

STARLAND HOLDINGS LIMITED
(Company Registration Number: 201131382E)
(Incorporated in the Republic of Singapore)

**NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE
PROPOSED ACQUISITION OF THE EQUITY INTEREST OF AYONDO HOLDING AG**

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Starland Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 13 April 2016 entered into a non-binding memorandum of understanding (the “**MOU**”) with Ayondo Holding AG (“**Ayondo**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire equity interest in Ayondo by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” of the Company as defined under Chapter 10 of Section B: Rules of Catalist of the listing manual (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is subject to, *inter alia*, the approval of shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting to be convened (the “**EGM**”), the approval of shareholders of GRP Limited, being the holding company of the Company, at an EGM to be convened and the approval of the SGX-ST.

The MOU is not intended to be legally binding between the Parties, except for certain provisions relating to, *inter alia*, costs, confidentiality and governing law. As such, the Proposed Acquisition remains subject to the entry into definitive agreement for the Proposed Acquisition (the “Definitive SPA”). The Parties will use their respective best endeavours to negotiate in good faith and sign the Definitive SPA.

2. INFORMATION ON AYONDO HOLDING AG

Ayondo is included in the FinTech50 2013 list of top financial technology (“**FinTech**”) companies in Europe. The Switzerland headquartered company is a FinTech group that is a global leading provider of social trading services and brokerage services (business-to-consumer (B2C) and business-to-business (B2B)) with a broking license issued by the Financial Conduct Authority (FCA) of the United Kingdom. Ayondo is formerly listed on the Berne Stock Exchange under the name of Next Generation Finance Invest AG as an investment holding company. Ayondo became an operating company in April 2014 to focus on expanding its social trading and brokerage business. With over 190,000 users from 195 countries, Ayondo offers a new and attractive way of investing in global financial markets.

Managed by its CEO and co-founder, Mr. Robert Lempka, the former CEO of ABN AMRO’s market index, Ayondo was awarded the Best Social Trading Platform for 2 consecutive years in 2015 and 2016 by ADVFN, a leading United Kingdom financial market site listed on London’s Alternative Investment Market. Ayondo’s Next Generation Social Trading technology allows users to “create their own dream team” by replicating the performances of top traders onto their own portfolios in real time, with a few taps on their mobile devices or a few clicks on their computers.

3. RATIONALE

The Board is of the view that the Proposed Acquisition presents an opportunity for the Company to acquire an operating business in the FinTech sector with a track record and growth potential. The Proposed Acquisition would present the Group with an opportunity to expand its business in line with its diversification strategy into the FinTech business, which will

allow it to achieve a more consistent and sustainable financial growth. In addition, the Proposed Acquisition would have the potential to significantly increase the market capitalisation of the Company and potentially widen the investor base for its shares, thereby enabling the Company to attract more extensive analyst coverage, leading to an overall increase in investor interest and trading. Given the foregoing, the Board believes that the Proposed Acquisition will enhance shareholder value for the Company.

4. PRINCIPAL TERMS OF THE MOU

4.1 *Proposed Acquisition and Consideration*

4.1.1 The Parties are in negotiations with a view for the Company to acquire, and Ayondo to sell, the entire equity interest of Ayondo (the "**Sale Shares**") at a consideration of S\$157,500,000 (the "**Consideration**").

4.1.2 The Consideration shall be satisfied by the issue and allotment of such number of new ordinary shares in the capital of the Company (the "**Consideration Shares**") to the shareholders of Ayondo at an indicative issue price of S\$0.1877 per Consideration Share (the "**Issue Price**"), on completion of the Proposed Acquisition (the "**Completion**"). The Consideration Shares to be issued and allotted to the shareholders of Ayondo shall comprise approximately 75% of the enlarged issued share capital of the Company after Completion and subsequent to the placement of new shares to be undertaken by the Company in connection with the fund raising exercise and before the exercise of the warrant or option granted pursuant to such placement. Prior to the issue and allotment of the Consideration Shares, a share consolidation exercise (the "**Share Consolidation**") shall be undertaken by the Company to achieve a minimum share price of S\$0.20 in connection with the proposed transactions contemplated under the MOU.

4.1.3 The Consideration of S\$157,500,000 is subject to paragraph 4.1.4 below and is based on the following premises:

- (i) The Company shall enter into a binding sale and purchase agreement to dispose of all its assets to its holding company at such price to be agreed between them prior to Completion. Such disposal shall be completed simultaneously with or before Completion;
- (ii) The Company shall distribute all its available cash to its shareholders prior to Completion, provided that there shall be a remaining sum of approximately S\$4.0 million of cash or cash equivalent retained by the Company following the completion of the disposal of the assets referred to in paragraph 4.1.3(i) above; and
- (iii) The Company shall issue such number of new shares to raise a total gross placement proceeds (before deducting costs and expenses to be incurred in connection with the placement exercise) of S\$19 million. Such new shares to be issued at a placement price of S\$0.1408 per share (to be adjusted after taking into effects of the Share Consolidation) shall be entitled to a warrant or option to subscribe for an additional share at the exercise price of S\$0.1877 per share (to be adjusted after taking into the effects of the Share Consolidation).

