

**PROPOSED ACQUISITION OF SHARES REPRESENTING 100% OF THE ISSUED SHARE
CAPITAL OF UES HOLDINGS PTE. LTD.**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of P99 Holdings Limited (the “**Company**” or the “**Purchaser**”, and together with its subsidiaries, the “**P99 Group**”), refers to the announcements dated 23 June 2016 and 24 August 2016 (the “**Announcements**”) in relation to the further extension of time to enter into definitive agreement(s) with a view to satisfy the requirements of a new listing under the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).
- 1.2 The Board also refers to the announcements dated 1 December 2014, 30 November 2015 and 4 December 2015 in relation to (*inter alia*) the “cash company” status of the Company. The Board wishes to announce that it has, on 30 September 2016, entered into a conditional sale and purchase agreement (the “**SPA**”) to acquire (the “**Proposed Acquisition**”) 100% of the issued share capital (the “**Sale Shares**”) of UES Holdings Pte. Ltd. (the “**Target**”) from Giant Maze Limited (the “**Vendor**”, and together with the Purchaser, the “**Parties**”), for an aggregate purchase consideration of S\$65,000,000, subject to adjustments as described in paragraph 2.6 of this announcement.
- 1.3 The Proposed Acquisition constitutes a “Reverse Takeover” transaction pursuant to Chapter 10 of the Catalist Rules, and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened. Further information on, *inter alia*, the Proposed Acquisition will be provided in the circular (the “**Circular**”) to be despatched to Shareholders in due course.

2. PROPOSED ACQUISITION

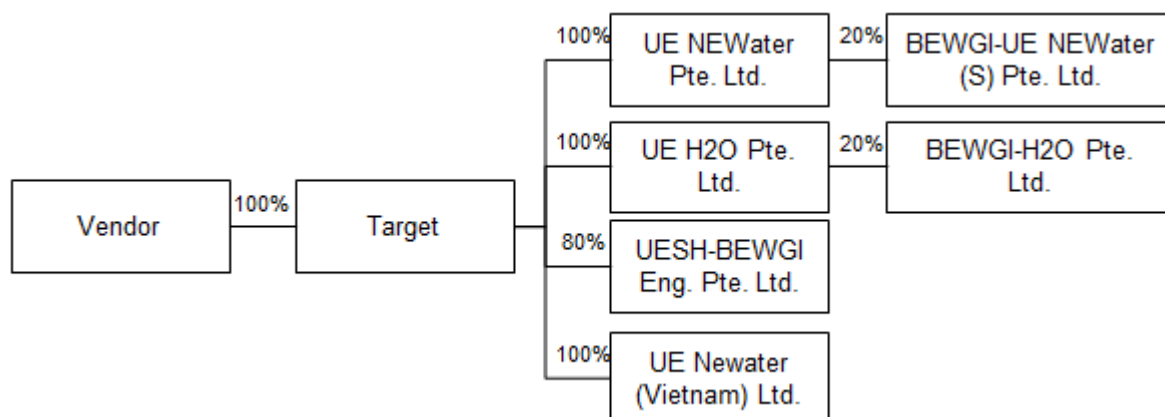
2.1 Information on the Target

The Target operates as an investment holding company and offers environmental engineering services. With headquarters in Singapore and regional operations in Indonesia, Cambodia, Vietnam, Myanmar and China, the Target is a key water engineering company in the region and has capabilities in both municipal and industrial water and wastewater engineering, water recycling, desalination and odour control. The Target has also ventured into the renewable energy market, specifically for waste-to-energy, biogas and biomass projects. The Target is able to provide complete integrated services from design, engineering, procurement, construction, installation, testing & commissioning to operation and maintenance. It was incorporated in Singapore in 1966, and currently has an issued and paid up share capital of S\$105,000,000 divided into 62,000,000 shares. The Vendor owns 100% of the issued and paid up share capital of the Target.

