

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL
OF HEDURU MONI LIMITED**

1. INTRODUCTION

The board of directors (the “**Board**”) of Jaya Holdings Limited (the “**Company**”) refers to the announcement made by the Company on 1 April 2016 in relation to the Company entering into a non-binding term sheet to acquire a new operating business (“**Term Sheet Announcement**”).

Further to the Term Sheet Announcement, the Board is pleased to announce that it has on 17 May 2016 entered into a conditional sale and purchase agreement (“**SPA**”) with Bernard Chan, Tan Siew Ann Jason, Lee Chan Beng, David John Kelso and Gajanan Pandurang Barve (collectively, the “**Vendors**” and together with the Company, the “**Parties**”) to acquire all their ordinary shares representing the entire issued and paid-up share capital in Heduru Moni Limited (the “**Target Company**” or “**Moni Plus**”) (“**Proposed Acquisition**”).

The purchase consideration for the Proposed Acquisition shall be satisfied by the allotment and issuance of new shares in the issued and paid up capital of the Company to the Vendors. The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. INFORMATION ON THE TARGET COMPANY AND THE VENDORS

The information on the Target Company and the Vendors in this paragraph 2 was provided by the Vendors and the Target Company, which has been extracted and reproduced herein. In respect of such information, neither the Company nor any of its Directors has independently verified the accuracy and correctness of the same and the responsibility of the Company and the Board is limited to ensuring that such information has been properly extracted and reproduced herein in the context that the information is being disclosed in this announcement.

2.1 Information on the Target Company

The Target Company is a limited liability company incorporated in Papua New Guinea (“**PNG**”) in 1998 and trades under the name “Moni Plus”.

Moni Plus, a financial institution licensed and regulated by the Bank of Papua New Guinea, is a well-established personal and consumer finance brand name in PNG. Operating in Port Moresby, the capital of PNG, Moni Plus engages in the provision of personal loans, asset financing, term deposits and foreign currency delivery services. Moni Plus is a market leader in personal and consumer loans business in PNG. With responsible lending practices supported by a robust management information system, Moni Plus is able to attract borrowers by its ability to provide fast and efficient loan approvals and availability within 24 hours whilst maintaining its credit quality. With a client base of over 25,000 customers derived mainly from the public service in PNG, Moni Plus has low non-performing loans ratio due to direct deductions from the salaries of its borrowers to satisfy loan repayment.

Moni Plus is a profitable entity. The unaudited historical net profit of the Target Company was S\$11.4 million, S\$13.9 million and S\$19.4 million for the financial

years ended 31 December 2013 (“**FY2013**”), 31 December 2014 (“**FY2014**”) and 31 December 2015 (“**FY2015**”) respectively, with a revenue and other income of S\$48.3 million in FY2015 (based on the exchange rate of PNG Kina (“**PGK**”) 1 : S\$0.43 (“**Relevant Exchange Rate**”)).

As to its future growth strategies, Moni Plus intends to continue capitalising on opportunities in its personal loans, online foreign exchange delivery business and asset financing; and to explore geographical expansion opportunities into emerging markets especially in South East Asia.

2.2 Information on the Vendors

Bernard Chan, Tan Siew Ann Jason, Lee Chan Beng, David John Kelso and Gajanan Pandurang Barve are individuals who respectively own 29%, 29%, 29%, 10%, 3% of the issued share capital of the Target Company. The Vendors are the legal and beneficial owners of the entire issued and paid-up share capital of the Target Company.

Additionally, David Kelso is the managing director of the Target Company, and Bernard Chan, Tan Siew Ann Jason and Lee Chan Beng are non-executive directors of the Target Company.

None of the Vendors is related to any of the Company’s Directors, chief executive officer, controlling shareholders or their respective associates. As at the date of this announcement, none of the Vendors holds shares in the Company.

3. RATIONALE FOR THE PROPOSED ACQUISITION

Following the completion of the disposal of all of the Company’s previous subsidiaries, the Company ceased to have any operating subsidiaries or businesses and accordingly, became a cash company under Rule 1018 of the Listing Manual with effect from 4 June 2014.

Under Rule 1018(2) of the Listing Manual, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The issuer may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period.

