

LOYZ ENERGY LIMITED

(Company Registration No. 199905693M)

(Incorporated in the Republic of Singapore)

PROPOSED AMENDMENTS TO THE TERMS OF THE EXISTING AGREEMENTS IN RELATION TO SHAREHOLDER LOANS FROM JIT SUN INVESTMENTS PTE. LTD. TO THE COMPANY

1. INTRODUCTION

1.1 S\$15 MILLION JIT SUN LOAN

The board of directors (the "**Board**" or the "**Directors**") of Loyz Energy Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the following:

- (a) the announcement made by the Company on 8 August 2014 in relation to the loan agreement entered into with Jit Sun Investments Pte. Ltd. ("**Jit Sun**") on 1 April 2014, pursuant to which Jit Sun had extended a loan facility of up to S\$15.0 million (the "**S\$15M Jit Sun Loan**") to the Company at an interest rate of 5.0% per annum (the "**S\$15M Initial Loan Agreement**") and on the terms and conditions set out therein. The terms of the S\$15M Initial Loan Agreement were subsequently amended by a supplemental loan agreement (the "**S\$15M Supplemental Loan Agreement**") entered into by the Company with Jit Sun on 7 August 2014, pursuant to which Jit Sun has the right to request the Company from time to time to allot and issue new ordinary shares in the capital of the Company ("**Shares**", and the new Shares to be issued to Jit Sun, "**Jit Sun Shares**") to Jit Sun at a conversion price of S\$0.30 per Jit Sun Share (the "**Original S\$15M Loan Conversion Price**"), for full or partial repayment of the outstanding principal amount of the S\$15M Jit Sun Loan that remains unpaid at the time of demand of repayment of the S\$15M Jit Sun Loan (the "**Outstanding S\$15M Loan Principal Amount**", and the option to convert the Outstanding S\$15M Loan Principal Amount into Jit Sun Shares, the "**S\$15M Loan Convertibility Option**"), subject to the terms and conditions stated therein. For the avoidance of doubt, interest payments on the S\$15M Jit Sun Loan shall be made in cash, and are not convertible into Shares; and
- (b) the Company's circular to its shareholders (the "**Shareholders**") dated 12 August 2014 which sets out the salient terms of the S\$15M Initial Loan Agreement, the S\$15M Supplemental Loan Agreement and the S\$15M Loan Convertibility Option. Pursuant to the extraordinary general meeting held on 27 August 2014, the Shareholders approved, amongst others, the allotment and issuance of up to 50,000,000 Jit Sun Shares at the Original S\$15M Loan Conversion Price in the event that Jit Sun exercises the S\$15M Loan Convertibility Option to convert all or part of the Outstanding S\$15M Loan Principal Amount.

1.2 S\$13 MILLION JIT SUN LOAN

The Board refers to the announcement made by the Company on 2 December 2014 in relation to the loan agreement entered into by the Company with Jit Sun on 1 December 2014, pursuant to which Jit Sun had extended a loan facility of up to S\$13.0 million (the "**S\$13M Jit Sun Loan**") to the Company at an interest rate of 7.0% per annum (the "**S\$13M Initial Loan Agreement**") and on the terms and conditions set out therein. Pursuant to the S\$13M Initial Loan Agreement, Jit Sun has the right to request the Company from time to time

to allot and issue Jit Sun Shares to Jit Sun at a conversion price of S\$0.127 per Jit Sun Share (the "**Original S\$13M Loan Conversion Price**"), for full or partial repayment of the outstanding principal amount of the S\$13M Jit Sun Loan that remains unpaid at the time of demand of repayment of the S\$13M Jit Sun Loan (the "**Outstanding S\$13M Loan Principal Amount**"), and the option to convert the Outstanding S\$13M Loan Principal Amount into Shares, the "**S\$13M Loan Convertibility Option**"), subject to the terms and conditions stated therein. For the avoidance of doubt, interest payments on the S\$13M Jit Sun Loan shall be made in cash, and are not convertible into Shares.

The main terms of the S\$13M Jit Sun Loan are set out in the announcement made by the Company on 2 December 2014.

