



GOODLAND GROUP LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 200405522N

PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF CITRINE ASSETS PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Goodland Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 14 January 2014 (the “**Agreement**”) with Citrine Capital Pte. Ltd. (“**Citrine Capital**”), Mr. Wong Kong Leong and Mr. Teh Wing Kwan (collectively, the “**Vendors**”), pursuant to which the Company has agreed to acquire 100% of the issued share capital of Citrine Assets Pte. Ltd. (“**Citrine Assets**”) from the Vendors for an aggregate consideration of S\$62,676,303 (the “**Acquisition**”).

2. INFORMATION ON CITRINE ASSETS

2.1 Business and Included Plots

Citrine Assets is incorporated in Singapore, and is engaged in the business of property development and investment holding. Citrine Assets owns 70% in the capital of T-City (Ipoh) Sdn. Bhd. (“**T-City**”) with the remaining 30% of T-City owned by GD Land Sdn. Bhd., a company incorporated in Malaysia (the “**Local Associate**”).

As at the date of this announcement, T-City is the legal and beneficial owner of certain properties located within Malaysia in the state of Perak Darul Ridzuan (the “**Properties**”). The total land area of the Properties owned by T-City is 8,891,991 sqft. The unexpired tenure of each property is approximately 98 years.

The Company will be purchasing only a portion of T-City’s Properties, amounting to a total land area of 2,235,935 sqft (hereinafter, the “**Included Plots**”). The Included Plots are slated for development as commercial and residential properties. These properties are of interest to the Company to acquire and develop given its focus on commercial and residential developments.

The Company will not be purchasing the remainder of T-City’s Properties, amounting to a total land area of 6,656,056 sqft (hereinafter, the “**Excluded Plots**”). The Excluded Plots are slated for other developments, such as hospitality and theme park, which are not of the Company’s interest to invest or develop for the time being.

On or before completion of the Agreement (“**Completion**”), T-City will be (i) the sole legal and beneficial owner of the Included Plots, and (ii) the bare title owner of the Excluded Plots. The Company, the Vendors and the Local Associate will enter into a deed of arrangement (the “**Deed**”) which will provide, *inter alia*, that (i) Citrine Capital will be entitled to 70% of the beneficial and economic interest of, and will bear 70% of the liabilities relating to, the Excluded Plots, and (ii) the Local Associate will be entitled to 30% of the beneficial and economic interest of, and will bear 30% of the liabilities relating to, the Excluded Plots (collectively, the “**Arrangement**”).

2.2 Independent Valuation

The Company has commissioned JB Jurunilai Bersekutu (KL) Sdn. Bhd. (the “**Valuer**”), a property valuer in Malaysia, to evaluate the “market value” of the Properties, being “the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

According to its valuation report dated 22 November 2013 (the “**Valuation Report**”), the Valuer is of the opinion that the market value of the Included Plots as at 22 November 2013 is approximately RM547.8 million, equivalent to approximately S\$210.7 million at an exchange rate of S\$1.00 : RM2.60 (the “**Exchange Rate**”). A 70% equity interest in the Included Plots owned by Citrine Assets will therefore amount to approximately RM383.4 million (equivalent to approximately S\$147.5 million at the Exchange Rate (the “**Value**”).

2.3 NTA and Book Value of Citrine Assets

Based on the unaudited pro forma statements of Citrine Assets for the 12 months ended 31 December 2013, the net tangible asset value and book value of Citrine Assets (excluding the book value of the Excluded Plots) as at 31 December 2013 is approximately S\$478.7 million and S\$147.5 million respectively.

3. INFORMATION ON THE VENDORS

Mr. Tan Chee Beng is currently an Executive Director and Executive Chairman of the Company. At the beginning of his career, he served as a civil engineer with a statutory board of the Singapore government undertaking public infrastructure and building construction works. Mr. Tan Chee Beng started in the property development and construction business in 1994. In 2003, he invested in mini farm businesses and started exploring investment opportunities in other countries in South East Asia and China. He is also the sole-shareholder of Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets).

Mr. Teh Wing Kwan is currently an Executive Director and Group Chief Executive Officer of a company listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Mr. Teh Wing Kwan holds directorships, as a non-executive and non-independent director, in several other public companies listed on Hong Kong Stock Exchange, SGX-ST and Australia Securities Exchange. Mr. Teh Wing Kwan is a corporate finance and corporate restructuring expert. He is also a sophisticated investor investing in private equity funds and other corporate bonds. Jointly with Mr. Wong Kong Leong, he has been investing in properties in Ipoh, the capital city of Perak, which he is very familiar with, and has invested in the exchangeable bonds issued by Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets) since January 2010.

