**ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration No. 200609901H)

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**PROPOSED ACQUISITION OF THE ENTIRE ISSUED EQUITY INTEREST OF**
**中房联合置业集团有限公司**

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## 1. INTRODUCTION

The Board of Directors (the "**Board**") of Asia-Pacific Strategic Investments Limited (the "**Company**") is pleased to announce that the Company had, on 11 January 2016, entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with 中房集团联合投资股份有限公司 ("**中房联合投资**") and 中房联合集团企业管理有限公司 ("**中房企业管理**") (together, the "**Vendors**") whereby the Company will acquire 100% of the rights and interests of and in 中房联合置业集团有限公司 (the "**Target Company**"), being the entire registered and paid-up capital of the Target Company (the "**Sale Interests**"), from the Vendors on the terms and conditions contained in the S&P Agreement (the "**Proposed Acquisition**").

The Vendors are the legal and beneficial owners of all the Sale Interests, the particulars of which are set out against their respective names, together with the Sale Interests each Vendor has agreed to sell to the Company and the percentage share of the Aggregate Consideration (as defined below) that each Vendor is entitled to, in Appendix A to this Announcement.

The Proposed Acquisition, if undertaken and completed, is expected to result in a "very substantial acquisition" or a "reverse take-over" of the Company pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")'s Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

## 2. INFORMATION RELATING TO THE VENDORS AND THE TARGET COMPANY

*The information on the Vendors, the Target Company and their ultimate shareholders, and the Target Group (as defined below) in this Paragraph 2 and Appendices C to F to this Announcement was provided by the Vendors, which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.*

**2.1 The Vendors**

中房联合投资 is a company incorporated in the People's Republic of China ("**PRC**") with its registered office at 北京市海淀区中关村南大街甲 18 号院 1-4 号楼 D 座 13-13D and whose principal business is that of investments advisory and portfolio management.

中房企业管理 is a company incorporated in the PRC with its registered office at 北京市东城区东四头条 7 号院 and whose principal business are that of investments advisory and portfolio management. The ultimate shareholder of 中房企业管理 is 中房联合投资, which owns 60% of 中房企业管理.

Neither the Vendors nor any of their direct or indirect shareholders are related to the Company, or the directors or shareholders of the Company.

**2.2 The Target Company and the Target Group**

The Target Company is a company incorporated in the PRC with its registered office at 北京市海淀区中关村南大街甲 18 号院 1-4 号楼 D 座 13-13D. The Target Company has, at the date of the S&P Agreement, a registered capital of RMB150,000,000 which has been fully paid up. The Target Company, its subsidiaries and the corporations in which the Target Company holds shares or interest (the "**Target Group**") are real estate developers in the PRC and are pioneers in real estate development in the PRC.

The net tangible asset value and book value of the Sale Interests as at 30 September 2015 is RMB148,274,000.

Information on the real estate business, properties and projects of the Target Group is set out in Appendix C to this Announcement.

A summary of the pro forma financial information of the Target Group and the pro forma information of the Target Group, the Company and its subsidiaries (the "**Enlarged Group**") is set out in Appendix D and Appendix E respectively to this Announcement.

**3. KEY TERMS OF THE PROPOSED ACQUISITION**

**3.1 Sale and Purchase**

Pursuant to the S&P Agreement, the Company shall acquire the Sale Interests, representing 100% of the rights and interests of and in the Target Company, and being the entire registered and paid-up capital of the Target Company, together with all rights, benefits and entitlements attaching thereto as at the date of completion ("**Completion Date**") and thereafter.

**3.2 Purchase Consideration**

The aggregate consideration for the purchase of the Sale Interests shall be RMB150,000,000 (equivalent to S$33,333,333 calculated on the basis of the agreed exchange rate of RMB4.5 = S$1.00) (the "**Aggregate Consideration**"). The Aggregate

Consideration was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account the net tangible asset value of the Sale Interests (being RMB148,274,000 as at 30 September 2015).

The Aggregate Consideration shall be payable in the following manner:

(a) the sum of RMB80,000,000 ("**Cash Consideration**") payable in cash on Completion; and

(b) the sum of RMB70,000,000 payable in form of such number of new ordinary shares in the capital of the Company ("**Consideration Shares**") representing 28% of the enlarged share capital of the Company on the Completion Date (taking into account the new shares that may be issued pursuant to the Proposed Share Issuance as defined below)) to be allotted on completion of the Proposed Acquisition ("**Completion**") at the Issue Price (as defined below) to the Vendors in direct proportion to each Vendor's percentage shareholding in the Target Company as set out in Appendix A to this Announcement (the "**Share Issue**").