1.3 OTHER TRANSACTIONS ANNOUNCED BY THE COMPANY

(a) Proposed acquisition of Primeline Energy Holdings, Inc.

On 9 June 2015, the Company announced that the Company, Mr Victor Hwang Yiou Hwa and Primeline Energy Holdings, Inc. ("**PEH**") had entered into a binding memorandum of understanding (the "**MOU**") in relation to the proposed acquisition of PEH by the Company by way of a scheme of arrangement to be undertaken by PEH in accordance with the laws of the Cayman Islands (the "**Proposed Acquisition**").

The main terms of the MOU and the Proposed Acquisition are set out in the announcement made by the Company on 9 June 2015.

(b) Termination of lease agreement, proposed issue of new Shares and proposed disposal

On 14 May 2015, the Company announced that (a) it had entered into a termination agreement (the "**Termination Agreement**") with Loyz Rex Drilling Services LLC, a wholly-owned subsidiary of the Company ("**LRDS**") and Fram Exploration ASA ("**Fram**") for the termination of an existing five-year lease relating to two drilling units (the "**Rigs**") with Fram in consideration for which Fram shall be paid a termination fee, partly in cash and partly by the issuance of new Shares to Fram (the "**Proposed Shares Issue**"); and (b) LRDS had entered into a sale and purchase agreement (the "**SPA**") with Sky Park Investments Limited (the "**Purchaser**"), a wholly-owned subsidiary of Jit Sun, pursuant to which it would dispose the Rigs and certain auxiliary equipment to the Purchaser (the "**Proposed Disposal**").

Further details regarding the Proposed Shares Issue and the Proposed Disposal are set out in the announcement made by the Company on 14 May 2015.

2. PROPOSED AMENDMENTS TO THE S\$15M JIT SUN LOAN AND THE S\$13M JIT SUN LOAN

On 8 June 2015, the Company entered into the following supplemental agreements with Jit Sun:

- (a) in relation to the S\$15M Jit Sun Loan, a second supplemental loan agreement (the "**S\$15M Second Supplemental Loan Agreement**") to reduce the Original S\$15M Loan Conversion Price to S\$0.110 per Jit Sun Share (the "**Jit Sun Conversion Price**"); and

- (b) in relation to the S\$13M Jit Sun Loan, a supplemental loan agreement (the "**S\$13M Supplemental Loan Agreement**") to reduce the Original S\$13M Loan Conversion Price to the Jit Sun Conversion Price (being S\$0.110 per Jit Sun Share).

3. **CONDITIONS TO EXERCISE OF THE S\$15M LOAN CONVERTIBILITY OPTION AND THE S\$13M LOAN CONVERTIBILITY OPTION AT THE JIT SUN CONVERSION PRICE**

Jit Sun's ability to exercise each of the S\$15M Loan Convertibility Option and the S\$13M Loan Convertibility Option at the Jit Sun Conversion Price (the "**Proposed Jit Sun Transactions**") is conditional upon:

- (a) the approval of Shareholders at an extraordinary general meeting to be convened (the "**EGM**") being obtained for (i) the Jit Sun Conversion Price, (ii) in the case of the S\$13M Jit Sun Loan only, the provision of the S\$13M Loan Convertibility Option in the S\$13M Initial Loan Agreement as supplemented by the S\$13M Supplemental Loan Agreement (collectively, the "**S\$13M Loan Agreement**"), and (iii) (if applicable) upon conversion of the Outstanding S\$15M Loan Principal Amount and/or the Outstanding S\$13M Loan Principal Amount, in each case, upon the request of Jit Sun, the allotment and issuance of new Shares on the terms set out in the S\$15M Initial Loan Agreement as supplemented by the S\$15M Supplemental Loan Agreement and as further supplemented by the S\$15M Second Supplemental Loan Agreement (collectively, the "**S\$15M Loan Agreement**") or, as the case may be, the S\$13M Loan Agreement, in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), as amended, modified or supplemented from time to time (the "**Rules of Catalist**");
- (b) the approval of the SGX-ST for the listing of and quotation for the new Shares on the Catalist board of the SGX-ST ("**Catalist**"), on terms reasonably satisfactory to Jit Sun and the relevant listing and quotation notice to be issued to Jit Sun (the "**LQN Notice**") remaining in full force and effect at the completion of such allotment and issuance and, if the LQN Notice is subject to any conditions which are required to be fulfilled on or prior to the completion of such allotment and issuance, such conditions are so fulfilled; and
- (c) for the avoidance of doubt, should Shareholders' approval for the Proposed Jit Sun Transactions not be obtained at the EGM:
 - (i) the S\$15M Loan Convertibility Option will remain and the exercise of the S\$15M Loan Convertibility Option will be at the Original S\$15M Loan Conversion Price instead of the Jit Sun Conversion Price; and
 - (ii) the S\$13M Jit Sun Loan will remain. However, Jit Sun would not have the S\$13M Loan Convertibility Option to request the Company to allot and issue new Shares to Jit Sun for full repayment of the Outstanding S\$13M Loan Principal Amount, and the repayment of the Outstanding S\$13M Loan Principal Amount will have to be in cash.

4. **THE JIT SUN UNDERTAKING**

On 8 June 2015, Jit Sun entered into a deed of undertaking (the "**Jit Sun Undertaking**") wherein it has undertaken to the Company that it would:

- (i) within five days after the EGM, exercise the S\$13M Loan Convertibility Option in full such that 118,181,818 Jit Sun Shares will be allotted and issued to it pursuant to such conversion; and
- (ii) on or before the date of completion of the Proposed Acquisition, exercise the S\$15M Loan Convertibility Option in full such that the remaining 92,000,000 Jit Sun Shares will be allotted and issued to it pursuant to such conversion.

The Jit Sun Undertaking is subject to and conditional upon:

- (i) the completion of the Proposed Acquisition by 31 December 2015;
- (ii) the receipt of the LQN Notice for the listing and quotation for the Jit Sun Shares on Catalist; and
- (iii) approval from the Shareholders at the EGM for the Proposed Jit Sun Transactions.

The Jit Sun Undertaking will terminate upon the earlier of the following:

- (i) if the Company and the other parties to the MOU decide not to proceed with the Proposed Acquisition for any reason whatsoever, upon the release of an announcement by the Company through SGXNET of such decision; and
- (ii) 5.30 p.m. (Singapore time) on 31 December 2015 (or such later date and time as may be agreed in writing between the Company and Jit Sun).

5. INFORMATION ON JIT SUN

Jit Sun is a company incorporated in the Republic of Singapore, and is a Controlling Shareholder (as defined in the Rules of Catalist) of the Company. As at the date of this announcement, Jit Sun has direct and indirect interests in an aggregate of 112,227,273 Shares, representing approximately 19.64% of the issued and paid-up share capital of the Company. Lee Chye Tek Lionel is the sole shareholder of Jit Sun, and is the brother of Lee Chye Cheng Adrian who is the Managing Director of the Company.

6. JIT SUN CONVERSION PRICE AND RATIONALE FOR THE PROPOSED CONVERSION PRICE REDUCTION

The proposed reduction of (a) the Original S\$13M Conversion Price of S\$0.127, and (b) the Original S\$15M Conversion Price of S\$0.30, to the Jit Sun Conversion Price of S\$0.110 per Jit Sun Share (the "**Proposed Conversion Price Reduction**") was commercially agreed between Jit Sun and the Company on an arm's length basis, taking into consideration, among others:

- (i) the Jit Sun Undertaking;
- (ii) the issue price of S\$0.110 in connection with the Proposed Shares Issue; and
- (iii) the issue price of S\$0.110 in connection with the proposed issue of new Shares to PEH as satisfaction of consideration payable by the Company to the shareholders of PEH for the Proposed Acquisition.

The Board is therefore of the view that the Proposed Conversion Price Reduction will align the interests of its existing key stakeholders (being Jit Sun and Fram as at the date of this announcement), and if the Proposed Acquisition is completed, the shareholders of PEH which would be allotted and issued new Shares at the same issue price of S\$0.110.