Mr. Wong Kong Leong has been appointed as corporate planning and investment consultant for the Company since October 2012. Mr. Wong Kong Leong has held senior management positions in a government department (since privatised), a government-linked company and a

multinational company in Singapore. Mr. Wong Kong Leong has also held a senior executive position in one of India's largest property development groups. Mr. Wong Kong Leong specialises in corporate development and property related business operational structuring and re-structuring and his professional service spanned more than 15 years providing corporate consultancy services to many conglomerates in South East Asia and the Middle-East. Jointly with Mr. Teh Wing Kwan, he has also been investing in properties in Ipoh, the capital city of Perak, which he is very familiar with, and has also invested in the exchangeable bonds issued by Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets) since January 2010.

Citrine Capital owns 92% of the issued share capital of Citrine Assets and Citrine Capital is a 100% owned subsidiary of Top Fortune Capital Ltd. Mr. Wong Kong Leong and Mr. Teh Wing Kwan each owns 4% of the issued share capital of Citrine Assets after the exercise of the exchangeable bonds issued by Top Fortune Capital Ltd, the ultimate holding company of Citrine Assets.

4. PRINCIPAL TERMS OF THE ACQUISITION

4.1 Consideration

Subject to the terms and conditions of the Agreement:

- (a) the Company has agreed to purchase and the Vendors have agreed to sell a total of 100 shares of Citrine Assets (the "**Sale Shares**"), representing 100% of its issued share capital, free from encumbrances and together with all rights, benefits and entitlements attaching thereto, for an aggregate consideration of S\$62,676,303 (the "**Consideration**"); and
- (b) in satisfaction of the Consideration, the Company have agreed to allot and issue to the Vendors, based on their proportionate shareholding interests in Citrine Assets, a total of:
 - (i) 144,736,842 shares of the Company (the "**Consideration Shares**"), deemed fully-paid and representing an issue price of S\$0.38 per Consideration Share (the "**Issue Price**") and a total issue price of S\$55,000,000;
 - (ii) an aggregate principal amount of S\$3,000,000 0% redeemable convertible bonds (the "**Convertible Bonds**"), convertible at a price of S\$0.38 (the "**Conversion Price**") with a conversion period of 3 years. The Convertible Bonds will be subject to anti-dilution adjustments;
 - (iii) the sum of S\$2,176,303 in cash (the "**Completion Payment**"); and
 - (iv) an aggregate principal amount of S\$2,500,000 3% redeemable corporate bonds (the "**Corporate Bonds**") with a redemption period of 3 years.

The Consideration represents a discount of approximately 57.5% to the Value, being the value of the Included Plots owned by Citrine Assets.

The Issue Price and Conversion Price represents a premium of approximately 7.0% to the volume-weighted average price of S\$0.355 on 10 January 2014, being the full market day immediately prior to the date the Agreement is signed.

The Consideration Shares and the shares arising from the conversion of the Convertible Bonds (the "**Conversion Shares**"), when issued, shall rank *pari passu* with the then existing issued ordinary shares of the Company, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls prior to the date of

allotment of the Consideration Shares and the Conversion Shares.

The Consideration was determined at arm's length on a willing-buyer willing-seller basis, and is determined based on a discount of approximately 57.5% to the Value of the Included Plots, which is approximately RM383.4 million, equivalent to approximately S\$147.5 million at the Exchange Rate.

Upon completion of the proposed Acquisition, the Vendors will have the following direct and deemed interest in the shareholdings of the Company:

	Existing ⁽¹⁾		On Completion ⁽²⁾		Full Conversion Scenario ⁽³⁾	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Tan Chee Beng⁽⁴⁾	31,220,000	16.08%	164,377,895	48.50%	171,641,053	49.49%
Citrine Capital	-	-	133,157,895	39.29%	140,421,053	40.49%
Mr. Wong Kong Leong	-	-	5,789,474	1.71%	6,105,263	1.76%
Mr. Teh Wing Kwan	-	-	5,789,474	1.71%	6,105,263	1.76%

Notes:

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 194,189,000 Shares (excluding Treasury Shares).
- (2) Calculated based on the assumption that none of the Convertible Bonds are converted. The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 338,925,842 Shares (excluding Treasury Shares).
- (3) Calculated based on the assumption that all the Convertible Bonds are converted. The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 346,820,579 Shares (excluding Treasury Shares).
- (4) Mr. Tan Chee Beng is deemed interested in all the Shares held by Citrine Capital.

4.2 Board Composition

The Vendors shall procure that a resolution of the board of directors of Citrine Assets (or if required by the law of its jurisdiction or its articles of association, by-laws or other constitutional documents, of its shareholders) is passed approving the appointment as directors of two (2) persons nominated by the Company, one of which is to be the chairman who shall have a casting vote, with effect from date of Completion.