The Target holds 100% of the issued shares in UE NEWater Pte. Ltd., which in turn holds 20% of the issued shares in BEWGI-UE NEWater (S) Pte. Ltd. The Target also owns 100% of the issued shares in UE H2O Pte. Ltd., which in turn holds 20% of the issued shares in BEWGI-H2O Pte. Ltd. The Target also holds 80% of the issued share capital of UESH-BEWGI Eng. Pte. Ltd., and 100% of the issued share capital of UE NEWater (Vietnam) Ltd.

Save for UE Newater (Vietnam) Limited which is a company incorporated in Vietnam, the entities referred to above are all companies incorporated in Singapore, and shall hereinafter

together with the Target, be collectively referred to as the “**Target Group**”. The organisational structure of the Target Group is as follows:



2.2 Information on the Target Group

The key details of each of the entities within the Target Group are as follows:

No.	Name of Company (with registration number)	Issued and Paid-Up Capital	Principal Activity
1.	UES Holdings Pte. Ltd. (Singapore Company Registration No. 196600065Z)	S\$105,000,000 comprising 62,000,000 shares	Environmental engineering and investment holding
2.	UE NEWater Pte. Ltd. (Singapore Company Registration No. 198004313M)	S\$1,100,000 comprising 1,100,000 shares	Environmental engineering and investment holding
3.	BEWGI-UE NEWater (S) Pte. Ltd. (Singapore Company Registration No. 201429311H)	S\$100,000 comprising 100,000 shares	Water management services
4.	UE H2O Pte. Ltd. (Singapore Company Registration No. 197800668M)	S\$4,833,939 comprising 4,833,939 shares	Environmental engineering and investment holding
5.	BEWGI-H2O Pte. Ltd. (Singapore Company Registration No. 201437955R)	S\$10 comprising 10 shares	Operation and maintenance of waste water service
6.	UESH-BEWGI Eng. Pte. Ltd. (Singapore Company Registration No. 201437943C)	\$10 comprising 10 shares	Water engineering service
7.	UE Newater (Vietnam) Limited (Vietnam Company Registration No. 411043001755)	Charter Capital of US\$500,000	Environmental engineering

BEWG International Pte. Ltd. (Singapore Company Registration No. 201326202Z) holds the remaining 80% of the issued shares in each of BEWGI-UE NEWater (S) Pte. Ltd. and BEWGI-H2O Pte. Ltd., and the remaining 20% of the issued shares in UESH-BEWGI Eng. Pte. Ltd. BEWG International Pte. Ltd. is a wholly owned subsidiary of Beijing Enterprises Water Group Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong (Stock Code: 371).

2.3 The business of the Target Group (the “**Business**”) in the environmental engineering industry includes but is not limited to engineering, procurement and construction (“**EPC**”) projects, design and build projects, build-operate-transfer (“**BOT**”) projects, and design, build, own and operate (“**DBOO**”) projects. Key projects of the Target Group include:

2.3.1 the project to *inter alia* design, build, own and operate the NEWater facility and associated equipment and facilities at 10 Changi East Close;

2.3.2 the process upgrading and equipment replacement at Chestnut Avenue Waterworks;

- 2.3.3 the proposed expansion to Digesters and Effluent Pumping Station;
- 2.3.4 the proposed membrane plant at Changi Water Reclamation Plant;
- 2.3.5 the expansion of Jurong Water Reclamation Plant Phase 4; and
- 2.3.6 the construction of Stamford Detention Tank and Ancillary Facility.

2.4 Information on the Vendor

The Vendor is a company incorporated in the British Virgin Islands, and its principal business is that of investment holding. The sole shareholder of the Vendor is CMENV Investment Limited, a company incorporated in the British Virgin Islands with its principal business being investment holding.

As at the date of this announcement, Ms. Liu Yujie, a citizen of the People's Republic of China, is beneficially entitled to 55% of the issued share capital of CMENV Investment Limited. The remainder of the issued share capital of CMENV Investment Limited is held by CM International Capital Limited (incorporated in the Cayman Islands), which is a wholly owned subsidiary of CM International Capital Limited (incorporated in Hong Kong).

Further details and background information of the Target Group, the Vendor, its shareholders and their directors will be included in the Circular.

