

Proposed Acquisition of Showytunes Pte Ltd

Date: October 25, 2024

1. Basic Information

Acquirer: Netcore Limited (Registration No. [REDACTED])

A multinational corporation incorporated in Singapore

Target: Showytunes Pte Ltd (Registration No. [REDACTED])

A private limited company incorporated in Singapore

Transaction Type: 100% Share Acquisition

Key Concerns: Employee retention and integration

Advisors:

Legal: [REDACTED] (Acquirer)

Financial: [REDACTED] (Acquirer)

Legal: [REDACTED] (Target)

Financial: [REDACTED] (Target)

2. Executive Summary

This proposed acquisition represents a strategic opportunity for Netcore Limited to expand its presence in the entertainment technology sector while acquiring valuable intellectual property and talent. The transaction will combine Netcore's global reach with Showytunes' innovative technology platform and established local market presence.

Key benefits include:

- Market expansion in the ASEAN region
- Acquisition of proprietary entertainment technology
- Integration of experienced technical talent
- Enhanced product offering in the digital entertainment space

Principal considerations include compliance with Singapore's Competition Act 2004, Personal Data Protection Act 2012, and Employment Act 1968, with particular focus on employee retention and data protection requirements.

3. Deal Timeline

1	2	3	4	5
Term Sheet	Due Diligence	SPA Signing	Closing	Integration
October 2024	Nov-Dec 2024	January 2025	March 2025	Q2 2025
	⚠ High Risk		⚠ High Risk	

4. Key Agreement Terms

High Risk Neutral Risk Low Risk

S/N	Clause	Description	Key Legal Risks
1	Purchase Price	SGD [REDACTED] million, subject to adjustments based on working capital and net debt position at closing	Standard valuation and adjustment mechanisms
2	Payment Terms	80% cash consideration at closing; 20% deferred consideration subject to achievement of revenue targets	Earn-out disputes and performance measurement criteria
3	Employee Retention	Minimum 24-month retention period for key employees with competitive compensation packages	Employment Act compliance, restrictive covenants enforceability
4	Intellectual Property	Transfer of all IP rights, including pending applications and trade secrets	IP ownership verification, third-party claims
5	Data Protection	Compliance with PDPA requirements and international data protection standards	Cross-border data transfer restrictions

5. Deep Dive: Employee Retention Strategy

Given the specific concern regarding employee retention, we propose the following measures:

- Implementation of a structured retention bonus program
- Development of clear career progression paths within Netcore
- Maintenance of existing employment terms for a minimum period
- Integration of employee feedback mechanisms
- Establishment of cultural integration programs

Legal Framework:

All retention measures will comply with Singapore Employment Act 1968 and relevant MOM guidelines

6. Acknowledgement

This term sheet is non-binding except for the confidentiality provisions. It is intended to form the basis for negotiating definitive agreements but does not constitute a legally binding obligation to proceed with the proposed transaction.

For and on behalf of
Netcore Limited

Name:
Title:
Date:

For and on behalf of
Showtunes Pte Ltd

Name:
Title:
Date:

STRICTLY CONFIDENTIAL