The SGX-ST had on 26 May 2015 granted the Company an extension of six months, until 3 December 2015, to meet the requirements for a new listing pursuant to Rule 1018(2) of the Listing Manual. On 13 October 2015, the Company applied to the SGX-ST for a further extension of time, and on 19 November 2015, the SGX-ST granted the Company an extension of six months, until 3 June 2016, to meet the requirements for a new listing. For further details, please refer to the announcements made by the Company on 27 May 2015 and 19 November 2015.

Although the Company has entered into a binding SPA, the completion of the SPA is conditional, and the Company will not be able meet the requirements for a new listing by 3 June 2016. Accordingly, the Company intends to apply to the SGX-ST in due course for a further extension of time to meet the requirements for a new listing. The Company will update the market as soon as practicable after it makes the application to the SGX-ST, and on the outcome of the application when it receives a response from the SGX-ST.

The Board believes that the Proposed Acquisition will provide an opportunity for the Company to venture into a new business area with a proven profitable track record and that has potential for growth. This will enable the Company to enhance shareholder value and generate renewed investor interest in the shares of the

Company. The Board is hence of the view that the Proposed Acquisition is likely to enhance the long term interests of the Company and the shareholders of the Company ("**Shareholders**").

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Sale and Purchase

Subject to the terms and conditions of the SPA, the Vendors shall sell, and the Company shall purchase, all the Vendors' respective shares in the Target Company, in aggregate representing the Target Company's entire issued share capital free from any and all encumbrances and together with all rights, benefits and entitlements attaching thereto as at the date of completion of the Proposed Acquisition ("**Completion**").

4.2 Consideration Shares

Subject to the adjustments set out in paragraphs 4.3 and 4.6 of this announcement, the aggregate maximum consideration in respect of the Proposed Acquisition shall be up to S\$232,200,000 ("**Total Maximum Consideration**").

The final consideration in respect of the Proposed Acquisition ("**Consideration**") shall be satisfied wholly by the issue and allotment by the Company to the Vendors of an aggregate of up to 725,625,000 new ordinary shares in the capital of the Company ("**Consideration Shares**"), which has been calculated based on a pre-consolidation issue price of S\$0.32 ("**Pre-Consolidation Issue Price**") for each Consideration Share credited as fully paid up, as follows:

Initial Consideration

- (a) Subject to the adjustments set out in paragraph 4.6 of this announcement, an initial consideration of S\$174,150,000 shall be paid by the Company to the Vendors on Completion and shall be satisfied by the issue and allotment by the Company to the Vendors of an aggregate of 544,218,750 Consideration Shares ("**Initial Consideration Shares**"), which has been calculated based on the Pre-Consolidation Issue Price for each Initial Consideration Share credited as fully paid up, in proportion to their equity interest in the Target Company.

Earn-out Consideration

- (b) Subject to the adjustments set out in paragraph 4.6 of this announcement, an earn-out consideration of up to a maximum of S\$58,050,000 shall be satisfied by the issue and allotment by the Company to the Vendors of such number of Consideration Shares ("**Earn-out Consideration Shares**") to be determined in accordance with paragraph 4.3 of this announcement, subject to a maximum of up to 181,406,250 Earn-out Consideration Shares ("**Maximum Earn-out Consideration Shares**"), which has been calculated based on the Pre-Consolidation Issue Price for each Earn-out Consideration Share credited as fully paid up, in proportion to their equity interest in the Target Company.

4.3 Earn-out Consideration Shares

The Company shall satisfy the earn-out consideration by the issue and allotment of the Earn-out Consideration Shares to the Vendors within 30 days from the date on which the audited financial statements of the Target Company for the financial year ending 31 December 2016 ("**FY2016 Accounts**") are finalised and issued and the earn-out consideration and the Earn-out Consideration Shares shall be determined in the following manner:

- (a) in the event that the net profit after tax (“**NPAT**”) as set out in the FY2016 Accounts (“**FY2016 NPAT**”) is equivalent to or more than PGK60,000,000, the Maximum Earn-out Consideration Shares shall be issued and allotted to the Vendors, which has been calculated based on the Pre-Consolidation Issue Price for each Earn-out Consideration Share credited as fully paid up, in proportion to their equity interest in the Target Company;
- (b) in the event that the FY2016 NPAT is equivalent to or less than PGK45,200,000, no Earn-out Consideration Shares shall be issued and allotted to the Vendors; and
- (c) in the event that the FY2016 NPAT is less than PGK60,000,000 but more than PGK45,200,000, such number of Earn-out Consideration Shares to be determined based on the formula set out below shall be issued and allotted to the Vendors, which has been calculated based on the Pre-Consolidation Issue Price for each Earn-out Consideration Share credited as fully paid up, in proportion to their equity interest in the Target Company:

$$\frac{\text{FY2016 NPAT} - 45,200,000}{14,800,000} \times \text{Maximum Earn-out Consideration Shares}$$

