

**ATTILAN GROUP LIMITED**  
(Incorporated in Singapore)  
(Company Registration Number: 199906459N)

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**REPLY TO SGX QUERY**

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*All capitalised terms used in this announcement shall, unless otherwise defined herein, have the same meanings ascribed to them in the announcement dated 18 May 2018.*

In response to the SGX's queries dated 1 June 2018 for clarification on settlement agreement with Phillip Asia Pacific Opportunity Fund Ltd., the Board of Directors (the "**Board**") of Attilan Group Limited (the "**Company**") wishes to announce the following:-

**SGX's Query 1:**

In the Company's 1Q2018 Results, cash balance of S\$179,690 was reported as at 31 March 2018. Noting the terms of payment under the Settlement Agreement with Phillip Asia Opportunity Fund Ltd., please explain whether and how the Company is able to fulfill each of the following payment schedule as agreed with Phillip Asia:

- (i) a sum of S\$100,000 upon signing of the Settlement Deed;
- (ii) a sum of S\$50,000 on or before 15 June 2018;
- (iii) a sum of S\$50,000 on or before 30 June 2018;
- (iv) a sum of \$300,000 two months from the date of resumption of the trading of the shares in the Company; and
- (v) the remaining balance of S\$1,500,000 on (i) the completion date of a proposed reverse takeover exercise to be undertaken by the Company, or (ii) on 31 December 2018, whichever is earlier.

**The Company's responses:**

The Company has paid (i) and expects to make the payments of (ii) and (iii) of an aggregate of S\$100,000 from internally generated funds. For (iv), the Company may fulfill the payment from further drawdown of the redeemable convertible notes to be issued to Advance Opportunity Fund 1 pursuant to the Company's circular dated 21 December 2016. In addition, there is a further extension date of 31 March 2019 for the final payment in the event the proposed reverse takeover exercise is being undertaken. Alternatively, the Company may fulfill the final payment of the \$1.5 million from further drawdown of the redeemable convertible notes to be issued to Advance Opportunity Fund 1 pursuant to the Company's circular dated 21 December 2016.

**SGX's Query 2:**

Please disclose and provide details if there will be any penalty to the Company should it fail to make the agreed payments as stated in 1(i)-1(v) to Phillip Asia in the event Phillip Asia does not consent for the repayments to be extended.

**The Company's responses:**

In the event Phillip Asia does not consent for the repayments to be extended and the Company fails to make the agreed payments, Phillip Asia has the option of (i) enforcing the settlement agreement or (ii) proceeding with their action in the High Court Suit against the Company, in which event any sum paid to Phillip Asia by the Company would not be refunded and shall be treated as partial and incomplete payment of Phillip Asia's claim in the High Court Suit against the Company.

**SGX's Query 3:**

The Company responded to SGX Queries on 4 April 2018 that "the Company has given a corporate guarantee to Phillip Asia in relation to the Subscription. Based on ACRA search, Phillip Asia is a private equity fund whose shares are held mainly by high net worth individuals."

- (i) Please provide details of the "Subscription" referred to;
- (ii) Please provide the rationale why the Company had agreed to provide the corporate guarantee to Phillip Asia previously;
- (iii) Please explain why the Board of Directors is of the view that the provision of corporate guarantee is in the best interest of the Company and its minority shareholders, noting that this guarantee was given on behalf of an entity which is not part of the Attilan Group and this subsequently resulted in the Company having to pay S\$2 million to Phillip Asia;
- (iv) Please disclose the identity of these "high net worth individuals" and who are the directors of Phillip Asia;
- (v) Whether there is any relationship between these high net worth individuals, the directors of Phillip Asia and the Company's directors, CEO, substantial shareholders, controlling shareholders and their respective associates; and
- (vi) Please elaborate on the steps taken and the current status of the Company's claims against the counter indemnity by TAMI Fund.

**The Company's responses:**

- (i) As announced on 26 March 2018, the Subscription refers to the subscription by Phillip Asia of redeemable secured notes of up to a sum of US\$5 million issued by a subsidiary of a fund managed by TAMI, a former subsidiary of the Company.
- (ii) At the time when the Company provided guarantee in relation to the Subscription, TAMI and its subsidiaries were part of the Group. As announced on 3 August 2017 and 26 March 2018, the Company sold its shares in TAMI in May 2014 and due to certain advances owing by the Group to TAMI, the Company had to continue to act as a guarantor in relation to the Subscription. In return, TAMI provided a counter indemnity to the Company. Please refer to the announcements dated 3 August 2017 and 26 March 2018 for more details.
- (iii) As announced on 4 April 2018, the Audit Committee of the Company was of the view that the Company had taken steps to safeguard the interest of the Company and its public shareholders. The Board of Directors are kept informed by the Audit Committee. Please refer to the Company's announcement dated 4 April 2018 for more details.
- (iv) Based on ACRA search, none of the shareholders and directors of Phillip Asia are related to the directors or substantial shareholders of the Company. A copy of the ACRA search of Phillip Asia will be provided to the SGX-ST.
- (v) Please refer to paragraph (iv) above.
- (vi) As announced on 4 April 2018, the amount owing by the Company's subsidiaries to TAMI will be set off against the sum settled by the Company with Phillip Asia.

**SGX's Query 4:**

The Company stated that repayment of the last remaining balance of S\$1.5 million will be done through a reverse takeover exercise. Please provide further details of the reverse takeover exercise.

**The Company's responses:**

The Board is currently considering various exercises including the reverse takeover exercise. However, none of the exercises has been finalised as at the date of this announcement. In the event the reverse takeover exercise does not materialise and the Board decides to continue with building the Company's current business, the repayment of the S\$1.5 million may be made by further drawdown of the redeemable convertible notes to be issued to Advance Opportunity Fund 1 pursuant to the Company's circular dated 21 December 2016.

**SGX's Query 5:**

Please explain whether the Company's Board of Directors are of the view that the Company is able to continue as a going concern and the basis for the view.

**The Company's responses:**

The Board of Directors are of the view that the Company is able to continue as a going concern on the basis that:

- (a) Advance Opportunity Fund 1 has confirmed to the Company that subject to certain conditions, it will further subscribe the redeemable convertible notes to enable the Company to settle its liabilities with Phillip Asia; and
- (b) the current pre-school business is expected to stabilise in the second half of 2018 and the Board of Directors believe that there is potential growth within the industry of pre-school education business.

**BY ORDER OF THE BOARD**

Datuk Jared Lim Chih Li  
Managing Director  
5 June 2018