2.5 Consideration

The aggregate consideration for the Proposed Acquisition is S\$65,000,000 (the "**Consideration**") which shall be fully satisfied in the following manner:

- 2.5.1 S\$16,000,000 in cash, payable in two (2) tranches as follows:
 - (a) a refundable deposit of S\$2,000,000 (the "**Deposit**") to be paid by the Company to the Vendor within 90 days of the execution of the SPA; and
 - (b) S\$14,000,000 in cash, which shall be paid within 90 days of the completion of the sale and purchase of the Sale Shares (the "**Completion**"); and
- 2.5.2 S\$49,000,000 by the allotment and issuance of 612,500,000 new shares in the capital of the Company (the "**Consideration Shares**") at an issue price of S\$0.08 for each Consideration Share.

The Consideration Shares shall be allotted to the Vendor, its shareholders and/or such party as they may direct (the "**Designated Holders**"), on Completion as partial satisfaction of the Consideration. Due to potential restructuring of the Vendor's shareholding structure, further details on the Designated Holders will be provided in the Circular.

The Consideration was arrived at on a willing-buyer and willing-seller basis, based on the estimated Appraised Value (as defined below) of the Target Group, taking into account, *inter alia*, the net tangible assets, earnings and business prospects of the Target Group.

2.6 Additional Corporate Actions

For the purposes of financing the acquisition of the Sale Shares (including the payment of the Deposit) and for the purposes of funding the business of the Target Group, the Vendor acknowledges and agrees that fund raising exercises and/or other corporate actions may be undertaken by the Company (the "**Corporate Actions**"). As the cash portion of the Consideration exceeds the amount of monies held by the Company in its escrow account, the Company will announce details on the Corporate Actions in due course.

2.7 Appraised Value

An independent valuation shall be performed by an independent valuer (the “**Independent Valuer**”) appointed by the Company as required under Rule 1015(3) of the Catalist Rules which shall be provided in a written report addressed to the Company (the “**Appraised Value**”). If the Appraised Value is between S\$58,500,000 and S\$71,500,000, there will be no adjustment to the number of the Consideration Shares to be allotted and issued to the Vendor as Consideration. If the Appraised Value is less than S\$58,500,000, or exceeds S\$71,500,000, the Company and the Vendor shall discuss and negotiate such adjustments to the Consideration (the “**Adjusted Consideration**”). In the event the Company and the Vendor are unable to agree on the Adjusted Consideration within one (1) month of the date of the issuance of the valuation report by the Independent Valuer, the SPA shall be terminated by mutual agreement of the Company and the Vendor.

2.8 Share Consolidation

As the Consideration is to be partially satisfied by the issue of the Consideration Shares, the Company shall, in compliance with Rule 1015(3)(c) of the Catalist Rules, ensure that the price per Share of the Company after adjusting for any share consolidation must not be lower than S\$0.20. Accordingly, the Company will seek advice from the financial adviser to be appointed on a share consolidation exercise to be carried out prior to Completion (the “**Share Consolidation**”). Based on the issue price per Consideration Share of S\$0.08, the Company expects that the Share Consolidation ratio would be a consolidation of every three (3) existing ordinary shares in the capital of the Company into one (1) ordinary share.

2.9 The Proposed Acquisition as a Reverse Takeover

Based on the latest unaudited consolidated financial statements of the P99 Group for the half-year ended 30 June 2016, the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Catalist Rules are as follows:

Rule	Basis of Calculation	Relative Figure
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits ⁽¹⁾	Not meaningful ⁽¹⁾
Rule 1006(c)	Aggregate value of Purchase Consideration given, compared with the Company’s market capitalisation based on the total number of issued Shares excluding treasury shares	380% ⁽²⁾
Rule 1006(d)	Number of equity securities issued by the Company as the Purchase Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	283%
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves	Not applicable

Notes:

(1) Not meaningful as the Company was in a net loss position for the half-year ended 30 June 2016.

