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PICO FAR EAST HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 752)

VOLUNTARY ANNOUNCEMENT IN RELATION TO CERTAIN ACQUISITIONS

The announcement is made by Pico Far East Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders and potential investors of the Company about the latest updates of the adjustments of considerations in relation to acquisitions of Local Projects, LLC (“**Local Projects**”) and Infinity Marketing Team, LLC (“**Infinity Marketing Team**”).

References are made to the announcement of the Company dated 4 March 2019 in relation to the discloseable transaction of the acquisition of Local Projects (the “**Local Projects Announcement**”), the announcement dated 24 June 2019 and the supplemental announcement dated 28 June 2019 of the Company in relation to the discloseable transaction of the acquisition of Infinity Marketing Team (the “**Infinity Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Local Projects Announcement and the Infinity Announcements.

Update on the Acquisition of Local Projects

Holdback Consideration

The formula of holdback consideration for the acquisition of Local Projects, up to a maximum of US\$6,000,000 in cash has been disclosed in the Local Projects Announcement:

The audited actual EBITDA (as defined in the Local Projects Announcement) of Local Projects for the year ended 31 October 2020 reached the highest threshold of US\$2,500,000 pursuant to the holdback consideration arrangement as set out in the Local Projects Announcement. Accordingly, the holdback consideration for the acquisition of Local Projects for the year ended 31 October 2020 was fixed at US\$3,000,000 in December 2020. The holdback consideration for the acquisition of Local Projects for the year ending 31 October 2021 has not yet been fixed as at the date of this announcement.

Earn-out consideration

The earn-out consideration for the acquisition of Local Projects will be determined according to the formula which has been disclosed in the Local Projects Announcement and payable to the Seller in cash or Class A-2 Units.

The earn-out consideration for the acquisition of Local Projects has not yet been fixed since the earn-out consideration will only be fixed at the end of the final year of up to three or four years from 4 March 2019 (i.e. 3 March 2022 or 3 March 2023) (as the case may be).

Update on the Acquisition of Infinity Marketing Team

Holdback amount

The holdback amount for the acquisition of Infinity Marketing Team of US\$1,850,000 (the “**Holdback Amount**”) was agreed to be retained by Pico North America, Inc. (as the buyer) on the Closing Date, subject to the formula which has been disclosed in the Infinity Announcements.

The audited 2019 EBITDA (as defined in the Infinity Announcements) of Infinity Marketing Team was well above the minimum threshold and reached the range of US\$3,000,000 and US\$4,960,000.

Earn-out consideration

The earn-out consideration for the acquisition of Infinity Marketing Team, up to a maximum of US\$2,000,000, is calculated based on the formula as disclosed in the Infinity Announcements.

According to the audited 2019 EBITDA (as defined in the Infinity Announcements) of the Infinity Marketing Team, the earn-out consideration was fixed at US\$1,425,000 according to the formula as set out in the Infinity Announcements, among which two-thirds has been settled by the Group as at the date of this announcement and the balance will be payable by the Group on 31 December 2021.

By Order of the Board
Pico Far East Holdings Limited
Lawrence Chia Song Huat
Chairman

Hong Kong, 1 September 2021

As at the date of this announcement, the executive directors of the Company are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung; the independent non-executive directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.