The number of Initial Consideration Shares, Maximum Earn-out Consideration Shares and Earn-out Consideration Shares set out in this announcement is calculated based on the Pre-Consolidation Issue Price and will be adjusted in due course to take into account the Proposed Share Consolidation (as defined below).

4.4 Purchase Consideration

The Total Maximum Consideration was determined by agreement between the Company and the Vendors at arms’ length, on a “willing-buyer, willing-seller” basis, taking into account the net tangible assets, earnings and businesses of the Target Company and on the basis that the Appraised Value (as defined below) is not less than S\$232,200,000.

Pursuant to Rule 1015(3)(a) of the Listing Manual, the Company will appoint a competent and independent valuer to conduct and furnish an independent valuation report on the value of the Target Company (“**Appraised Value**”). Further information relating to the independent professional valuer to be appointed, together with the independent valuation report (which will include the basis and date of the valuation report), will be included in the circular to be despatched to Shareholders in due course.

4.5 Warranted Shareholders’ Funds

The Vendors represent and warrant to the Company that the audited shareholders’ funds (which includes the NPAT) of the Target Company (“**Shareholders’ Funds**”) for the period from 1 January 2016 to the end of the month immediately preceding Completion (“**Pre-Completion Period**”) shall not be less than PGK100,000,000 (“**Warranted Shareholders’ Funds**”).

In the event that the actual Shareholders’ Funds for the Pre-Completion Period (“**Actual Shareholders’ Funds**”) is less than the Warranted Shareholders’ Funds, the Vendors shall pay the Company, in cash in PGK, an aggregate amount equivalent to the difference between the Warranted Shareholders’ Funds and the Actual Shareholders’ Funds within 10 Business Days of the delivery of the Auditor’s Certificate confirming the Actual Shareholders’ Funds.

In the event that the Actual Shareholders' Funds is more than the Warranted Shareholders' Funds, the Vendors shall be entitled to the excess of the Actual Shareholders' Funds over the Warranted Shareholders' Funds, whether by way of dividend (including interim dividend) or in any other manner permitted by applicable laws, and subject to payment being made prior to Completion.

4.6 Proposed Distribution and Adjustments

The Company shall, subject to the approval of the Shareholders, be entitled to distribute up to S\$0.38 per ordinary share in the Company (on a pre-consolidation basis) ("**Proposed Distribution**") prior to Completion whether by way of a dividend and/or capital reduction or otherwise.

Where the actual Proposed Distribution is less than S\$0.38 per ordinary share in the Company (on a pre-consolidation basis) ("**Actual Distribution**"), the Pre-Consolidation Issue Price, which is to be used for the purposes of calculating the number of Consideration Shares to be issued and allotted to the Vendors pursuant to paragraph 4.2 of this announcement, shall be adjusted accordingly as follows:

$$\text{Pre-Consolidated Issue Price} = (0.38 - \text{Actual Distribution}) + 0.32$$

4.7 Proposed Share Consolidation

Under Rule 1015(3)(d) of the Listing Manual, the issue price of each share after adjusting for any share consolidation is required to be at least S\$0.50.

Accordingly, in conjunction with the Proposed Acquisition and subject to the approval of the shareholders of the Company, the Company shall undertake a share consolidation exercise of every two (2) existing ordinary shares of the Company into one (1) consolidated ordinary share of the Company (or such other ratio as may be agreed) (the "**Proposed Share Consolidation**") on or prior to Completion.

For the avoidance of doubt, the Consideration Shares shall be issued and allotted on a post-consolidation basis following the completion of the Proposed Share Consolidation.