(2) The market capitalisation of the Company was determined by multiplying the 216,408,402 Shares in issue as at the date of this announcement by the weighted average price of the Company’s Shares of S\$0.079 based on trades done on the SGX-ST on 29 September 2016, being the market day preceding the date of the SPA.

The Board notes that the relative figures under Rules 1006(c) and (d) of the Catalist Rules exceed 100% and as the Consideration Shares to be allotted and issued to the Designated Holders will represent approximately 73.89% of the enlarged share capital of the Company upon Completion, the Proposed Acquisition will also result in a change of control of the

Company. Pursuant to Rule 1015(1) of the Catalist Rules, the Proposed Acquisition constitutes a “Reverse Takeover”. Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of Shareholders at an EGM to be convened, and the approval of the SGX-ST.

2.10 Conditions Precedent

The SPA will be subject to, *inter alia*, the fulfilment and satisfaction of the following conditions precedent (the “**Conditions Precedent**”) on or prior to the **Completion Date**, which shall take place on the date falling within seven (7) days after the fulfilment of all the Conditions Precedent (unless they are waived by the relevant party) or such date as may be mutually agreed between the Company and the Vendor:

(a) General

- (i) all permits as may be required or appropriate for or in connection with the sale and purchase of the Sale Shares or the transactions contemplated in the SPA and to carry on the business of the Target Group companies from all relevant governmental bodies having been obtained and not withdrawn or revoked by such third parties and where any such permits are obtained subject to any conditions, such conditions being acceptable to the parties;
- (ii) all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the sale and purchase of the Sale Shares and to carry on the business of the Target Group; and, if such consents and/or conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion; and
- (iii) such permits and/or consents as are necessary for the Target Group’s Business and operations having been obtained and remaining valid and subsisting (including but not limited to such consents as may be necessary from BEWG International Pte. Ltd., wherein the Purchaser shall execute and/or procure the execution of such documents as may be necessary to discharge the Vendor’s and/or its affiliates’ obligations pursuant to existing documents binding upon them), and each of the Target Group companies is not in breach of the material terms and conditions of such permits and/or consents and where the terms of any material contract or permit to which the Target is subject contain any restriction or prohibition on the change in the shareholding and/or the boards of directors of the Target or include any right to terminate exercisable prior to or as a result of any matter contemplated by the SPA, written approval or consent or written confirmation of the waiver from third parties of such restrictions or prohibition in relation to any such change arising from the transactions under the SPA or of any such right to terminate having been obtained or fulfilled.

(b) Consents and Approvals

- (i) The Purchaser, Vendor and Target obtaining such approvals from their respective boards of directors and in respect of the Vendor, the necessary approvals from its shareholder(s) in connection with the Proposed Acquisition and the transactions contemplated in relation thereto as may be necessary;
- (ii) the Proposed Acquisition being approved by SGX-ST and/or a full sponsor and/or any other relevant authorities (including but not limited to the Public Utilities Board of Singapore, wherein the Purchaser shall execute and/or procure the execution of such documents as may be necessary to discharge the Vendor’s and/or its affiliates’ obligations pursuant to existing documents binding upon them) and where such approval is obtained subject to any

conditions, such conditions being reasonably acceptable to the Purchaser, Vendor and the Target;