The issue price of the Consideration Shares (the "**Issue Price**") shall be determined using the following formula:

$$\frac{\text{S\$15,555,555 [}\textit{equivalent to RMB70,000,000 divided by an agreed exchange rate of RMB4.5 = S\$1.00}\text{]}}{\text{Number of Consideration Shares}}$$

For illustration purposes and assuming Completion took place on the date of the S&P Agreement, the number of Consideration Shares would be 1,513,087,202 and the Issue Price would be S$0.01, representing a premium of approximately 67% to the volume weighted average market price of S$0.006 per Share as at 8 January 2016, being the last traded market day immediately preceding the date of the S&P Agreement.

On Completion, the Consideration Shares shall be deposited in escrow with an escrow agent (the "**Escrow Agent**"). The Consideration Shares shall, unless otherwise mutually agreed between the parties, be held in escrow by the Escrow Agent prior to and until their release on the date twelve (12) months from Completion.

The Company will be commissioning an independent valuer to undertake an independent valuation of the assets of the Target Group in connection with the Proposed Acquisition.

**3.3 Completion**

Completion is conditional upon, *inter alia*, the conditions precedent specified in Appendix B to this Announcement (the **"Conditions Precedent**") being fulfilled or waived in accordance with the terms of the S&P Agreement. Completion will take place on the date falling five (5) Business Days after the date on which all the Conditions Precedent are fulfilled or waived by the Company or the Vendors (as the case may be) in accordance with the terms of the S&P Agreement (the "**Completion Date**").

If the Conditions Precedent are not fulfilled or waived by the Company or the Vendors (as the case may be) by the date falling six (6) months after the date of the S&P Agreement or such other date as may be agreed in writing between the parties, the S&P Agreement shall terminate.

### 3.4 Restrictive Covenants

The Vendors each undertake that they shall not, and undertake to procure that their related companies shall not, in the Relevant Territory during the Restricted Period carry on, be engaged in or be economically interested in any business which is of the same or similar type to the business of the Target Company as carried on as at the Completion Date (namely, that of the real estate development business) and which is or is likely to be in competition with any part of the business of the Target Company as carried on as at the Completion Date.

In this Section 3.4:

(a) "Relevant Territory" shall mean Huzhou city, Dalian city and Weifang city of the PRC; and

(b) "Restricted Period" shall mean twenty four (24) months commencing on Completion or such shorter period of time recognised by applicable law as being binding on the Vendors.

### 3.5 Right of First Refusal

The Vendors each grant the Company a right of first refusal in respect of any prospective projects for the development of properties in the PRC for as long as they remain substantial shareholders of the Company. In the event that the Vendors are contemplating embarking on future property development projects in the PRC, they shall immediately notify the Company and provide the Company with sufficient information to make an informed judgement as to whether to take on such project. The Company shall have twenty (20) calendar days following such notification to decide whether to take on the relevant property development project. If the Vendors do not hear from the Company by the expiry of such period, the Vendors shall be free to take on the relevant property development project.

### 3.6 Shareholding Structure on Completion

On Completion, the Target Company will become a wholly-owned subsidiary of the Company and the Vendors will hold approximately 28% shareholding in the Company based on its enlarged share capital after Completion (after taking into account the new shares that may be issued pursuant to the Proposed Share Issuance).

The Vendors have undertaken to comply with, or procure compliance with, all applicable moratorium requirements imposed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Consideration Shares.

There are no persons proposed to be appointed as directors of the Company in connection with the Proposed Acquisition.

### 3.7 Compliance Placement

Pursuant to Rule 406(1) of the Catalist Rules, at least 15% of the issued share capital of the Company must be held in the hands of at least 200 public shareholders to maintain its listing status on the Catalist of the SGX-ST. Upon Completion, the Company may not comply with the shareholding spread and distribution requirements under Rule 406(1) of the Catalist Rules and the Company shall, if necessary, issue such number of new ordinary shares in the

capital of the Company (the "**Compliance Placement Shares**") to meet such shareholding spread and distribution requirements (the "**Compliance Placement**").