4.8 Conditions to Completion

Completion shall be conditional upon, *inter alia*, the following conditions ("**Conditions**") having been fulfilled (or waived):

- (a) the Vendors having undertaken and completed due diligence investigations on the Company and the results of such due diligence investigations being reasonably satisfactory to the Vendors;
- (b) the Company having undertaken and completed due diligence investigations on the Target Company and the results of such due diligence investigations being reasonably satisfactory to the Company;
- (c) the Company having obtained legal opinion(s) reasonably satisfactory to the Company in respect of the laws of Papua New Guinea (or any other relevant foreign jurisdiction) on, *inter alia*, the Target Company, the business carried on by the Target Company, the validity and enforceability of the SPA and the transactions contemplated under the SPA;
- (d) the Company having obtained a valuation report from an independent professional valuer stating that the Target Company is valued at not less than S\$232,200,000;

- (e) the Securities Industry Council (“**SIC**”) having granted the Vendors and their concert parties (if applicable) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code for the shares in the Company not owned, controlled or agreed to be acquired by them and their concert parties and from having to comply with the requirements of Rule 14 of the Code, subject to: (i) the approval by way of a poll by a majority of the independent shareholders of the Company present and voting at a general meeting of the Company to waive their rights to receive a mandatory general offer from the Vendors and their concert parties for all the shares in the Company not already owned, controlled, or agreed to be acquired by the Vendors and their concert parties following Completion (“**Whitewash Resolution**”), and such waiver remaining in full force and effect and not having been withdrawn, revoked or amended; and (ii) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Vendors;
- (f) the approval in-principle of the SGX-ST for the listing of and quotation for the Initial Consideration Shares, the Maximum Earn-out Consideration Shares and the New Placement Shares (as defined below) on the Mainboard of the SGX-ST and, if such approval is subject to conditions, such conditions being reasonably acceptable to the Parties, and such approval in-principle remaining in full force and effect and not having been withdrawn, revoked or amended;
- (g) the approval of the SGX-ST for the Proposed Acquisition by the Company (being a reverse takeover under Rule 1015 of the Listing Manual) and the transactions contemplated under the SPA and, if such approval is subject to conditions, such conditions being reasonably acceptable to the Parties, and such approval remaining in full force and effect and not having been withdrawn, revoked or amended;
- (h) the granting by the SGX-ST of a further extension of time for the Company to continue to be listed on the Mainboard of the SGX-ST pursuant to the rules of the Listing Manual, and if such extension or approval is subject to conditions, such conditions being reasonably acceptable to the Parties, and such extension or approval remaining in full force and effect and not having been withdrawn, revoked or amended;
- (i) the approval of the Shareholders being obtained at the extraordinary general meeting to be convened (“**EGM**”) for the transactions contemplated under the SPA including: (i) the Proposed Acquisition; (ii) the issue and allotment of the Initial Consideration Shares, the Maximum Earn-out Consideration Shares and the New Placement Shares (as defined below) in accordance with the terms of the SPA; (iii) the Proposed Distribution; (iv) the Proposed Share Consolidation; (v) the appointment of new members to the Company's board of directors nominated by the Vendors; (vi) the change of name of the Company to “Moni Plus Holdings Limited”; and (vii) such other matters as may be agreed between the Parties;
- (j) the approval of the independent shareholders of the Company being obtained at the EGM for the Whitewash Resolution;
- (k) the approval of the Bank of Papua New Guinea for the transactions contemplated by the SPA and, if such approval is subject to conditions, such conditions being reasonably acceptable to the Parties, and such approval remaining in full force and effect;
- (l) all other approvals, authorisations, clearances, confirmations, consents, licenses, orders, permits, waivers, exemptions, grants, notices, registrations, submissions or filings (“**Approvals**”) as may be required for or in connection

with the sale and purchase of the Sale Shares or the transactions contemplated in the SPA from all relevant third parties (including all relevant governmental bodies in any jurisdiction) having been obtained and not withdrawn or revoked, and where any such Approvals are obtained subject to any conditions, such conditions being reasonably acceptable to the Parties and such Approvals remaining in full force and effect;

- (m) one of the controlling shareholders of the Company duly executing in favour of the Vendors an undertaking, on terms which have been mutually agreed between the Vendors and either of them, pursuant to which either of them undertakes to vote in favour of the resolutions referred to in sub-paragraphs (i) and (j) above;
- (n) the representations and warranties to be given by the Vendors, and the representations and warranties by the Company, under the SPA remaining true and accurate in all respects and not misleading in any material respect as at the date of the SPA and at Completion; and
- (o) no material adverse change in the existing or prospective legal, financial, operational, business and tax positions of the Target Company occurring on or prior to Completion.