- (iii) a waiver being obtained from Securities Industry Council (the “**SIC**”) of the obligation by the Vendor and its concert parties to make a mandatory general offer under the Singapore Code on Take-overs and Mergers for the Purchaser (the “**Whitewash Waiver**”) for all the shares in the capital of the Purchaser in issue not already owned, controlled or agreed to be acquired by the Vendor and its concert parties as a result of the allotment and issuance of the Consideration Shares to the Vendor (and/or its concert parties, if any) pursuant to the Proposed Acquisition, subject to any conditions that SIC may impose and provided that such conditions are reasonably acceptable to the Vendor and its concert parties;
 - (iv) the Purchaser obtaining the Shareholders’ approval at an EGM to be convened for the Proposed Acquisition and the transactions in connection thereto, including but not limited to shareholder approvals in connection with the resolution relating to the Whitewash Waiver, the allotment and issuance of the Consideration Shares and the Share Consolidation as may be required;
 - (v) the approval of all transactions contemplated in connection with the sale of the Sale Shares and issuance of Consideration Shares by the regulatory authorities (including, without limitation, a full sponsor, SGX-ST and the SIC) including the receipt and non-withdrawal of the listing and quotation notice (the “**Listing Approval**”) of the SGX-ST for, *inter alia*, the listing and quotation of the Consideration Shares on the Catalist of the SGX-ST subject to any conditions attached to the Listing Approval which is required to be fulfilled on or before the Completion having been fulfilled on or before Completion to the satisfaction of the SGX-ST or otherwise waived by the SGX-ST;
 - (vi) where the Listing Approval is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Purchaser as confirmed by the Parties;
 - (vii) approval being obtained from the Shareholders for any changes of the Directors;
 - (viii) approval being obtained from the Shareholders for the change of name of the Purchaser to such name as the Vendor may decide;
 - (ix) where required, approval being obtained from the Shareholders for the Share Consolidation, a compliance placement to meet the relevant shareholding spread, distribution and public float requirements of the Catalist Rules upon terms to be mutually agreed between the Parties (the “**Compliance Placement**”), and any issuances of shares for which the Purchaser requires Shareholders’ prior approval; and
 - (x) the allotment, issue and subscription of the Consideration Shares not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to the Target and/or the Purchaser.
- (c) Voting Undertakings

The Purchaser shall procure and deliver written undertakings by way of deed in the agreed form, from each of the Purchaser’s substantial shareholders, to vote in favour of the transactions contemplated in the SPA, and not to dispose of their

shareholdings in the Purchaser until the conclusion of the extraordinary general meeting of the Purchaser to be convened for the Proposed Acquisition.

(d) Satisfactory Due Diligence

- (i) The Purchaser being satisfied with the results of the financial, business and legal due diligence on the Target to be carried out by the Purchaser and/or its advisers; and
- (ii) the Vendor being satisfied with the results of the financial, business and legal due diligence on the Purchaser to be carried out by the Vendor and/or its advisers.

(e) Independent Valuation

- (i) An opinion from an independent financial adviser (“**IFA**”) of the Purchaser expressing an opinion containing a recommendation by the IFA to the relevant directors of the Purchaser to recommend to the Shareholders to vote in favour of the resolution relating to the Whitewash Waiver; and
- (ii) the Purchaser receiving the Independent Valuation Report from the independent valuer, such report to comply with any relevant requirements of the Catalist Rules.

(f) Accounts

- (i) Each of the Target Group companies having sufficient working capital for the next 12 months and operate as a going concern; and
- (ii) all liabilities are accurately disclosed in the last audited accounts of the Target and there is no further liability or contingent liability for taxes in respect of the Target otherwise than as a result of activities in the ordinary course of its business since the date of the last audited accounts.

(g) Remaining Listed on the Catalist

The Purchaser shall remain listed on the Catalist Board of the SGX-ST, and there being no suspension of the Shares of the Purchaser (other than any temporary suspension at the request of the Purchaser or any suspension which will be lifted prior to or upon Completion), from the date of the SPA up to and on the date of Completion.

(h) Receipt of Service Agreements

The receipt by the Purchaser of service agreements duly executed by the key management team as identified by the Vendor in such form and substance satisfactory to the Purchaser including that they shall remain employed or engaged by the Target Group and/or the Purchaser for at least three (3) financial years following Completion, such service agreements containing non-compete provisions which are customary for transactions of this nature.

