

GEMS TV HOLDINGS LIMITED
(Incorporated in the Cayman Islands)
(Company Registration Number 109716)

MOUNTING HOLDINGS LIMITED
(Incorporated in the British Virgin Islands)
(Company Registration Number 1025187)
(the “Offeror”)

JOINT ANNOUNCEMENT

PROPOSED EXIT OFFER AND DIRECTED DELISTING OF GEMS TV HOLDINGS LIMITED

1. INTRODUCTION

- 1.1. On 3 June 2011, Gems TV Holdings Limited (the “**Company**”) was placed on the Watch-List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rule 1311 of the Listing Manual of the SGX-ST (the “**Listing Manual**”).
- 1.2. On 28 February 2014, the Company received from the SGX-ST a notification of delisting (the “**Delisting Notification**”) as the Company had not met SGX-ST’s requirements in relation to the Further Extension (as defined in the Company’s announcement dated 23 January 2014). In the Delisting Notification, SGX-ST requested that the Company inform the SGX-ST of its exit offer proposal no later than one (1) month from 28 February 2014.
- 1.3. As announced on 31 March 2014, the SGX-ST granted the Company a further extension of time until 9 April 2014 to inform the SGX-ST of its exit offer proposal.
- 1.4. The Company and the Offeror wish to announce that on 8 April 2014 the Offeror has presented to the directors of the Company a formal proposal (the “**Proposal**”) to make an exit offer to the shareholders of the Company (the “**Shareholders**”) pursuant to Rules 1306 and 1309 of the Listing Manual.
- 1.5. Under the Proposal, the Offeror will make an exit cash offer (the “**Exit Offer**”) to acquire all the issued ordinary shares in the capital of the Company (the “**Shares**”) other than those Shares already owned, controlled or agreed to be acquired by the Offeror and its concert parties as at the date of the Exit Offer (the “**Offer Shares**”, each an “**Offer Share**”).
- 1.6. An exit offer letter (the “**Exit Offer Letter**”) containing the terms of the Exit Offer, together with the appropriate form(s) for acceptance of the Exit Offer will be despatched in due course to the Shareholders by the Offeror. Upon receipt, the Shareholders are advised to read the Exit Offer Letter and the accompanying forms carefully.

2. LISTING MANUAL PROVISIONS ON THE DELISTING AND EXIT OFFER

- 2.1. Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.2 above, on 28 February 2014, the Company received the Delisting Notification directing that the Company will be delisted.
- 2.2. Under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the Official List of the SGX-ST:

- (a) a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders and holders of any other classes of listed securities to be delisted; and
- (b) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

3. TERMS OF THE EXIT OFFER

- 3.1. Under the terms of the Exit Offer, the Offeror will make the Exit Offer at an exit offer price equivalent to the net tangible assets (the “**NTA**”) of the Company per Share (the “**Offer Price**”) per the latest unaudited financial statements of the Company as at 31 March 2014 (the “**9M2014 Accounts**”). Shareholders should note that save for any adjustment which may arise pursuant to the review of the 9M2014 Accounts to be conducted by the Company’s auditor, the Offer Price is final and will not be revised.
- 3.2. Based on the 9M2014 Accounts, the NTA of the Company amounted to US\$3,353,095 or approximately S\$4,228,367, representing US\$0.00324 or approximately S\$0.00408 per Share based on 1,035,370,220 issued Shares as at 31 March 2014. Therefore, subject to any adjustment which may arise pursuant to the aforesaid review of the 9M2014 Accounts, the Offer Price is **S\$0.00408** in cash for each Offer Share.
- 3.3. This Exit Offer will be extended to all the Offer Shares and the Offer Price is applicable to all Offer Shares tendered in acceptance. Shareholders may accept the Exit Offer in full or in part.
- 3.4. The Exit Offer will be unconditional in all respects. **For the avoidance of doubt, the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror and save for any adjustment which may arise pursuant to the aforesaid review of the 9M2014 Accounts as set out above in paragraphs 3.1 and 3.2, the Exit Offer will also not be revised under any circumstances.**
- 3.5. The Offer Shares are to be acquired (a) fully-paid, (b) free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the “**Joint Announcement Date**”) and thereafter attaching thereto (including all voting rights and the right to receive and retain all dividends, rights, distributions, returns of capital and other distributions (if any) which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date together with all interest accrued thereon). If any dividend, right, distribution, return of capital or any other entitlement is announced, declared, paid or made on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, right, distribution, return of capital or any other entitlement.
- 3.6. Subject to the confirmation of the Securities Industry Council (the “**SIC**”) as set out in paragraph 5 below, the Exit Offer will be open for acceptance Shareholders for at least a period of 21 days after the despatch of the Exit Offer Letter (the “**Closing Date**”).

4. INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT

- 4.1. The Offeror is a company incorporated in the British Virgin Islands with Company Registration Number 1025187 and its registered address is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The principal activities of the Offeror are those of an investment holding company.

- 4.2. As at the Joint Announcement Date, the Offeror holds 231,438,440 Shares, amounting to 22.35% of the total issued Shares of the Company. The Offeror is therefore a substantial Shareholder of the Company.
- 4.3. The sole director of Mounting is Dizame Consulting S.A. with its registered address at P.O. Box 3149, Pasea Estate, Road Town, Tortola, British Virgin Islands.
- 4.4. The sole shareholder of the Offeror is Mr Jason Choo Choon Wai, who is also a director of the Company. As the sole shareholder of the Offeror, Mr Jason Choo Choon Wai is presumed to be a party acting in concert with the Offeror. Save for the aforesaid, the Company and the Offeror are not aware of any other party acting in concert with the Offeror.

5. REGULATORY APPROVALS

- 5.1. An application will be made by the Company and the Offeror to the SIC to seek the SIC's confirmations/rulings that the Exit Offer is exempted from the following provisions of the Singapore Code on Take-overs and Mergers (the "Code"):

- (a) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
- (b) Rule 22 on the offer timetable;
- (c) Rule 28 on acceptances; and
- (d) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to *inter alia*, the Exit Offer being kept open for at least 21 days after the despatch of the Exit Offer Letter.

- 5.2. In addition, confirmations will be sought from the SIC on the following matters concerning the Exit Offer:

- (a) that the responsibility statements required in any document issued by or on behalf of the Offeror to the Shareholders in connection with the Exit Offer need only be given by the director of the Offeror; and
- (b) that Mr Jason Choo Choon Wai is exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer as he faces irreconcilable conflicts in doing so being a party acting in concert with the Offeror.

- 5.3. Nevertheless, Mr Jason Choo Choon Wai must still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to its Shareholders in connection with the Exit Offer.

- 5.4. The Offeror and the Company will provide further updates as soon as practicable after the receipt of the confirmations/rulings requested from the SIC.

6. THE OFFEROR'S INTENTIONS FOR THE COMPANY

- 6.1. Following the close of the Exit Offer, subject to the Offeror attaining a controlling interest in the Company pursuant to the Exit Offer, the Offeror will conduct a comprehensive review of the operations, management and financial position of the Company and will evaluate various strategic options, including, *inter alia*, making synergistic acquisitions and divesting non-core assets at an opportune time in the future. Pending the outcome of such a comprehensive review, the Offeror has no immediate plans for the Company.

- 6.2. The Offeror currently does not have any intention to transfer the Offer Shares acquired through the Exit Offer to any other person.

7. COMPULSORY ACQUISITION

- 7.1. The Company is incorporated in the Cayman Islands. Under section 88 of the Companies Law (Revised) of the Cayman Islands (the “**Companies Law**”), if within 4 months of making the Exit Offer the Exit Offer is accepted by the holders of not less than 90% in value of the Offer Shares, the Offeror would be entitled, at any time within 2 months after the expiration of the said 4 months, to give notice to Shareholders who have not accepted the Exit Offer that it wishes to compulsorily acquire their Shares. Shares owned by the Offeror or its subsidiaries or their nominees at the date of the Exit Offer may count towards the 90% threshold. Dissenting Shareholders are entitled to apply for relief to the Grand Court of the Cayman Islands within one month from the date on which the notice is given. Where notice of compulsory acquisition is given, the Offeror is entitled and bound, unless on an application made by a dissenting Shareholder the Grand Court thinks fit to order otherwise, to acquire the Shares at the Offer Price and on the terms of the Exit Offer.
- 7.2. In the event that the Offeror receives such number of acceptances that would enable the Offeror to exercise its rights of compulsory acquisition under the Companies Law, it will do so.
- 7.3. Shareholders who wish to exercise their rights under the Companies Law are advised to seek independent professional advice.

8. CONFIRMATION OF FINANCIAL RESOURCES FOR THE EXIT OFFER

Credit Suisse AG, Hong Kong Branch has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer on the basis of the Offer Price.

9. INDEPENDENT FINANCIAL ADVISER

Asian Corporate Advisors Pte Ltd has been appointed as the independent financial adviser (the “**IFA**”) to advise the directors of the Company who are considered independent for the purposes of the Proposal and the Exit Offer (the “**Independent Directors**”) on the Exit Offer. The IFA letter setting out its advice to the Independent Directors will be appended to the Exit Offer Letter which will be despatched to Shareholders in due course.