4.3 Conditions Precedent

Completion of the proposed Acquisition shall be conditional upon, *inter alia*, the following:

- (a) the grant of a waiver (whether conditional or otherwise) by the Securities Industry Council of Singapore (the "SIC") to Citrine Capital, Mr. Tan Chee Beng and their concert parties from their obligation to make a mandatory general offer for the shares of the

Company under the Singapore Code on Take-overs and Mergers (the “Code”), if applicable;

- (b) if necessary, the passing of a resolution by way of poll by independent shareholders of the Company in general meeting to waive their rights to receive the mandatory general offer from Citrine Capital, Mr. Tan Chee Beng and their concert parties;
- (c) the Arrangement being validly completed;
- (d) each of the Company, the Vendors and the Local Associate having entered into the Deed;
- (e) each of the Vendors and Company having entered into an agreement in relation to the issuance of the Convertible Bonds;
- (f) each of the Vendors and Company having entered into an agreement in relation to the issuance of the Corporate Bonds;
- (g) the receipt of approval in-principle granted by the SGX-ST for the listing and quotation of the Consideration Shares and the Conversion Shares on the SGX-ST;
- (h) receipt by the Parties and/or the Group of any applicable third party consents, approvals or waivers in connection with the proposed Acquisition, including in relation to the Arrangement; and
- (i) no order or judgment of any court or governmental, statutory or regulatory body in Singapore or elsewhere having been issued or made prior to Completion which has the effect of making the Agreement unlawful or otherwise prohibiting the Arrangement or the Vendor from selling the Sale Shares or any of them on the Completion Date.

If any of the conditions above is not satisfied by 30 June 2014 (or such other date as may be agreed in writing by the parties), the Agreement shall automatically terminate with immediate effect, save for certain surviving provisions which shall continue to apply, and that termination shall not affect a party's rights and obligations which have accrued as at the date of termination although each party's further rights and obligations shall cease immediately on termination.

5. RATIONALE AND BENEFITS

The Company is principally engaged in residential property development business mainly in Singapore. Thus, its main revenues stream and operating profits have been derived from this business segment and in this geographical area, which are specifically exposed to the cyclical nature and general economy condition in Singapore.

The Acquisition represents an opportunity for the Company to diversify its existing business into both residential and commercial properties development outside Singapore as part of its key strategic growth initiatives. These strategies, if implemented successfully, will enable the Company to establish another profitable business segment in addition to the Company's existing business in Singapore. It is further noted that there have recently been encouraging signs of investment interest in the property market in Malaysia.

The Board believes that the Company may ameliorate business risks by seeking such geographical and segmental diversification.

6. FINANCIAL EFFECTS

The pro forma financial effects of the proposed Acquisition, based on the audited consolidated financial statements of the the Company and its subsidiaries (the “Group”) for the financial year ended 30 September 2013 are set out below. The pro forma financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the proposed Acquisition.

Earnings per Share

Assuming that the proposed Acquisition has been completed on 1 October 2012, the effect on the earnings per share (“EPS”) of the Company for the financial year ended 30 September 2013 will be as follows:

	Before Acquisition	After Acquisition
On Completion		
Profit after tax and minority interest (S\$’000)	16,984	16,984 ⁽¹⁾
Number of shares	192,750,512	337,487,354
EPS (cents)	8.81	5.03
Full Conversion Scenario		
Profit after tax and minority interest (S\$’000)	16,984	16,984 ⁽¹⁾
Number of shares	192,750,512	345,382,091
EPS (cents)	8.81	4.92

Note:

(1) Fair value gain on investment properties is excluded.

Net Tangible Assets

Assuming that the proposed Acquisition has been completed on 30 September 2013, the effect on the net tangible assets (“NTA”) per share of the Company as at 30 September 2013 will be as follows:

	Before Acquisition	After Acquisition
On Completion		
NTA (S\$’000)	69,220	124,220 ⁽¹⁾
Number of shares	194,103,000	338,839,842
NTA per share (cents)	35.66	36.66
Full Conversion Scenario		
NTA (S\$’000)	69,220	127,220 ⁽¹⁾
Number of shares	194,103,000	346,734,579
NTA per share (cents)	35.66	36.69

Note:

(1) Fair value gain on investment properties is excluded.

7. INTERESTED PERSON TRANSACTION

Mr. Tan Chee Beng owns the Included Plots through his wholly-owned investment holding company, Top Fortune Capital Ltd, and is the sole ultimate shareholder of Citrine Capital. Mr. Tan Chee Beng introduced the deal to the Company, and is also our Executive Chairman. Accordingly, Citrine Capital is considered an “associate” of Mr. Tan Chee Beng and is considered an “interested person”. Accordingly, the proposed Acquisition constitutes an “interested person transaction” within the meaning of Chapter 9 of the Listing Manual.

