. A summary of the principal modifications, amendments and variations to the SPA made pursuant to the Supplemental Deed are set out below.
- 2.4. Condition Precedent in respect of disposal of STWSB pursuant to the Original SPA

As stated in paragraph 2.3(a) of the Circular, STWSB owns the premises in Kuala Lumpur which is used as the office of Sincere Watch Sdn Bhd, and which is located at Lot 15-3, Level 15, Wisma UOA II, 21, Jalan Pinang, Kuala Lumpur, 50450 Kuala Lumpur ("**STWSB Property**"). It was the commercial intention of the parties that STWSB and the STWSB Property be excluded from the Proposed Acquisition, as the parties did not intend for real

property owned by the Target Group to be included in the Proposed Acquisition, and apart from the ownership of the STWSB Property, STWSB is otherwise dormant.

Pursuant to the original SPA, as a condition precedent, STWPL shall execute a binding agreement for the disposal of its entire legal and beneficial interests in STWSB to the Vendor or an affiliate of the Vendor, at a purchase price equivalent to the STWSB Receivable, with completion of such disposal taking place simultaneously with Completion and on such other terms to be satisfactory to the parties.

The STWSB Receivable is the amount equivalent to the net asset value of STWSB, being the amount of S\$236,456 (derived pursuant to the net asset value of STWSB as at 30 June 2020, which net asset value was calculated based on the unaudited pro forma consolidated statement of financial position of STWSB prepared by the Vendor for the period ending 30 June 2020, adjusted to exclude amounts owing by an affiliate of the Vendor). As STWSB was included in the computation of the Target Group's NTA upon which the Consideration was based, the STWSB Receivable will be deducted from the Completion Sum at Completion, upon the simultaneous completion of the disposals of the Property and STWPL.

Further, pursuant to the original SPA, as a condition precedent, STWSB and Sincere Watch Sdn Bhd shall enter into a lease agreement on the Completion date in relation to the lease of the premises located at a property in Kuala Lumpur at an agreed monthly rent of RM2.50 per square foot for a term of six (6) months commencing on the day immediately after the Completion date with an option for Sincere Watch Sdn Bhd to extend the term for a further six (6) months at an agreed monthly rent of RM5.00 per square foot, provided that the option to extend is notified to the Vendor in writing no later than the date falling four (4) months after the Completion date, and on such other terms to be reasonably agreed between the Vendor and the Purchaser.

2.5. Arrangement in respect of STWSB pursuant to the Supplemental Deed

Pursuant to the Supplemental Deed, the Parties had agreed to vary the arrangement in respect of the disposal of STWSB (as referred to above), such that the shareholding interests of the Company in STWSB will not be disposed prior to Completion and the Parties have agreed that the additional sum of S\$195,451.26 (being the equivalent of RM 594,981) will be payable in respect of the shareholding interests of the Company in STWSB. After Completion, STWSB shall remain a subsidiary of the Target.

Consequently, the references to the entry of a lease agreement in relation to the lease of the premises located at a property in Kuala Lumpur, and the STWSB Receivable, being the amount equivalent to the net asset value of STWSB, were removed from the SPA.

Accordingly, the Consideration was revised to S\$84,500,000 plus S\$195,451.26 being S\$84,695,451.26, subject to the Completion Adjustments.

3. COMPLETION OF ACQUISITION

The Board wishes to announce that the Acquisition has been completed. The Target, together with its subsidiaries (for the avoidance of doubt, including STWSB pursuant to the Supplemental Deed described under paragraph 2 above]) and an associated company, are now, respectively, subsidiaries and an associated company of the Company. As the subsidiaries of the Target are directly and/or indirectly wholly-owned by the Target, the Target and its subsidiaries are, accordingly, directly and/or indirectly wholly-owned by the Company.

4. DOCUMENTS FOR INSPECTION

A copy of the SPA and the Supplemental Deed will be made available for inspection during normal business hours at the registered office of the Company at 391B Orchard Road, #18-01, Ngee Ann City, Singapore 238874 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Lim Jit Ming, Raymond
Deputy Chairman and Deputy CEO
17 March 2021