10. DISCLOSURE OF INTERESTS

- 10.1. As at the Joint Announcement Date, the interests of Directors and/or the substantial Shareholders of the Company in the issued and paid-up share capital of the Company as recorded in the Company’s Register of Directors’ Shareholdings and the Register of Substantial Shareholders are as follows:

	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Directors				
Jason Choo Choon Wai	-	-	231,438,440 ⁽¹⁾	22.35
Ng Boon Yew	1,270,000	0.12	-	-
David Alan Rick	4,120,000 ⁽²⁾	0.40	-	-

	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
David Sim Cheok Leng ⁽³⁾	-	-	27,000	0.003

Substantial Shareholders

Mounting Holdings Limited	231,438,440	22.35	-	-
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Note:

(1) Jason Choo Choon Wai holds his Shares through Mounting Holdings Limited, which is wholly owned by him. For the purposes of Section 7 of the Companies Act, Chapter 50 of Singapore, Jason Choo Choon Wai is deemed interested in all the Shares held by Mounting Holdings Limited. Mounting Holdings Limited holds its Shares in the name of a nominee.

(2) David Alan Rick holds his Shares in the name of a nominee.

(3) As announced on 5 March 2014, David Sim Cheok Leng had on 3 March 2014, disposed of 2,371,000 Shares held by him.

10.2. Save as disclosed in this Announcement, none of the Offeror, Directors or substantial Shareholders of the Company (the “**Relevant Persons**”):

- (a) owns, controls or has agreed to acquire any Shares or securities which carry voting rights in the Company or convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company (“**Securities**”);
- (b) has dealt for value in any Securities during the period commencing 3 months prior to the date of this Announcement;
- (c) has received any irrevocable commitment from any party to accept or reject the Exit Offer; and
- (d) has, (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Exit Offer, (ii) granted a security interest relating to any Securities to another person, whether through a charge, pledge or otherwise, (iii) borrowed any Securities from another person (excluding borrowed Securities which have been on-lent or sold), or (iv) lent any Securities to another person.

11. CONFIDENTIALITY

In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of persons which are or may be deemed to be acting in concert with it in connection with the Exit Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Exit Offer Letter, if necessary.

12. EXIT OFFER LETTER

No immediate action is required of Shareholders on their part in respect of the Exit Offer. Shareholders will be advised on the procedure for accepting the Exit Offer when the Exit Offer Letter is despatched.

13. OVERSEAS SHAREHOLDERS

- 13.1. The Exit Offer will be made pursuant to the Exit Offer Letter and the appropriate form(s) for acceptance of the Exit Offer accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer, including details on how the Exit Offer may be accepted. The availability of the Exit Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or (as the case may be) in the records of The Central Depository (Pte) Limited (an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about and observe any applicable legal requirements.
- 13.2. Where there are potential restrictions on sending the Exit Offer Letter and the accompanying forms to any overseas jurisdiction, the Offeror reserves the right not to send such documents to the relevant overseas jurisdiction.
- 13.3. For the avoidance of doubt, the Exit Offer shall be made to all Shareholders (including the Overseas Shareholders) including those to whom the Exit Offer Letter and the accompanying forms will not be, or may not be, sent, provided that the Exit Offer does not constitute an offer or a solicitation to any person in any jurisdiction in which the introduction or implementation of the Exit Offer would not be in compliance with the laws of such jurisdiction. Further details in relation to Overseas Shareholders will be set out in the Exit Offer Letter.

14. RESPONSIBILITY STATEMENT

- 14.1. The director of the Offeror accepts full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Company) and confirms that to the best of his knowledge and belief, this Announcement constitutes fair and accurate disclosure of all material facts about the Exit Offer, and the director of the Offeror is not aware of any facts, the omission of which would make any statement in this Announcement misleading. The director of the Offeror accepts responsibility accordingly. Where any information in this Announcement has been extracted from published or publicly available sources, the sole responsibility of the director of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.
- 14.2. The Directors (including any director who may have delegated detailed supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Offeror) and confirm that to the best of their knowledge and belief, this Announcement constitutes fair and accurate disclosure of all material facts about the Exit Offer, and the Directors (including any director who may have delegated detailed supervision of this Announcement) are not aware of any facts, the omission of which would make any statement in this Announcement misleading. The Directors (including any director who may have delegated detailed supervision of this Announcement) accept responsibility accordingly. Where any information in this Announcement has been extracted from published or publicly available sources, the sole responsibility of the Directors (including any director who may have delegated detailed supervision of this Announcement) has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By Order of the Board of Directors
GEMS TV HOLDINGS LIMITED

Jonathan Lee Tiong Hock
Company Secretary
Gems TV Holdings Limited
8 April 2014

By Order of the Board of Directors
MOUNTING HOLDINGS LIMITED

Dizame Consulting S.A.
Director
Mounting Holdings Limited
8 April 2014