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition, if approved by the shareholders of the Company (the "**Shareholders**"), is in the best interests of the Company and Shareholders for the following reasons:

(a) it will enable the Company to enter the real estate development business in the PRC and capitalise on the expertise of the Target Group's management which will in turn be overseen by the Board (of which Mr Yap Siean Sin, an independent director of the Company, has extensive experience as a consultant architect and a town planner, as well as in business management of numerous construction and property development projects in the PRC);

(b) notwithstanding that the Target Group is currently loss-making as its projects are currently in the planning and/or construction stage, the Proposed Acquisition will allow the Company and its subsidiaries (the "**Group**") to have better prospects of profitability and ensure long term growth as and when the Target Group's projects commence sales and are eventually completed; and

(c) by acquiring one of the oldest real estate developers in PRC, the Company will be able to capitalise on its reputation, expertise and relationship with the national and local governments and the policies thereunder.

## 5. THE PROPOSED ACQUISITION AS A VERY SUBSTANTIAL ACQUISITION OR REVERSE TAKEOVER

Based on the latest unaudited financial statements of the Group for the financial period ended 30 September 2015 (save as otherwise specified), the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of Catalist Rules are as follows:

| **Rule 1006(a)** | |
|---|---|
| Net value of the assets to be disposed of | Not applicable |
| Net asset value of the Group | Not applicable |
| Size of relative figure | Not applicable |

| **Rule 1006(b)** | |
|---|---|
| Net loss[(1)] attributable to the acquired assets | (RM10,326,000) |
| Net loss of the Group for the nine months ended 30 September 2015[(2)] | (RM373,000) |
| Size of relative figure | 2,768% |

| **Rule 1006(c)** | |
|---|---|
| Aggregate value of consideration to be given[(3)] | S$31,395,562 |

| | |
|---|---|
| Company's market capitalization as at 8 January 2016[4], being the last traded market day immediately preceding the date of the S&P Agreement | S$23,344,773 |
| Size of relative figure | 134.5% |

| **Rule 1006(d)** | |
|---|---|
| Number of equity securities to be issued by the Company as consideration[5] for an acquisition | 1,513,087,202 |
| Number of equity securities in issue[6] | 3,890,795,664 |
| Size of relative figure | 38.9% |

| **Rule 1006(e)** | |
|---|---|
| Aggregate volume or amount of proven and probable reserves to be disposed of | Not applicable |
| Aggregate of the Group's proven and probable reserves | Not applicable |
| Size of relative figure | Not applicable |

**Notes:**

(1) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used is extracted from the Target Group's unaudited management accounts for the nine-month period ended 30 September 2015.

(2) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used for comparison is an aggregate of the Group's net profits for the six-month period ended 30 June 2015 (as extracted from the Group's audited consolidated accounts for the financial year ended 30 June 2015) and the three-month period ended 30 September 2015 (as extracted from the Group's unaudited consolidated accounts for the three-month period ended 30 September 2015).

(3) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. As such, for the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Acquisition is deemed to be S$31,395,562, which is the aggregate of the Cash Consideration and the net asset value represented by the Consideration Shares based on the latest unaudited financial statements of the Group for the financial period ended 30 September 2015.

(4) The market capitalisation of S$23,344,773 is derived from the volume weighted average market price of S$0.006 per Share as at 8 January 2016, being the last traded market day immediately preceding the date of the S&P Agreement *(Source: Bloomberg)*.

(5) For illustration purposes and assuming all the Conditions Precedent were fulfilled or waived on the date of the S&P Agreement, the number of Consideration Shares is assumed to be 1,513,087,202 based on the Issue Price of S$0.01.

(6) Based on issued share capital of 3,890,795,664 as at the date of this Announcement.

(7) The net profit of the Target Group was converted into RM using exchange rate of RMB1 to RM0.6114.

As the relative figures under Rules 1006 (b) and (c) of the Catalist Rules exceed 100%, the Proposed Acquisition constitutes a "Very Substantial Acquisition" or a "Reverse Take-over" transaction as defined under Chapter 10 of the Catalist Rules and will be subject to, *inter alia*, the approval of the Shareholders.

## 6. PRO FORMA FINANCIAL EFFECTS

The Company intends to finance part of the payment of the Consideration through the issue of new Shares ("**Proposed Share Issuance**") and the pro forma financial effects of the Proposed Acquisition as set out in Appendix F to this Announcement have been prepared based on, *inter alia*, the assumption that the Proposed Share Issuance has been completed simultaneously with the Proposed Acquisition.

