

P99 HOLDINGS LIMITED

(Company Registration No. 200311696K)
(Incorporated in the Republic of Singapore)

ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ASIA SPORT – ISSUANCE OF ARBITRATION AWARD IN RESPECT OF ARBITRATION AGAINST ASIA BRAND GROUP PTE. LTD. AND LIU YANLONG IN RELATION TO PROFIT WARRANTY

1. INTRODUCTION

The Board of Directors (the "**Board**") of P99 Holdings Limited ("**Company**") refers to the Company's announcement dated 29 November 2013 (the "**Announcement**") in relation to the Notice of Arbitration filed with the Singapore International Arbitration Centre ("**SIAC Arbitration**") against Asia Brand Group Pte. Ltd. and Liu Yanlong ("**Respondents**").

Capitalised terms used in this announcement, unless otherwise defined herein, have the same meanings as used in the Announcement.

The Board wishes to announce that the Company and the Respondents agreed to implement a resolution of the SIAC Arbitration which, *inter alia*, included an interim award in terms of the draft arbitration award ("**Interim Award**") which subsequently resulted in the Share Transfer (as defined herein) being completed on 30 October 2014. Pursuant thereto, a consent final award ("**Consent Final Award**") was issued on 27 November 2014.

2. SHARE TRANSFER, INTERIM AWARD AND CONSENT FINAL AWARD

Pursuant to the Interim Award, the Respondents had transferred the 44,300,000 shares in the share capital of the Company ("**Share**"), issued to them pursuant to the Sale and Purchase Agreement dated 26 May 2011, to third parties, who individually did not receive shares amounting to more than 5% of the Company's Shares, for a gross consideration of S\$2,746,600 ("**Share Transfer**"). The Company had on 28 November 2014 received net proceeds of approximately S\$2.66 million from the Share Transfer after deducting for brokers commission ("**Completion**"). Based on the unaudited financial statement of the Company as at 30 June 2014, the adjusted cash and bank balance of the Company after adjusting for the net proceeds of S\$2.66 million ("**Net Proceeds**") (equivalent to approximately RMB 12.55 million based on an exchange rate of S\$ 1:RMB 4.719) would have been approximately RMB52.04 million.

Upon the completion of the Share Transfer, the Company and the Respondents have released, acquitted and forever discharged one another, their successors, assigns, agents, officers and employees from any and all obligations, actions, proceedings, claims, counterclaims and demands whatsoever arising out of, in relation to or in connection with the Sale and Purchase Agreement and the claim and counterclaim in the SIAC Arbitration.

3. CASH COMPANY – COMPLIANCE WITH RULE 1017 OF THE CATALIST RULES

Following the issuance of the Consent Final Award and the Completion, notwithstanding that the Company is the legal owner of Asia Sport Alliance Pte. Ltd. and its subsidiary ("**ASA Group**") of which the Company is of the view that it no longer has control over and has since 30 September 2013 deconsolidated the financial statements of ASA Group, the Company has ceased to have any operating business and will be subject to the requirements of a cash company under Rule 1017 of the Listing Manual Section B: Rules of Catalist of the Singapore

Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"). The Company confirms that there is no material financial, operational and compliance risks in relation to ASA Group being a legal entity within the Group.

The Company intends to comply with Rule 1017 of the Catalist Rules by undertaking the following:-

- (i) placing 90% of the Company's cash and short-dated securities (including existing cash balance and the Net Proceeds) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Authority. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a new business which is able to satisfy SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders;
- (ii) providing monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNET; and
- (iii) observing any other conditions which may be imposed by the SGX-ST for its continued listing and trading of its Shares on Catalist.

The Company will be making an application to the SGX-ST (via the Company's sponsor) to maintain its listing status and to continue the trading of the Shares on Catalist.

The Company is currently also considering various options available to the Company as it becomes a cash company. The Company's management will continue to oversee the affairs of the Company (including periodic reporting requirements pursuant to Rule 1017(b) of the Catalist Rules).

Shareholders will be informed in due course as and when there are any material updates.

4. CAUTION IN TRADING

The Board of Directors of the Company wish to remind the Shareholders there is no assurance that the SGX-ST will not suspend the trading and listing of the Share or that the Company will be able to acquire a new business that meets the SGX-ST's requirements for a new listing within the timeframe prescribed by the SGX-ST.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

By Order of the Board

Tan Sin Huat, Dennis

Executive Director

1 December 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor ("**Sponsor**"), PrimePartners Corporate Finance Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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.

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