



Ellipsiz to pay S\$10m for half of Kalms Investment

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SINGAPORE-LISTED Ellipsiz is picking up a 50 per cent equity stake in Kalms Investment Pte Ltd for S\$10 million.

The distributor and solutions provider that is active in the semiconductor and electronics industries said it is seeking to diversify its business through the proposed share subscription in Kalms Investment.

Ellipsiz's subsidiary, EIR Investments, entered into an agreement on Friday with Kalms Investment, Kalms International and Eddie Lim Wee Beng. The agreement calls on EIR to subscribe to 15 million shares amounting to 50 per cent of Kalms Investment's enlarged share capital.

Ellipsiz had on Feb 27 agreed to extend a S\$4 million loan to Kalms Investment, which will go towards paying down part of the agreed S\$10 million consideration for the share subscription.

EIR Investments would pay the remaining S\$6 million consideration in cash and this will be funded through Ellipsiz's internal resources.

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The deal is expected to be completed no later than 30 days later.

Kalms Investment has about 93.85 per cent interest in Kalms (S) Pte Ltd. Kalms (S) is repositioning its business model to focus on technology-enabled retail through the use of intelligent vending machines.

Ellipsiz and Kalms International have entered into a collaboration to kickstart, grow and augment this new business model to populate both local and eventually regional markets with such vending solutions.

Prior to Ellipsiz completing the proposed share subscription, Kalms (S) will conduct a share reallocation exercise. Kalms Investments will retain 90 per cent of Kalms (S), with other existing shareholders and members of senior management holding a combined 10 per cent equity stake in Kalms (S).

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