## 7. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Proposed Acquisition.

## 8. FINANCIAL ADVISER / FULL SPONSOR

The Company will be appointing a financial adviser and full sponsor in respect of the Proposed Acquisition and is currently reviewing several quotations in this respect. The Company will make further announcements as and when the appointment of a financial adviser and full sponsor is made.

## 9. FURTHER INFORMATION

A circular containing further information on the Proposed Acquisition and such other transactions as contemplated in the S&P Agreement (the "**Circular**"), together with a notice of the extraordinary general meeting of the Company, will be dispatched by the Company to Shareholders in due course.

A copy of the S&P Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

## 10. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendors and the Target Company) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

The Vendors accept full responsibility for the accuracy of the information given in this Announcement in respect of the Vendors and the Target Company and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed by them in this Announcement in respect of the Vendors or the Target Group are fair and accurate in all material respects as at the date hereof, and that there are

no material facts in respect of the Target Group the omission of which would make any statement in respect of the Target Group misleading in any material respect.

## 11. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further mutual due diligence. 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 are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD**

Dato' Dr. Choo Yeow Ming
Chairman and Chief Executive Officer

14 January 2016

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor had 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 statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Ng Joo Khin.
Telephone number: 6389 3000. Email: jookhin.ng@morganlewis.com

## Appendix A

### THE VENDORS AND THEIR RESPECTIVE PERCENTAGE OF SHAREHOLDING IN THE TARGET COMPANY

| Vendor | Proportion of Sale Interests to be transferred | Percentage share of the Aggregate Consideration |
|---|---|---|
| 中房联合投资 | 90% | 90% |
| 中房企业管理 | 10% | 10% |

## Appendix B

## SUMMARY OF CONDITIONS PRECEDENT

1. The satisfactory outcome of the legal, financial and commercial due diligence conducted by the Company in respect of the accounts, assets, personnel and businesses of the Target Group

2. The resolutions of the board of directors and shareholders of the Company having been obtained for the entry into, implementation and completion of, the transactions contemplated in the S&P Agreement, including in particular:

   (a) the Proposed Acquisition;

   (b) the proposed consolidation of existing ordinary shares in the share capital of the Company into a consolidated share in accordance with such ratio as may be decided by the Company (the "**Share Consolidation**");

   (c) the Share Issue;

   (d) the new share issue mandate for the Company to issue and allot shares and convertible securities pursuant to Section 161 of the Companies Act;

   (e) any additional items as may be agreed between the parties; and

   (f) the Compliance Placement (if required).

3. The resolutions of the board of directors of the Vendors having been obtained for the entry into, implementation and completion of, the transactions contemplated to be entered into in the S&P Agreement.

4. Under the bylaws of the Target Company, the sale and purchase of the Sale Interests and the revision of the bylaws of the Target Company have received the necessary approvals of the Target Company (including but not limited to the approval of the board of directors and/or the general meeting of the owners of the equity interests).

5. All necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the S&P Agreement (whether in Singapore, PRC and any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained by the Vendors or the Company, as relevant, including without limitation:

   (a) the listing and quotation notice being obtained by the Company in relation to the listing and quotation of the Consideration Shares and the Compliance Placement Shares (if any) on the Catalist;

   (b) the approval of the Ministry of Commerce People's Republic of China being obtained by the Vendors in relation to the sale and purchase of the Sale Interests;

   (c) the approval of the State Administration of Foreign Exchange of the People's Republic of China being obtained by the Vendors in relation to the Vendors' shareholding in the Company;

(d) the approval of the China Securities Regulatory Commission for the Vendors' shareholding in the Company; and

(e) the approval certificate being obtained from the authorities at all levels inside the PRC responsible for examination and approval of changes in equity interests in foreign-invested enterprises in respect of the sale and purchase of the Sale Interests, the S&P Agreement and the bylaws of the Target Company, such consents, approvals and waivers not having been amended, withdrawn or revoked before the Completion Date, and to the extent that such consent, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly fulfilled.