(i) No Litigation / Disciplinary Proceedings

- (i) No civil, criminal, arbitration, administrative or other proceeding is pending or threatened by or against the Target or a person for whose acts or defaults the Target may be vicariously liable, which may or will have a material adverse effect on the Target’s business and/or financial position;

- (ii) where there may or will be a material adverse effect on the Target's business and/or financial position, the Target (or any person for whose acts or defaults the Target may be vicariously liable) not to be involved whether as claimant or defendant or other party in any claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration (other than as claimant in the collection of debts arising in the ordinary and usual course of its business) and no such claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration is pending or threatened by or against the Target (or any person for whose acts or defaults the Target may be vicariously liable);
- (iii) as at the date of the SPA, there are no investigations, disciplinary proceedings against and/or involving the Target Group or other circumstances known to the Vendor which may or will have a material adverse effect on the Target's business and/or financial position which are likely to lead to any claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration against the Target Group; and
- (iv) the Vendor and Purchaser not having received notice of any injunction or other order, directive or notice having the eventual effect of permanently restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to permanently restrain or prohibit the consummation thereof, which is pending or any such injunction, other order or action which is threatened.

(j) No Breach of Warranties

Each of the representations, warranties, indemnities, covenants and undertakings remaining true and not misleading in any material respect at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion and the Vendor's warranties and Purchaser's warranties will be fulfilled down to Completion.

(k) Financing Facilities

The written waivers and/or consents obtained from the relevant bank(s) to enable the Purchaser to be registered as a holder of any and all of the Sale Shares, and where applicable, discharge of the Vendor's and/or its affiliates' obligations under the credit facilities taken out by the Target Group companies. The Parties shall also procure that the Target Group obtains sufficient replacement and/or new financing facilities from a bank of international repute for the purposes of financing the business of the Target Group.

2.11 Long Stop Date

The long stop date of the SPA is at 30 June 2017 (the "**Long Stop Date**") or such further date as the Vendor and Purchaser may agree in writing.

If any of the Conditions Precedent is not fulfilled and such conditions with reference to circumstances as at the date of Completion not waived by mutual consent of the parties by the Long Stop Date, the SPA shall, *ipso facto*, cease and determine and (save for any antecedent breach of the SPA) no party shall have any claim against the other party for damages, compensation or anything whatsoever.

The Long Stop Date is also subject to SGX-ST approval of a further extension of time to meet the requirements for a new listing, the background and further details of which are discussed in paragraph 6 of this announcement.

3. FINANCIAL INFORMATION OF THE TARGET GROUP

A summary of the audited financial statements of the Target Group for the financial years ended 31 December 2014 ("FY2014") and 31 December 2015 ("FY2015") after the Proposed Acquisition is set out below.

Shareholders should note that the following figures are subject to adjustments as a result of the on-going restructuring exercise by the Target Group (the "Restructuring"). Details of such adjustments pursuant to the restructuring exercise will be set out in the Circular in due course.

Combined Income Statement (S\$'000)	Target Group	
	FY2014	FY2015
Revenue	81,795	122,463
Profit/(loss) before tax	125,692 ⁽¹⁾	19,207
Profit/(loss) after tax	125,697	18,623

Balance Sheet (S\$'000)	Target Group	
	As at 31 December 2014	As at 31 December 2015
Non-current assets	5,148	17,097
Current assets	159,280	166,946
Current / Non-current liabilities	47,713	53,208
Equity	116,715	130,835

Note:

(1) Approximately S\$114.3 million of gain on disposal before tax was recognised in FY2014 as a result of the Target's divestment of its equity interest in UE E&C Ltd. For further details on the voluntary conditional offer by DMG & Partners Securities Pte Ltd for and on behalf of Universal EC Investments Pte. Ltd. to acquire all the issued and paid-up ordinary shares in the capital of UE E&C Ltd. (the "Offer"), please refer to the announcements and documents in connection with the Offer on SGXNET.

4. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

4.1 Bases

The *pro forma* financial effects of the Proposed Acquisition on the share capital, earnings and net tangible assets ("NTA") have been prepared based on the audited financial statements of the Group and the Target Group for FY2015.

