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

RE-ALLOCATION ON THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Board of Directors (the "**Board**" or "**Directors**") of OTS Holdings Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") refers to the Company's offer document dated 8 June 2021 ("**Offer Document**") in relation to the Company's initial public offering ("**IPO**") and listing of its shares on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 17 June 2021, and the Company's annual report for the financial year ended 30 June 2023 released on 9 October 2023.

On 28 November 2023, the Company announced that its indirect wholly-owned subsidiary, Ellaziq (Malaysia) Sdn. Bhd. has, on the same day, entered into a sale and purchase agreement to acquire a property in Malaysia (the "**Proposed Acquisition**"). The Board wishes to announce the reallocation of the net proceeds raised from the IPO ("**Net IPO Proceeds**") as summarised in the table below (the "**Reallocation**"):

Use of Net IPO Proceeds	Amount allocated as disclosed in the Offer Document (S$'000)	Amount utilised as at the date of this announcement (S$'000)	Balance as at the date of this announcement before reallocation (S$'000)	Amount re-allocated (S$'000)	Revised balance as at the date of this announcement after reallocation (S$'000)
Improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment	2,000	(2,000)	-	1,867	1,867
Expansion of our overseas operations, including the initial investment and set up costs in Philippines	2,500	(568)	1,932	(1,632)	300
Developing new products and engaging in research and development	500	(165)	335	(235)	100
General working capital purposes	1,562	(1,562)[(1)]	-	-	-
Total	**6,562**	**(4,295)**	**2,267**	**-**	**2,267**

(1) Net proceeds used for general working capital purposes are in relation to payments to trade suppliers of approximately S$990,000 and staff salaries of approximately S$572,000.

The reallocation of net IPO proceeds from expansion of business operations and research and development to improvement and/or expansion of production efficiency and capacities, is to fund the costs for renovation and purchase of machineries and equipment for the acquired property subsequent to the completion of the Proposed Acquisition. The Reallocation will provide the Group with an additional source of funds to retrofit the production facility in Malaysia following the Proposed Acquisition, with the aim to improve the Group's production capacities and efficiency, and to lower manufacturing costs of halal products.

Nevertheless, the Group is committed to continuously supporting its overseas expansion plans and research and development activities. With the recent outbreak of African Swine Flu affecting the Philippines and Indonesia markets, and changes in consumer tastes, the proceeds have been reallocated in alignment with the Group's strategic priorities, and to place a larger focus on the Group's production facilities. Having considered the Group's cash flows, business strategies and operational plans, the Board is of the view that the Reallocation is in the best interests of the Company and its shareholders.

The Company will continue to make periodic announcements on the utilisation of the remaining Net IPO Proceeds when they are materially disbursed.

BY ORDER OF THE BOARD

Ong Bee Chip
Managing Director

26th December 2023

*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, #21-00 AIA Tower, Singapore 048542.