The Jit Sun Conversion Price of S\$0.110 represents a 0.90% premium to the closing price per Share of S\$0.109 traded on Catalist on 4 June 2015, being the last full trading day immediately prior to the date of signing of the S\$15M Second Supplemental Loan Agreement and the S\$13M Supplemental Loan Agreement.

Pursuant to Rule 830 of the Rules of Catalist, the Company shall announce any adjustment made to the Jit Sun Conversion Price.

7. RATIONALE FOR THE PROPOSED JIT SUN TRANSACTIONS

The Board believes that Shareholders' confidence in the Company is expected to be boosted when Jit Sun exercises the S\$13M Loan Convertibility Option and/or the S\$15M Loan Convertibility Option. As Jit Sun has been supportive of the Company ever since it became a Controlling Shareholder of the Company, the Board believes that the continuity of Jit Sun's shareholding interest in the Company is in the best interests of the Company.

The Proposed Jit Sun Transactions will enable the Company to strengthen its balance sheet position as further described below, and this is particularly favourable in view of the prevailing difficult industry conditions and general tight liquidity in the financial markets.

As at the date of this announcement, the aggregate outstanding loan principal amount (comprising S\$13.00 million from the S\$13M Jit Sun Loan and approximately S\$10.12 million from the S\$15M Jit Sun Loan) amounts to approximately S\$23.12 million (the "**Aggregate Outstanding Loan Principal Amount**"). Subject to Shareholders' approval for the Proposed Jit Sun Transactions being obtained at the EGM, Jit Sun has undertaken to the Company that it would, pursuant to the Jit Sun Undertaking, exercise the S\$13M Loan Convertibility Option in full at the Jit Sun Conversion Price within five days after the EGM, such that 118,181,818 Jit Sun Shares will be allotted and issued to it pursuant to such conversion. The Aggregate Outstanding Loan Principal Amount will accordingly be reduced to approximately S\$10.12 million.

Pursuant to the Jit Sun Undertaking, Jit Sun has also undertaken to the Company that it would exercise the S\$15M Loan Convertibility Option in full at the Jit Sun Conversion Price on or before the date of completion of the Proposed Acquisition, such that 92,000,000 Jit Sun Shares will be allotted and issued to it pursuant to such conversion. Accordingly, upon the completion of the Proposed Acquisition, the Aggregate Outstanding Loan Principal Amount will be fully repaid.

8. JIT SUN SHARES

Salient information on the Jit Sun Shares are set out as follows:

- (a) The number of Jit Sun Shares to be allotted and issued to Jit Sun is calculated by dividing the Outstanding S\$15M Loan Principal Amount or the Outstanding S\$13M Loan Principal Amount, as the case may be, by the Jit Sun Conversion Price.

- (b) Subject always to the terms and conditions of the S\$13M Loan Agreement, and based on the Outstanding S\$13M Loan Principal Amount of S\$13.00 million as at the date of this announcement, the maximum number of Jit Sun Shares that will be allotted and issued upon the exercise of the S\$13M Loan Convertibility Option in respect of the full Outstanding S\$13M Loan Principal Amount is 118,181,818 Jit Sun Shares (rounded down to the nearest whole number) (the "**Maximum S\$13M Loan Jit Sun Shares**").
- (c) Subject always to the terms and conditions of the S\$15M Loan Agreement, and based on the Outstanding S\$15M Loan Principal Amount of approximately S\$10.12 million as at the date of this announcement, the maximum number of Jit Sun Shares that will be allotted and issued upon the exercise of the S\$15M Loan Convertibility Option in respect of the full Outstanding S\$15M Loan Principal Amount is 92,000,000 Jit Sun Shares (together with the Maximum S\$13M Loan Jit Sun Shares, the "**Maximum Jit Sun Shares**").
- (d) The Jit Sun Shares, if and when allotted and issued, shall be credited as fully paid and rank *pari passu* in all respects with the then existing Shares.

As at the date of this announcement, the Company has an issued and paid-up share capital of 571,303,127 Shares and has no treasury shares.