The value of the proposed Acquisition is S\$62,676,303 which represents approximately 90.5% of the Group's latest audited NTA of approximately S\$69.2 million as at 30 September 2013. As the value of the proposed Acquisition exceeds 5% of the Group's latest audited NTA, the proposed Acquisition is subject to the approval of shareholders of the Company in general meeting pursuant to Rule 906 of the Listing Manual.

For the financial year ended 30 September 2013 (up to the date hereof), the Group has not entered into any interested person transaction with TCB, save as follows:

Name of the Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions pursuant to shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all IPTs under a shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
Mr. Tan Chee Beng	S\$2,000,000 investment in Citrine Capital ⁽¹⁾	-

Note:

(1) Please refer to the announcement of the Company dated 28 December 2012 for further information.

8. MAJOR TRANSACTION

The relative figures in respect of the proposed Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Bases in Rule 1006		
(a)	Net asset value of the assets to be disposed	Not applicable ⁽¹⁾
	Net asset value of the Group	-
	Size of relative figure	-
(b)	Net profits ⁽²⁾ attributable to Citrine Assets	- ⁽³⁾
	Net profits of the Group	18,109,965
	Size of relative figure	Not applicable ⁽³⁾
(c)	Aggregate value of the Consideration	S\$62,676,303
	Market capitalisation ⁽⁴⁾ of the Company	68,937,095
	Size of relative figure	90.9%
(d)	Number of Consideration Shares to be issued	144,736,842
	Number of shares of the Company in issue	194,189,000
	Size of relative figure	74.5%

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Citrine Assets does not have any revenue or profits.

- (4) “Market capitalisation” is determined by multiplying the number of shares of the Company in issue by the weighted average price of such shares transacted on 10 January 2014 (being the market day preceding the date of the Agreement).

As the relative figures as computed on the bases above exceeds 20%, the proposed Acquisition constitutes a “major transaction” within the meaning of Chapter 10 of the Listing Manual, and pursuant to Rule 1010, the proposed Acquisition is subject to the approval of shareholders of the Company in general meeting.

9. THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS (THE “CODE”)

Upon Completion and under the Full Conversion Scenario, Mr. Tan Chee Beng will have a total interest in approximately 48.50% and 49.49% respectively of the enlarged issued share capital of the Company (including shares of the Company held by Citrine Capital in which he is deemed interested).

Pursuant to Rule 14 of the Code, Citrine Capital, Mr. Tan Chee Beng and his concert parties will be obliged to make a mandatory general offer for the remaining shares of the Company, not owned, controlled or agreed to be acquired by him and his concert parties at the highest price paid or agreed to be paid by any of them for the shares of the Company, in the six (6) months preceding the issue and allotment of the Consideration Shares under the proposed Acquisition.

Under the Agreement, it is a condition precedent to completion of the Acquisition that the SIC grants Citrine Capital, Mr. Tan Chee Beng and their concert parties a waiver (whether conditional or otherwise) of their obligation to make a mandatory general offer for the shares of the Company under the Code, and if necessary, that the independent shareholders of the Company pass a resolution by way of poll at a general meeting to waive their rights to receive the mandatory general offer from Citrine Capital, Mr. Tan Chee Beng and their concert parties. Accordingly, Citrine Capital and/or Mr. Tan Chee Beng will be writing in to SIC to seek a confirmation or waiver as to their obligation to make a mandatory general offer for the shares of the Company under the Code.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr. Tan Chee Beng as disclosed above, none of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the proposed Acquisition, other than in their respective capacity as Directors or Shareholders of the Company.

11. STATEMENT FROM THE AUDIT COMMITTEE

SAC Capital Private Limited (the “IFA”) has been appointed as the independent financial adviser to the Audit Committee in relation to the proposed Acquisition. The Audit Committee of the Company will be obtaining an opinion from the IFA before forming its view on whether the proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

12. DESPATCH OF SHAREHOLDERS CIRCULAR

The Company will in due course despatch a circular to the shareholders containing information relating to the proposed Acquisition as well as to seek approval for the same at an extraordinary general meeting to be convened. The circular will also set out the opinion of the IFA and the recommendation of the Directors who are independent for the purposes of the proposed Acquisition on the proposed Acquisition.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 18 Roberts Lane, #02-01/02 Goodland Building, Singapore 218297, during normal business hours for three months from the date of this announcement.

By Order of the Board
GOODLAND GROUP LIMITED

Kenneth Hor Swee Liang
Company Secretary

14 January 2014