6. A legal opinion from a reputable PRC law firm (such firm being acceptable to the Sponsor and/or the SGX-ST) opining that all necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority in the PRC in respect of the transactions contemplated in the S&P Agreement and all other transactions in connection therewith and incidental thereto have been obtained by the Vendors or the Company, as relevant, on an unconditional basis, or to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly fulfilled.

7. No governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:

(a) make the transactions contemplated in the S&P Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;

(b) render the Company unable to purchase all or any of the Sale Interests in the manner set out in the S&P Agreement; and/or

(c) render the Vendors unable to dispose of all or any of their Sale Interests in the manner set out in the S&P Agreement.

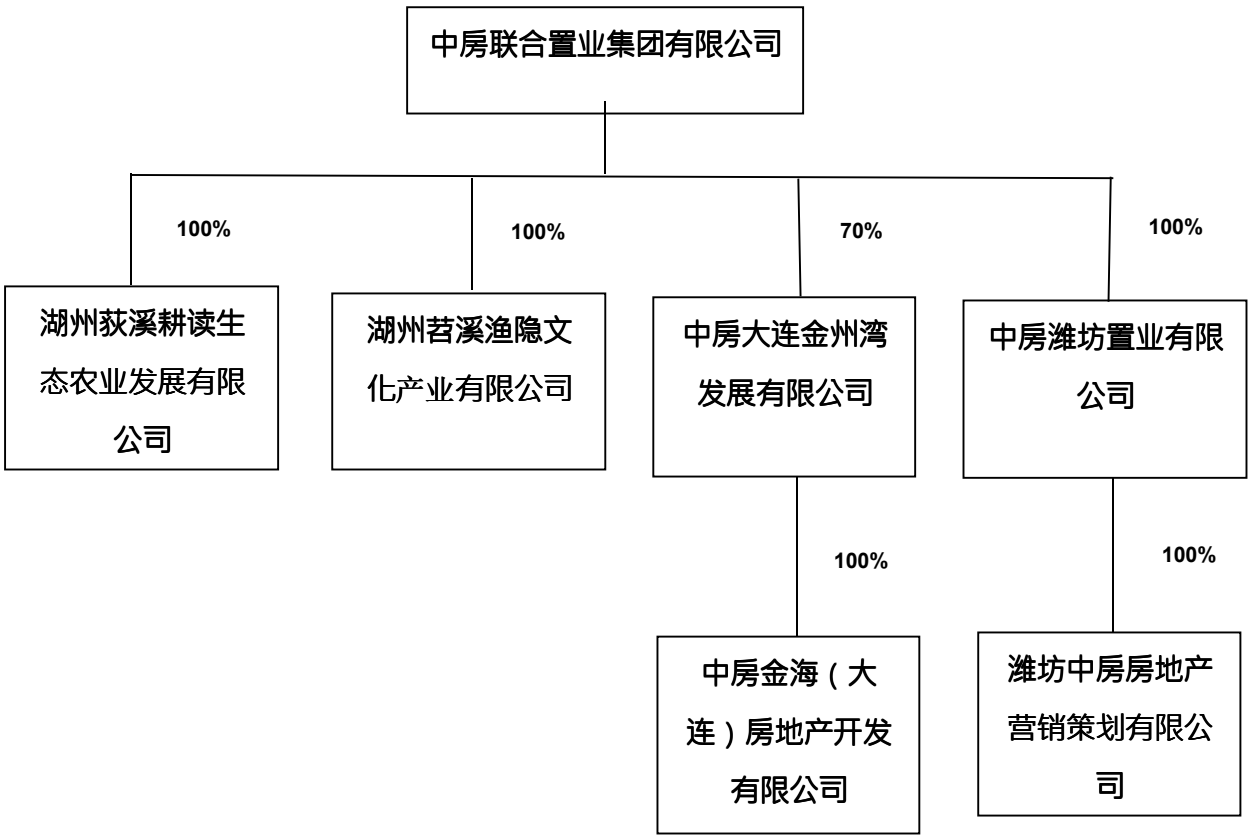
8. Each of the warranties provided by the Vendors being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendors and the Company as at the date of the S&P Agreement and until the Completion Date.