Subject to the approval of Shareholders at the EGM, the Maximum Jit Sun Shares that can be allotted and issued pursuant to the full exercise of both the S\$13M Loan Convertibility Option and the S\$15M Loan Convertibility Option is 210,181,818 Jit Sun Shares (provided always that the number of Jit Sun Shares to be allotted and issued to Jit Sun, when aggregated with the Shares held by Jit Sun and persons acting in concert with Jit Sun (as defined under the Singapore Code on Take-overs and Mergers (the "**Code**")), being capped at such number of Shares that would not result in Jit Sun acquiring Shares which carry 30% or more of the voting rights of the Company immediately prior to such allotment and issuance, and, which accordingly, shall not require Jit Sun to extend a mandatory general offer to the Shareholders under the Code), representing (i) approximately 36.79% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 26.90% of the enlarged issued share capital of the Company on a diluted basis, after adjusting for the issue of the Maximum Jit Sun Shares (and for the avoidance of doubt, without taking into account the new Shares to be issued and allotted in connection with the Proposed Shares Issue and the Proposed Acquisition).

9. AMENDMENTS TO THE LOAN AGREEMENTS

The Company and Jit Sun shall not agree to a material alteration to the terms of the S\$15M Loan Agreement and the S\$13M Loan Agreement to the advantage of Jit Sun, without seeking the approval of Shareholders, except where the alterations are made pursuant to the terms of the S\$15M Loan Agreement or, as the case may be, the S\$13M Loan Agreement.

10. CHAPTER 9 OF THE CATALIST RULES — INTERESTED PERSON TRANSACTION

Under Chapter 9 of the Rules of Catalist, where an entity at risk (as defined in the Rules of Catalist) proposes to enter into a transaction with an interested person (as defined in the Rules of Catalist) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the

group's latest audited net tangible assets ("**NTA**"), shareholders' approval is required in respect of the transaction.

As Jit Sun is a Controlling Shareholder of the Company and an associate of a Director of the Company, it is regarded as an interested person of the Company for the purposes of Chapter 9 of the Rules of Catalyst. The Proposed Jit Sun Transactions are therefore considered to be interested person transactions for the Company under Chapter 9 of the Rules of Catalyst.

Based on the latest audited financial statements of the Group for the financial year ended 30 June 2014 ("**FY2014**"), the audited consolidated NTA of the Group was approximately S\$18.90 million.

The interest payable by the Company to Jit Sun in respect of the S\$13M Jit Sun Loan and the S\$15M Jit Sun Loan as at the date of this announcement amounts to approximately S\$0.50 million and S\$0.60 million respectively, representing approximately 2.65% and 3.17% respectively, of the Group's audited NTA as at 30 June 2014. Accordingly, the total interest payable by the Company to Jit Sun in respect of the S\$13M Jit Sun Loan and S\$15M Jit Sun Loan as at the date of this announcement is approximately S\$1.10 million, representing approximately 5.82% of the Group's audited NTA as at 30 June 2014.

Based on the Outstanding S\$13M Loan Principal Amount of S\$13.00 million and the Outstanding S\$15M Loan Principal Amount of approximately S\$10.12 million as at the date of this announcement, the S\$13M Loan Convertibility Option and the S\$15M Loan Convertibility Option to be exercised by Jit Sun would result in the issue of 118,181,818 Jit Sun Shares (rounded down to the nearest whole number) and 92,000,000 Jit Sun Shares respectively, the value of which represents approximately 68.78% and 53.54% of the Group's NTA respectively. Based on the Aggregate Outstanding Loan Principal Amount, the exercise of the S\$13M Loan Convertibility Option and the S\$15M Loan Convertibility Option by Jit Sun would result in the issue of up to 210,181,818 Jit Sun Shares, the value of which represents approximately 122.33% of the Group's audited NTA as at 30 June 2014.

Accordingly, the Proposed Jit Sun Transactions are interested person transactions which are subject to the approval of Shareholders at the EGM pursuant to Rule 906(1)(a) of the Rules of Catalyst.