4.9 Completion Date

If any of the Conditions has not been fulfilled (or waived by the Company or Vendors) such that Completion does not take place on or before 31 January 2017 (or such other date as the Parties may mutually agree) ("**Completion Date**"), the SPA shall automatically terminate and neither party shall have any claim of any nature whatsoever against the other party, save as expressly provided for in SPA.

4.10 Compliance Placement

Subject to the approval of the Shareholders at the EGM of the matters referred to in paragraphs 4.8(i) and (j) of this announcement being obtained, and subject to the provisions herein:

- (a) the Company shall undertake a compliance placement of new ordinary shares in the Company ("**New Placement Shares**"), and the Vendors shall undertake a compliance placement of part of their Initial Consideration Shares ("**Vendors' Placement Shares**" and, together with the New Placement Shares, "**Placement Shares**") on such terms as may be agreed between the Company, the Vendors and UOB Kay Hian Private Limited as lead manager and bookrunner ("**Lead Manager**"), in order for the Company to satisfy the minimum distribution and shareholding spread requirements under the SGX-ST Listing Manual ("**Compliance Placement**"), as soon as practicable, but in any event not later than six (6) weeks after the approval of the Shareholders at the EGM of the matters referred to in paragraphs 4.8(i) and (j) of this announcement ("**Compliance Placement Period**"), and the Compliance Placement shall be completed on and contemporaneous with Completion; and
- (b) the Vendors shall grant to the Lead Manager, as the stabilising manager, an over-allotment option ("**Over-allotment Option**") in respect of an aggregate of such number of Initial Consideration Shares as may be mutually agreed between the Vendors and the Lead Manager, subject to a maximum of twenty per cent (20%) of the total number of Placement Shares offered pursuant to the Compliance Placement, exercisable solely to cover over-allotments made in connection with the Compliance Placement.

Subject to the Compliance Placement occurring contemporaneously with Completion, the Parties agree that where the EGM for the matters referred to in paragraphs 4.8(i) and (j) of this announcement takes place on a date which is less than six (6) weeks prior to 31 January 2017, the Parties agree that the Completion Date will be deferred automatically to a date which is not more than 45 days after the date of the EGM.

In the event that the obligations set out in paragraph 4.10(a) of this announcement are not fulfilled within the Compliance Placement Period, the Company shall be entitled by way of written notice given to the Vendors to terminate the SPA and be paid a sum equal to S\$1,000,000 by the Vendors.

4.11 Moratorium

The Proposed Acquisition, being a reverse takeover for the purpose of the Listing Manual, is subject to the moratorium requirements pursuant to Rule 229 of the Listing Manual.

In this regard, the Vendors have under the SPA undertaken to comply with any applicable moratorium requirements in respect of the Initial Consideration Shares imposed by the SGX-ST and in addition, to collectively maintain a shareholding of at least fifty-one per cent (51%) of the Company's issued share capital for a period of three (3) years from Completion.

4.12 Reconstitution of the Board

It is envisaged that the Company will, upon Completion, appoint new members to the Company's board of directors as may be nominated by the Vendors (subject to compliance with the requirements of the SGX-ST) and enter into service contracts with such new directors.

As such arrangements have not been firmed up as at the date of this announcement, the details of such arrangements will be disclosed in the circular setting out information on, *inter alia*, the Proposed Acquisition.

5. REVERSE TAKEOVER

The relative figures for the Proposed Acquisition computed on the relevant bases of comparison set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Company's net asset value.	Not applicable
(b)	The net profits attributable to the Target Company compared with the Company's net profits.	Not meaningful ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	1343.3 ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	1880.6 ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Company's proved and probable reserves.	Not applicable

Notes:

- (1) Not meaningful as the Company was in a net loss position for the financial year ended 30 June 2015.

- (2) Based on the aggregate value of the Initial Consideration Shares of S\$174,150,000 and the value of the Earn-out Consideration Shares of up to S\$58,050,000, and the Company's market capitalisation of approximately S\$17.3 million (calculated based on its issued share capital, as at the date of this announcement, comprising 38,585,095 ordinary shares, and the volume-weighted average price of the Company's shares of S\$0.448, based on trades done on the SGX-ST on 16 May 2016, being the preceding market day during which shares in the Company were traded prior to the date of the SPA).
- (3) Based on the aggregate of 544,218,750 Initial Consideration Shares and up to 181,406,250 Earn-out Consideration Shares, as compared to 38,585,095 shares in the Company in issue, on a pre-consolidation basis.