9. The completion of the Share Consolidation (if necessary).

**Appendix C**

**THE TARGET GROUP'S SUBSIDIARIES, ITS REAL ESTATE BUSINESS, PROPERTIES AND PROJECTS**

**(a) The Subsidiaries**



**(b) The Target Company's Real Estate Business, Properties And Projects**

The Target Company and its subsidiaries are currently engaged in the following development projects:

**1. Weifang Project**

The Weifang Project is located at Hanting District, Weifang City, Shandong Province, PRC and has a total built-up area of 69.3 hectares. The Weifang Project involves the demolishing of shanty towns to develop a commercial and residential community called "中房幸福名都". Foundation work for the Weifang Project has been completed.

**2. Dalian Project**

The Dalian Project is located at Qiaomaishan Village, Liaoning Province, Dalian City, PRC and has a total land area of 280 hectares, with 220 hectares available for development. The Dalian Project will be a mixed-use development for residential and commercial uses, with a focus on the restoration of existing places of historic interest and ancient temples in Jinzhou Ancient Town. The first stage of the Dalian Project, which is slated to begin shortly, comprises of the resettlement of and payment of compensation to the existing residents, demolishing the existing structures and constructing facilities to provide municipal services such as sanitation and water.

**3. Huzhou Project**

The Huzhou Project is located at Digang Town, Nanxun District, Zhejiang Province in Huzhou, PRC. It is located in the west of Yangtze river, and has a total land area of approximately 333 hectares available for development. The Huzhou Project will involve the development of waterside villas, island residences and townhouses with a focus on wellbeing and healthy living facilities. The development will also feature hotels, leisure farm resorts and canal sightseeing facilities, with a view to building a community featuring the unique culture of the west of Yangtze river. The Huzhou Project is currently in the planning and design stage.

## Appendix D

## PRO FORMA FINANCIAL INFORMATION OF THE TARGET GROUP

**Income Statements**

| | Financial year ended 31 December 2013 Audited | Financial year ended 31 December 2014 Audited | Nine months ended 30 September 2015 Unaudited |
|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 |
| Revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit | - | - | - |
| Other gains, net | 41,697 | 17 | 233 |
| General and administrative expenses | (6,562) | (5,443) | (17,122) |
| Profit/(Loss) before income tax | 35,135 | (5,426) | (16,889) |
| Income tax expense | (8,786) | - | - |
| Net profit/(loss) | 26,349 | (5,426) | (16,889) |

**Balance Sheets**

| | As at 31 December 2013 Audited | As at 31 December 2014 Audited | As at 30 September 2015 Unaudited |
|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 |
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and bank balances | 34,369 | 193 | 6,290 |
| Other receivables | 72,657 | 113,915 | 85,163 |
| Inventories and development expenditure | - | - | 86,642 |
| Other current assets | - | - | 33,992 |
| | 107,026 | 114,108 | 212,087 |
| **Non-current assets** | | | |
| Property, plant and equipment | 31 | 23 | 1,809 |
| Available-for-sale financial assets | 137,000 | 112,000 | - |
| Development expenditure | - | - | 7,595 |
| Deferred expenses | - | - | 470 |
| | 137,031 | 112,023 | 9,874 |
| **Total assets** | 244,057 | 226,131 | 221,961 |

| | | | |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Other payables | 58,316 | 78,826 | 73,687 |
| Current income tax liabilities | 8,853 | 13 | - |
| **Total liabilities** | 67,169 | 78,839 | 73,867 |
| **Net assets** | 176,888 | 147,292 | 148,274 |
| **EQUITY** | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | 150,000 | 150,000 | 150,000 |
| Reserve fund | 3,018 | 3,018 | 3,018 |
| Unappropriated profit/(Accumulated losses) | 23,870 | (5,726) | (28,776) |
| | 176,888 | 147,292 | 124,242 |
| Non-controlling interests | - | - | 24,032 |
| | 176,888 | 147,292 | 148,274 |

## Appendix E

### COMBINED PRO FORMA INFORMATION OF THE ENLARGED GROUP

**BASES AND ASSUMPTIONS**

1. The pro forma financial information of the Enlarged Group for the financial year ended 31 December 2014 (being the last completed financial year of the Target Group) is prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015 and for the financial year ended 30 June 2014, as well as the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2014.

2. The pro forma financial information of the Enlarged Group for the financial year ended 31 December 2014 and based on, *inter alia*, the following basis and assumptions:

   (a) the Proposed Acquisition is completed on 1 January 2014; and

   (b) the Proposed Share Issuance is completed simultaneously with the Proposed Acquisition on 1 January 2014.