As at the date of this announcement, the aggregate value of all interested person transactions between the Company and Jit Sun and its associates (comprising the interest payable by the Company in relation to the S\$13M Jit Sun Loan and the S\$15M Jit Sun Loan, the Proposed Jit Sun Transactions and the Proposed Disposal) for the current financial year ending 30 June 2015 ("**FY2015**") is approximately S\$45.58 million, representing approximately 241.16% of the Group's audited NTA as at 30 June 2014. Save for the aforesaid transactions, there are no other interested person transactions (excluding transactions less than S\$100,000) between the Company and (a) Jit Sun and its associates or (b) any other interested persons for FY2015.

11. RESTRICTED PLACEE

Jit Sun, being a Controlling Shareholder of the Company, is considered to be a "restricted placee" pursuant to Rule 812(1) of the Rules of Catalyst, which states as follows:

"An issue must not be placed to any of the following persons:

- (a) *the issuer's directors and substantial shareholders;*

- (b) *immediate family members of the directors and substantial shareholders;*
- (c) *substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders;*
- (d) *corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or*
- (e) *any person who, in the opinion of the Exchange, falls within category (a) to (d)."*

Pursuant to Rule 812(2) of the Rules of Catalyst, Rule 812(1) of the Rules of Catalyst will not apply if specific shareholder approval for such a placement is obtained. It further provides that the person and its associates must abstain from voting on the resolution approving the placement.

As Jit Sun is a Controlling Shareholder of the Company, the Proposed Jit Sun Transactions are required to be approved by independent Shareholders under Rule 812 of the Rules of Catalyst and Jit Sun and its associates will abstain from voting on the resolution to approve the foregoing.

12. ISSUE OF CONVERTIBLE SECURITIES AND NEW SECURITIES

Rule 805 of the Rules of Catalyst provides that an issuer must obtain prior approval of shareholders in a general meeting for the issue of shares or convertible securities or grant of options carrying rights to subscribe for shares in the issuer. Rule 824 of the Rules of Catalyst provides that every issue of convertible securities not covered under a general mandate must be specifically approved by shareholders in a general meeting.

In view of the above, the Proposed Jit Sun Transactions are required to be approved by Shareholders under Rule 805 and Rule 824 of the Rules of Catalyst.

13. DIRECTORS' OPINION

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration the Group's present bank facilities, internal resources and operating cashflow, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Jit Sun Transactions will strengthen its balance sheet position.

14. FINANCIAL EFFECTS OF THE PROPOSED JIT SUN TRANSACTIONS

The *pro forma* financial effects of the Proposed Jit Sun Transactions presented below are **strictly for illustrative purposes only** and are not intended to be indicative of or reflect the actual future financial situation of the Company and the Group after the completion of the Proposed Jit Sun Transactions. Such *pro forma* financial effects of the Proposed Jit Sun Transactions have been computed based on the latest audited consolidated financial statements of the Group for FY2014, as well as the following assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Jit Sun Transactions were completed on 30 June 2014;

- (b) the financial effect on the loss per Share is computed based on the assumption that the Proposed Jit Sun Transactions were completed on 1 July 2013;
- (c) the Aggregate Outstanding Loan Principal Amount is S\$23.12 million;
- (d) no further adjustments have been made to the Jit Sun Conversion Price;
- (e) Jit Sun exercises each of the S\$15M Loan Convertibility Option and the S\$13M Loan Convertibility Option in full, and accordingly, 210,181,818 Jit Sun Shares have been issued at the end of FY2014 at the Jit Sun Conversion Price of S\$0.110 per Jit Sun Share; and
- (f) expenses relating to the Proposed Jit Sun Transactions are approximately S\$10,000.

For the avoidance of doubt, the *pro forma* financial effects do not take into account any subsequent issuance of new Shares by the Company on or after 1 July 2014, the Proposed Disposal, the Proposed Shares Issue and the Proposed Acquisition.