The Board notes that the relative figures under Rules 1006(c) and (d) above exceed 100% and in view that the Initial Consideration Shares to be issued and allotted to the Vendors will represent approximately 93.4% of the enlarged issued share capital of the Company upon Completion (but prior to the Compliance Placement), the Proposed Acquisition will also result in a change of control of the Company. Pursuant to Rule 1015(1) of the Listing Manual, the Proposed Acquisition constitutes a reverse takeover. Accordingly, the Proposed Acquisition is subject to, *inter alia*, the approval of the Shareholders at the EGM and the issue of the listing and quotation notice by the SGX-ST.

6. FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the unaudited financial information of the Target Company for the last three financial years FY2013, FY2014 and FY2015, a summary of the unaudited financial information of the Target Company for FY2013, FY2014 and FY2015 is set out below, based on the Relevant Exchange Rate:

Unaudited Statement of Comprehensive Income (S\$millions)	FY2013	FY2014	FY2015
Revenue and other income	27.0	36.0	48.3
Profit / (loss) before tax	15.5	19.8	27.7
Income tax expense	(4.1)	(5.9)	(8.3)
Net profit / (loss)	11.4	13.9	19.4

Unaudited Statement of Financial Position (S\$millions)	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015
Current assets	23.5	56.2	77.5
Non-current assets	27.8	26.0	27.8
Total assets	51.3	82.2	105.3
Current liabilities	23.8	42.7	53.8
Non-current liabilities	0.6	0.7	0.6
Total liabilities	24.4	43.4	54.4
Shareholders' equity	26.9	38.8	50.9

7. PROFORMA FINANCIAL INFORMATION OF THE COMPANY AND THE TARGET COMPANY ("THE ENLARGED GROUP")

The unaudited proforma financial information of the Enlarged Group is for illustrative purposes only and has been prepared based on the audited financial results of the Company for the financial year ended 30 June 2015 and the unaudited financial information of the Target Company for FY2015.

Income statement (S\$ millions)	For the financial year ended 30 June 2015
Revenue and other income	48.3

Profit / (loss) before tax	26.1
Income tax expense	(8.3)
Net profit / (loss)	17.8

(\$ million)	As at 30 June 2015
Current assets	96.6
Non-current assets	27.8
Total assets	124.4
Current liabilities	54.8
Non-current liabilities	0.6
Total liabilities	55.4
Shareholders' equity	69.0
Non-controlling interests	-

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1 Bases and Assumptions

The financial effects of the Proposed Acquisition on the share capital, earnings, net tangible assets ("NTA") and gearing of the Enlarged Group have been prepared based on the audited financial statements of the Company for the financial year ended 30 June 2015 and the unaudited financial information of the Target Company for the financial year ended 31 December 2015, without any adjustment to align the financial year-end of the Company with that of the Target Company. The financial year-end of the Company is 30 June while the financial year-end of the Target Company is 31 December. It is intended that after Completion, the financial year-end of the Company will be changed to 31 December.

The proforma financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Enlarged Group following Completion.

For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of the Proposed Acquisition on the earnings and earnings per Share of the Enlarged Group are computed assuming that the Proposed Share Consolidation and Proposed Acquisition was completed on 1 July 2014;
- (b) the financial effects of the Proposed Acquisition on the NTA and gearing of the Enlarged Group are computed assuming that the Proposed Share Consolidation and Proposed Acquisition was completed on 30 June 2015;
- (c) the unaudited financial information of the Target Company have been translated using the Relevant Exchange Rate;
- (d) the Proposed Share Consolidation having been effected and the number of issued shares in the Company being 19,292,547 following completion of the Proposed Share Consolidation, based on a share consolidation exercise of every two (2) ordinary shares into one (1) consolidated ordinary share;
- (e) the fair market value of each share is assumed to be the same as the net asset value per share and, accordingly, no goodwill arises as a result of the Proposed Acquisition. On Completion, the deemed consideration of the Proposed Acquisition, for accounting purposes, will be calculated based on the fair market value of each share at the date of Completion. As the actual goodwill as a result of the Proposed Acquisition will have to be determined at Completion, the actual goodwill could be materially different from the

assumption used above. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company;

- (f) professional fees and other expenses relating to the Proposed Acquisition have been excluded in the profits after taxation of the Enlarged Group;
- (g) completion of the issue and allotment of the Initial Consideration Shares;
- (h) the analysis does not take into account the financial effects of the Proposed Distribution and potential issue of the Earn-out Consideration Shares and the New Placement Shares; and
- (i) the analysis does not take into account any transactions completed by the Company subsequent to 30 June 2015 save for the share consolidation exercise completed on 12 November 2015.