4.2 Assumptions

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

- 4.2.1 the *pro forma* financial effects of the Proposed Acquisition on the earnings and earnings per Share of the Group for FY2015 are computed assuming the Proposed Acquisition was completed on 1 January 2015, being the beginning of that financial year;
- 4.2.2 the *pro forma* financial effects of the Proposed Acquisition on the NTA and the NTA per Share of the Group as at 31 December 2015 are computed assuming the Proposed Acquisition was completed on 31 December 2015, being the end of the most recently completed financial year;
- 4.2.3 an aggregate of 612,500,000 Consideration Shares were allotted and issued at S\$0.08 per Consideration Share;

- 4.2.4 the transactional costs and expenses in connection with the Proposed Acquisition are disregarded for the purpose of calculating the financial effects;
- 4.2.5 the effects of the Restructuring on the financial position of the Target Group are disregarded for the purpose of calculating the financial effects;
- 4.2.6 the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on the Completion Date when the Designated Holders have effectively obtained control of the Company. As the goodwill will have to be determined at Completion of the Proposed Acquisition, the goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company; and
- 4.2.7 there is no adjustment to the Consideration of S\$65,000,000.

4.3 **Effect on share capital**

	Number of Shares	Share Capital (S\$'000)
Before the Proposed Acquisition as at 31 December 2015	216,408,402	48,540
Add: Issue of the Consideration Shares	612,500,000	49,000
After Completion of Proposed Acquisition	828,908,402	97,540

4.4 **Effect on earnings**

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit / (Loss) attributable to Shareholders for FY2015 (S\$'000)	(1,580)	17,043
Weighted average number of Shares	216,408,402	828,908,402
Profit / (Loss) per Share (S\$ cents)	(0.73)	0.02

4.5 **Effect on NTA**

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group as at 31 December 2015 (S\$'000)	9,278	140,113
Number of Shares	216,408,402	828,908,402
NTA per Share (S\$ cents)	4.29	16.90

5. **SHAREHOLDING EFFECTS**

For illustrative purposes only, the anticipated changes in the substantial and controlling shareholders' direct and deemed interests in the Company are set out below:

Shareholder	Before the Proposed Acquisition	After the Proposed Acquisition⁽¹⁾
Cheong Choong Kong	10.91	2.85
Tan Chong Huat ⁽²⁾	10.26	2.68
Tan Kim Seng	7.95	2.08
Lim Sze Jong	6.91	1.80
Existing Shareholders of the Company	63.96	16.70
Designated Holders ⁽³⁾	-	73.89
Total	100.00	100.00

Notes:

- (1) The anticipated direct and deemed interests of the substantial and controlling Shareholders after the Proposed Acquisition may be adjusted due to changes in the share capital structure of the Company as a result of the Corporate Actions, for the purposes of financing the acquisition of the Sale Shares (including the payment of the Deposit) and for the purposes of funding the business of the Target Group. Details of the Corporate Actions will be announced by the Company in due course.
- (2) Mr. Tan Chong Huat is the beneficial owner of the 22,200,000 Shares held in custodial account with BNP Paribas Nominees Singapore Pte. Ltd.
- (3) The computations in this table are based on the Consideration of S\$65,000,000 and the allotment and issuance of 612,500,000 Consideration Shares by the Company to the Designated Holders.