Share Capital and NTA per Share

	Before the Proposed Jit Sun Transactions	After the Proposed Jit Sun Transactions
Number of issued Shares as at 30 June 2014	411,281,127	621,462,945
Share capital (S\$'000)	95,882	119,002
NTA attributable to Shareholders (S\$'000)	18,906	42,106
NTA per Share (cents)	4.60	6.76

Loss per Share

	Before the Proposed Jit Sun Transactions	After the Proposed Jit Sun Transactions
Net loss attributable to Shareholders in FY2014 (S\$'000)	(3,670)	(3,680)
Weighted average number of issued Shares	386,868,009	597,049,827
Loss per Share (cents)	(0.95)	(0.62)

15. APPROVAL

An application will be made to Canaccord Genuity Singapore Pte. Ltd. (the "**Sponsor**") and the SGX-ST for the approval for the dealing in, listing of, and quotation for, the Jit Sun Shares. An announcement will be made by the Company to notify Shareholders of the receipt of the LQN Notice in due course.

The LQN Notice, if granted by the SGX-ST, for the dealing in, listing of, and quotation for, the Jit Sun Shares are not to be taken as an indication of the merits of the Proposed Jit Sun Transactions, the Jit Sun Shares, the Company, its subsidiaries and their securities.

16. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

In accordance with Rule 919 of the Rules of Catalyst, an interested person shall abstain and ensure its associates will abstain, from voting on resolutions approving interested person transactions involving themselves and their associates. Furthermore, such interested persons and their associates shall not act as proxies in relation to such resolutions unless voting instructions have been given by the relevant shareholder. In addition, a restricted

placee under Rule 812 of the Rules of Catalist and its associates must abstain from voting on the resolution approving a placement to the restricted placee.

(a) Abstaining Director

Lee Chye Cheng Adrian, the Managing Director of the Company, is the brother of Lee Chye Tek Lionel, who is the sole shareholder of Jit Sun. As at the date of this announcement, Jit Sun is a Controlling Shareholder of the Company.

Accordingly, the foregoing Director will abstain from making any recommendation on the Proposed Jit Sun Transactions to Shareholders, and will abstain, and will ensure that his associates will abstain, from voting on the ordinary resolution to approve the Proposed Jit Sun Transactions at the EGM. The foregoing Director will also decline to accept any appointment as proxy for any Shareholder to vote in respect of the ordinary resolution to approve the Proposed Jit Sun Transactions at the EGM unless the Shareholder concerned shall have given instructions in the proxy form as to the manner in which his votes are to be cast in respect of the ordinary resolution to approve the Proposed Jit Sun Transactions at the EGM.

(b) Abstaining Shareholder

As at the date of this announcement, the Controlling Shareholder of the Company, Jit Sun, has direct and indirect interests in an aggregate of 112,227,273 Shares, representing approximately 19.64% of the issued and paid-up share capital of the Company. Jit Sun has declared its interest as described above and will accordingly abstain, and will ensure that its associates will abstain, from voting on the ordinary resolution to approve the Proposed Jit Sun Transactions at the EGM. Jit Sun will also decline to accept any appointment as proxy for any Shareholder to vote in respect of such ordinary resolution at the EGM unless the Shareholder concerned shall have given instructions in the proxy form as to the manner in which his votes are to be cast in respect of such ordinary resolution at the EGM.

(c) Interests of Other Directors and Shareholders

Save as disclosed in this announcement, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Jit Sun Transactions.

17. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the rationale for and the terms of the Proposed Jit Sun Transactions and is of the view that the Proposed Jit Sun Transactions are based on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

18. CIRCULAR

The Proposed Jit Sun Transactions are conditional upon, among others, the approval from the Shareholders being obtained at the EGM. Further details of the Proposed Jit Sun Transactions will be set out in the circular to be issued by the Company and to be despatched to Shareholders in due course.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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 Jit Sun Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in 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.

20. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Shares in relation to this announcement as there is no certainty that the Proposed Jit Sun Transactions will be approved by Shareholders at the EGM to be convened. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisers.

21. ANNOUNCEMENTS

Further announcements on the Proposed Jit Sun Transactions, including the receipt of the LQN Notice, will be made in due course as and when appropriate.

By order of the Board

Chia Yong Whatt
Director
Date: 9 June 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.