8.2 Share capital

	Number of shares	Issued and paid-up share capital (S\$ millions)
Before the Proposed Share Consolidation and Proposed Acquisition	38,585,095	4.6
After Proposed Share Consolidation	19,292,547	4.6
After Completion of Proposed Acquisition	291,401,922	178.7

8.3 Earnings per share

	The Company before the Proposed Share Consolidation and Proposed Acquisition	The Company after the Proposed Share Consolidation	Enlarged Group after the Proposed Share Consolidation and Proposed Acquisition
Net profit/(loss) attributable to Shareholders (S\$ millions)	(1.7)	(1.7)	17.8
Weighted average number of issued shares outstanding	38,585,095	19,292,547	291,401,922
Earnings/(loss) per share (Singapore cents)	(4.3)	(8.7)	6.1

8.4 Net Tangible Assets

	The Company before the Proposed Share Consolidation and Proposed Acquisition	The Company after the Proposed Share Consolidation	Enlarged Group after the Proposed Share Consolidation and Proposed Acquisition
NTA (S\$ millions)	18.1	18.1	69.0

Number of issued shares of the Company / Enlarged Group	38,585,095	19,292,547	291,401,922
NTA per share (Singapore cents)	46.9	93.8	23.7

8.5 Gearing

	The Company before the Proposed Share Consolidation and Proposed Acquisition	The Company after the Proposed Share Consolidation	Enlarged Group after the Proposed Share Consolidation and Proposed Acquisition
Total bank borrowings (S\$ millions)	-	-	-
Total shareholders' equity (S\$ millions)	18.1	18.1	69.0
Gearing ratio	Not applicable	Not applicable	Not applicable

9. APPLICATION FOR WAIVER FROM RULE 14 OF THE SINGAPORE CODE ON TAKEOVERS AND MERGERS (“TAKE-OVER CODE”)

The Vendors will collectively hold approximately 93.4% of the enlarged issued share capital of the Company at Completion upon the issuance and allotment of the Initial Consideration Shares by the Company to the Vendors (but prior to the Compliance Placement).

Accordingly, the Vendors and their concert parties will, under Rule 14 of the Take-over Code, be required to make a mandatory offer for all the remaining shares of the Company in issue not already owned or controlled by the Vendors and their concert parties or agreed to be acquired by them arising from the issuance and allotment of the Consideration Shares. It is a condition precedent to the Proposed Acquisition, *inter alia*, that the SIC grants the Vendors and their concert parties, and does not revoke or repeal such grant, a waiver of their obligation to make a mandatory offer under Rule 14 of the Take-over Code and that a majority of the independent shareholders of the Company approve at the EGM the Whitewash Resolution for the waiver of the rights of the Shareholders to receive a mandatory offer from any or all of the Vendors and their concert parties under Rule 14 of the Take-over Code.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

11. FINANCIAL ADVISER

The Company has appointed UOB Kay Hian Private Limited as its financial adviser in respect of the Proposed Acquisition.

12. INDEPENDENT FINANCIAL ADVISER

The Company will be appointing an independent financial adviser to the independent directors of the Company in connection with the Whitewash Resolution and the

advice of the independent financial adviser will be set out in the circular to be despatched to the Shareholders in due course.

13. CIRCULAR

The circular setting out information on, *inter alia*, the Proposed Acquisition, together with a notice of the EGM to be convened will be despatched by the Company to the Shareholders in due course.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company, which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 04862 for a period of three (3) months from the date of this announcement.

15. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Company and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, including without limitation information on the Target Company, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

16. CAUTION IN TRADING

The Directors would like to advise the Shareholders that, although the SPA has been entered into, Completion is subject to conditions precedent to be fulfilled and there is no assurance that Completion will take place. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Company's shares.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Ngiam May Ling
Company Secretary

18 May 2016