4.1.4 The Parties agree that after the signing of the Definitive SPA, the Parties will appoint an independent valuer to provide a valuation of Ayondo based on such market acceptable valuation principles for similar business operating in similar industry. The Parties further agree that if there are any changes to the valuation, the Parties shall negotiate and revise the terms and conditions of the Proposed Acquisition, including but not limited, to the Consideration.

4.2 *Conditions Precedent*

Completion shall be subject to conditions precedent typically required for transactions of such nature, including, *inter alia*,

- (i) the Sale Shares shall represent no less than 75% of the total issued and paid up capital of Ayondo;
- (ii) all convertible bonds, warrants and options issued by Ayondo shall be converted, exercised or otherwise expired on or prior to the Completion;
- (iii) the completion of the matters referred to in paragraph 4.1.3(i), (ii) and (iii) above, and the Share Consolidation exercise on or prior to the Completion;
- (iv) the Company being satisfied in its sole and absolute discretion with the results of the due diligence investigations (whether legal, financial, contractual, tax or otherwise) carried out by the Company in respect of Ayondo, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects (as applicable) of Ayondo;
- (v) Ayondo and/or its shareholders being satisfied in its sole and absolute discretion with the results of the due diligence investigations (whether legal, financial, contractual, tax or otherwise) carried out by Ayondo, its shareholders and/or their professional advisers on the Company, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of the Company;
- (vi) all consents, approvals and authorisation of bankers, financial institutions, landlord of leases, relevant third parties, government or regulatory authorities in Singapore (if any) which are necessary or desirable in connection with the Proposed Acquisition having been obtained, and if subject to conditions, on such conditions acceptable to the Company, prior to the completion date;
- (vii) the issue by the SGX-ST of the notice for the listing and quotation of the Consideration Shares and where such notice is subject to any conditions, such conditions being reasonably acceptable to the Company and Ayondo and such approval not being revoked or withdrawn prior to the completion date;
- (viii) the grant of the waiver from the Securities Industry Council from the requirement to make a general offer for the remaining shares of the Company by the shareholders of Ayondo and parties acting in concert with them, and where such waiver is obtained subject to any conditions, such conditions being reasonably acceptable to the shareholders of Ayondo as confirmed in writing by them, and such waiver not being revoked, rescinded or cancelled prior to completion;
- (ix) the approval of the shareholders of the Company in an EGM being obtained for the Proposed Acquisition, the allotment and issue of the Consideration Shares to be issued in favour of the shareholders of Ayondo, and its independent shareholders approving the whitewash resolution;
- (x) the approval of the shareholders of GRP Limited, being the Company's holding company, in an EGM being obtained for the Proposed Acquisition and the allotment and issue of the Consideration Shares to be issued in favour of the shareholders of Ayondo;
- (xi) there is no material breach by either Party or the shareholders of Ayondo of the respective representations, warranties, covenants and indemnities contained in the Definitive SPA;
- (xii) the Company being satisfied in its sole and absolute discretion that there has been no material adverse change, or events, acts or omissions likely to lead to such material adverse change, in the business, assets, prospects, performance, financial position or results of operations of Ayondo from the period commencing from the date of the Definitive SPA to the date of Completion;
- (xiii) Ayondo and/or its shareholders being satisfied in their sole and absolute discretion that there has been no material adverse change, or events, acts or omissions likely to

lead to such material adverse change, in the business, assets, prospects, performance, financial position or results of operations of the Company from the period commencing from the date of the Definitive SPA to the date of Completion; and

- (xiv) the Company and Ayondo shall not be subject to any on-going investigations by any regulatory authority (including the SGX-ST or Monetary Authority of Singapore) in Singapore or elsewhere or is the subject of any criminal charges or proceedings which have not been concluded.

4.3 *Exclusivity Period*

Parties shall deal exclusively with each other for a period of forty-five (45) days from the date of the MOU (or such other period as may be agreed by the Parties) (the “**Exclusivity Period**”) and shall negotiate in good faith the terms and conditions of the Definitive SPA with a view to executing the Definitive SPA within the Exclusivity Period.

4.4 *Termination*

Save for certain provisions relating to, *inter alia*, costs, confidentiality and governing law which shall survive termination; the MOU shall lapse and cease to have any effect in the event that Parties have not entered into the Definitive SPA upon the expiry of the Exclusivity Period.

4.5 *Governing Law and Jurisdiction*

The MOU shall be governed by the laws of the Republic of Singapore. The jurisdiction for determining any dispute under the MOU shall be the courts of Singapore.

5. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for Kwan Chee Seng, a Director of the Company who is also a shareholder and convertible bond holder of Ayondo, and a director of Luminor Capital Pte. Ltd., the fund manager for Luminor Pacific’s Funds 1 and 2, which are convertible bond holders of Ayondo, none of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has any interest, direct or indirect, in the MOU (other than in his capacity as a director or shareholder of the Company).

6. **TRADING CAUTION**

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Definitive SPA will be entered into, or that the Proposed Acquisition will be completed. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

7. **FURTHER ANNOUNCEMENT**

The Company will make further announcements, in compliance with the requirements of Chapter 10 of the Catalist Rules, upon the execution of the Definitive SPA and/or when there are material developments in respect of the Proposed Acquisition.

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
13 April 2016