6. RATIONALE FOR THE PROPOSED ACQUISITION

- 6.1 Following the announcement dated 1 December 2014 in relation to the Consent Final Award (as defined therein) issued on 27 November 2014, the Company became a cash company under Rule 1017 of the Catalist Rules with effect from 1 December 2014. Under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove an issuer from the Catalist 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.
- 6.2 The SGX-ST had on 30 November 2015 granted the Company an extension of six months, until 30 May 2016, to meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules. On 27 May 2016, the Company submitted an application to the SGX-ST to apply for a waiver of Rule 1017(2) of the Catalist Rules to provide the Company with additional time to complete all the necessary procedures for the Proposed Corporate Actions (as defined in the announcement by the Company dated 24 May 2016).
- 6.3 Thereafter, the SGX-ST had informed the Company that an application for a further extension of time to satisfy the SGX-ST's requirements for a new listing under Rule 1017(2) of the Catalist Rules should be made. In light of the termination of certain letters of intent with effect from 22 June 2016, the Company identified another acquisition opportunity which, if it materialises, would result in a reverse takeover of the Company (the "**Potential RTO**"). As announced by the Company on 23 June 2016, the SGX-ST advised that it has no objection to granting the Company a further extension of time until 26 August 2016 for the Company to enter into definitive agreements for the Potential RTO, as the entry into definitive agreements for the Potential RTO was conditional upon the fulfilment of certain conditions, which may include the obtaining of requisite regulatory approvals.
- 6.4 As the entry into definitive agreements for the Potential RTO was still conditional upon the fulfilment of certain conditions, including procedural matters, the Company sought a further extension of time until 30 September 2016 for the Company to enter into definitive agreement(s) for the Potential RTO, with a view to satisfy the requirements of a new listing under the Catalist Rules. The Company entered into the SPA in relation to the Proposed Acquisition on 30 September 2016.
- 6.5 Although the Company has entered into a binding SPA, the completion of the SPA is conditional, and the Company will be applying to the SGX-ST in due course for a further extension of time to meet the requirements for a new listing. Accordingly, the Proposed Acquisition is subject to the approval of the SGX-ST for a further extension of time for the Company to meet the requirements for a new listing. The Company will make further announcement(s) on the application to the SGX-ST, and on the outcome of such application when it receives a response from the SGX-ST.
- 6.6 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 the 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.

7. MORATORIUM

7.1 The Vendor covenants and undertakes and, if necessary, shall procure the Designated Holder(s) to undertake, not to sell, realise, transfer or otherwise dispose of:

7.1.1 any part of its shareholdings in the Company immediately after Completion (as required under Part IX of Chapter 4 of the Catalist Rules unless the same is not required by the SGX-ST or as may be otherwise imposed by the SGX-ST) for a period of six (6) months commencing from the listing of the Consideration Shares on the Catalist of the SGX-ST, and

7.1.2 more than 50% of its shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision).

7.2 The Company covenants and undertakes to the Vendor to procure an undertaking from each of its substantial shareholders, not to sell, realise, transfer or otherwise dispose of:

7.2.1 any part of their shareholdings in the Company immediately after Completion (as required under Part IX of Chapter 4 of the Catalist Rules unless the same is not required by the SGX-ST or as may be otherwise imposed by the SGX-ST) for a period of six (6) months commencing from the listing of the Consideration Shares on the Catalist of the SGX-ST; and

7.2.2 more than 50% of their shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision).

7.3 The Vendor further undertakes and, if necessary, shall procure its respective nominees (including the Designated Holders) to undertake that it shall abide by such other conditions as may be imposed by the SGX-ST for the transactions under the SPA.

8. CIRCULAR

The Company will in due course despatch the Circular to its Shareholders, containing further information on, *inter alia*, the Proposed Acquisition and notice of EGM to approve, *inter alia*, the Proposed Acquisition and the allotment and issue of the Consideration Shares.

9. FINANCIAL ADVISER

The Company will appoint a financial adviser (“**FA**”) with respect to the Proposed Acquisition in due course. The Company will make further announcements in relation to the appointment of the FA as and when appropriate.

10. SERVICE CONTRACTS

It is envisaged that the Company will, upon or prior to Completion, enter into service contracts with three (3) individuals nominated by the Vendor, one (1) individual nominated by the Target, and two (2) individuals nominated by the existing substantial shareholders of the Company, to remain and/or be appointed to the Board of Directors of the Company. Details of such appointments and service contracts (if any) will be set out in the Circular to be despatched to Shareholders in due course. As at the date of this announcement, the

Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and their respective shareholding in the Company, none of the Directors, substantial shareholders or their associates has any interest, whether direct or indirect, in the Proposed Acquisition or the SPA.

12. RESPONSIBILITY STATEMENT

- 12.1 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, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, 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.
- 12.2 The Vendor accepts full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of its knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Target Group, and the Vendor is not aware of any facts the omission of which would make this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendor 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.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the registered address of the Company at 21 Bukit Batok Crescent, #22-77 WCEGA Tower, Singapore 658065, during normal business hours for a period of three (3) months commencing from the date of this announcement.

14. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. 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 stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Tan Sin Huat, Dennis
Executive Director
3 October 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.