

**NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF THE EQUITY INTEREST OF TREMENDOUS ENTERTAINMENT GROUP LTD.**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**” or the “**Directors**”) of Attilan Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 26<sup>th</sup> June 2019 entered into a non-binding memorandum of understanding (the “**MOU**”) with Tremendous Opportunity Fund I LP (“**Vendor**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire equity interest in Tremendous Entertainment Group Ltd. (“**TEG**”) (the “**Sale Shares**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The Proposed Acquisition will be classified as a “very substantial acquisition” or “reverse takeover” according to the size of the relative figures computed on the basis as set out in Chapter 10 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). In accordance with Rule 1015 of the Listing Manual, the Proposed Acquisition, being a “very substantial acquisition” or “reverse takeover”, is subject to, *inter alia*, the approval of the SGX-ST and the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (the “**EGM**”) to be convened.

**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 TEG AND THE VENDOR**

TEG is an independent producer of family entertainment content focused on 3 main pillars comprising broadcast, live and interactive exhibitions. With over 20 years in the business, TEG continues to build a portfolio of award winning content. Under its broadcast content is Hi-5, a popular preschool children’s TV programme with a 360-degree business model. Under the live segment sits TEG’s subsidiary, Base Entertainment Asia, which manages the prestigious Sands Theatre in Marina Bay Sands while also producing and presenting live content of various genres in the region. As for the exhibition business, TEG through its subsidiary, Tremendous Experiences, uses the latest technologies and production techniques to develop interactive exhibitions for its own intellectual properties as well as for third party clientele.

The Vendor is a limited partnership registered in the Cayman Islands which is acting through its general partner, Tremendous Asia Partners Inc.

**3. RATIONALE**

The Proposed Acquisition, if successful, will further transform the principal business of the Company into a family entertainment content business and is in line with the Group’s corporate strategy to venture into a new business area which will allow it to achieve a more consistent and sustainable financial growth.

In addition, the Proposed Acquisition will place the Company in a better position to apply to the SGX-ST to lift the suspension of trading of the Company’s shares. After the Proposed Acquisition, the Company will have the opportunity to increase its market capitalisation and

hence enhance its profile with the investment community, henceforth leading to improved investors' interest and trading liquidity for its shares.

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 Subject to paragraph 4.1.4 below, the purchase consideration for the purchase of the Sale Shares (the "**Purchase Consideration**") shall amount to S\$100.0 million which was arrived at on a willing-buyer and willing-seller basis.
- 4.1.2 The Purchase Consideration will be satisfied in full by cash and by the allotment and issue of such number of new ordinary shares in the capital of the Company (the "**Consideration Shares**") to the Vendor at an issue price per Consideration Share to be negotiated after the execution of the MOU, on completion of the Proposed Acquisition (the "**Completion**").
- 4.1.3 The Purchase Consideration is subject to paragraph 4.1.4 below and is based on the premise that the Company shall issue such number of its new shares to raise a minimum gross placement proceeds (before deducting costs and expenses to be incurred in connection with the placement exercise) of S\$5.0 million.
- 4.1.4 The Company and the Vendor agree that after the signing of the Definitive SPA, they will appoint an independent valuer to provide a valuation of TEG 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 acquisition of Sale Shares, including but not limited, to the Purchase Consideration.
- 4.1.5 The Vendor acknowledges that the Company has received a notification of delisting (the "**Delisting Notification**") from the SGX-ST on 4 June 2019 and will be submitting an appeal and/or an extension application against the Delisting Notification to the SGX-ST. The Parties agree that the acquisition of the Sale Shares will proceed regardless whether the Company is granted the appeal or extension by the SGX-ST in respect of the Delisting Notification.

##### 4.2 *Conditions Precedent*

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

- (i) 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 TEG, 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 TEG;
- (ii) the Vendor 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 Vendor 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;
- (iii) the full settlement of all the outstanding debts owing by the Company to its creditors including Phillip Asia Pacific Opportunity Fund Ltd. and the holders of put option pursuant to the put option agreements entered with the Company by way of a scheme of arrangement or other arrangement as may be agreed by the Company and its creditors, and as at the date of Completion, the Company shall have no outstanding debts save for those debts arising in its ordinary course of business;

- (iv) the full settlement of all the outstanding debts owing by TEG to its creditors including Tap Venture Fund 1 Pte. Ltd. and as at the date of Completion, TEG shall have no outstanding debts save for those debts arising in its ordinary course of business;
- (v) there is no existing or pending litigation, arbitration, administrative or enforcement proceedings which may materially affect the assets of the Company or TEG;
- (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 transfer of the Sale Shares from the Vendor to the Company having been obtained, and if subject to conditions, on such conditions acceptable to the Company, prior to the date of Completion;
- (vii) the listing and quotation notice being received from the SGX-ST for the listing and quotation of Consideration Shares upon their allotment and issue and where such approval in-principle is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company as confirmed in writing by them, such approval not being revoked, rescinded or cancelled prior to the date of Completion;
- (viii) (if required) the receipt of the whitewash waiver from the Securities Industry Council, and where such waiver is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company 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 at an EGM being obtained for:
  - (a) the purchase of the Sale Shares;
  - (b) the allotment and issue of the Consideration Shares to be issued in favour of the Vendor;
  - (c) its independent shareholders approving the whitewash resolution;
  - (d) the proposed transfer from Mainboard to Catalist; and
  - (e) such other corporate action(s) in connection with the purchase of the Sale Shares, as may be necessary.
- (x) there is no material breach by either Party of the representations, warranties, covenants and indemnities contained in the Definitive SPA;
- (xi) 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 a change, in the business, assets, prospects, performance, financial position or results of operations of TEG from the date of the MOU; and
- (xii) the Company 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 one (1) month 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 CONTROLLING SHAREHOLDERS**

Save that Ng Teck Wah, being a controlling shareholder of the Company, is also a director of Tremendous Asia Partners Inc., the general partner of the Vendor, 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 Proposed Acquisition (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. SUBMISSION TO SGX-ST AND FURTHER ANNOUNCEMENTS**

The Company will be submitting to the SGX-ST an appeal in relation to the Delisting Notification and its proposal in respect of the Proposed Acquisition. The Company will make further announcements, in compliance with the requirements of Chapter 10 of the Listing Manual, 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**

Datuk Jared Lim Chih Li  
Managing Director  
26<sup>th</sup> June 2019