**Income Statement**

| | **Financial year ended 31 December 2014**<br><br>**RM'000** |
|---|---|
| Continuing operations | |
| Revenue | 189 |
| Cost of sales | - |
| Gross profit | 189 |
| Other loss, net | (63) |
| General and administrative expenses | (8,931) |
| Loss before income tax | (8,805) |
| Income tax expense | (33) |
| Loss from continuing operations | (8,838) |
| Discontinued operations | |
| Loss from discontinued operations - net | (8,279) |
| **Total comprehensive loss, representing total loss** | (17,117) |

**Balance Sheet**

| | As at 31 December 2014 |
|---|---|
| | RM'000 |
| **ASSETS** | |
| Current assets | |
| Cash and bank balances | 785 |
| Financial assets, at fair value through profit or loss | 36,503 |
| Other receivables | 68,511 |
| Other current assets | 267 |
| | 106,066 |
| Assets of disposal group classified as held-for-sale | 74,549 |
| | 180,615 |
| **Non-current assets** | |
| Property, plant and equipment | 99 |
| Available-for-sale financial assets | 79,003 |
| | 79,102 |
| Total assets | 259,717 |
| **LIABILITIES** | |
| **Current liabilities** | |
| Other payables | 44,479 |
| Current income tax liabilities | 28 |
| | 44,507 |
| Liabilities directly associated with disposal group classified as held-for-sale | 27,778 |
| | 72,285 |
| **Non-current liability** | |
| Other payable | 10,579 |
| Total liabilities | 82,864 |
| Net assets | 176,853 |
| **EQUITY** | |
| **Capital and reserves attributable to equity holders of the Company** | |
| Share capital | 416,416 |
| Other reserves | (187,583) |
| Accumulated losses | (51,980) |
| Total equity | 176,853 |

## Appendix F

## COMBINED PRO FORMA FINANCIAL EFFECTS

### DEFINITIONS

In this Appendix E, words and expressions shall have the same meanings as in Paragraph 3.2 and the following meanings:

"**2013 Warrants**" means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 14 June 2013.

"**2014 Warrants**" means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 3 April 2014.

"**Introducer Warrants**" means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 20 March 2014.

"**2015 Rights cum Warrants Issue**" means the Company's renounceable right cum warrants issue pursuant to which, inter alia, 3,373,458,070 new shares and 3,373,458,070 free detachable warrants were offered through an offer information statement dated 28 October 2015.

"**2015 Warrants**" means the outstanding and unexercised warrants issued by the Company pursuant to the deed poll entered into by the Company on 20 October 2015.

"**Century 21 Acquisition**" means the Company's acquisition of Century 21 Hong Kong Limited for a consideration of S$1,000,000 satisfied by issuance of 33,333,333 new ordinary shares.

### BASES AND ASSUMPTIONS

1. The combined pro forma financial effects of the Proposed Acquisition on the Group as set out in this Appendix E are based on the audited consolidated financial statements of the Group for the year ended 30 June 2015 ("**FY2015**").

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

   (a) the financial effects of the Proposed Acquisition on the earnings and the earnings per Share ('**EPS**") of the Group are computed assuming that:

      (i) the Proposed Acquisition;

      (ii) the disposal of the entire issued and paid-up share capital of HMS Capital Sdn Bhd to Mr Heng Aik Koon as approved by Shareholders on 15 October 2015 (the "**Disposal of Existing Business**");

      (iii) the Century 21 Acquisition; and

      (iv) the 2015 Rights cum Warrants Issue, the exercise of 206,969 2013 Warrants and the exercise of 50,206,779 2014 Warrants;

   are completed on 1 July 2014;

(b) the financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") of the Group are computed assuming that

(i) the Proposed Acquisition;

(ii) the Proposed Disposal of Existing Business;

(iii) the Century 21 Acquisition;

(iv) the 2015 Rights cum Warrants Issue, the exercise of 206,969 2013 Warrants and the exercise of 50,206,779 2014 Warrants;

are completed on 30 June 2015;

(c) the Proposed Share Issuance is completed simultaneously with the Proposed Acquisition;

(d) at least 15% of the issued share capital of the Company will be held in the hands of at least 200 public shareholders after Completion. As such, the Compliance Placement will not be required;

(e) the existing warrant holders will exercise all existing warrants after Completion ("**Exercise of Warrants**");

(f) the analysis does not take into account the costs and expenses related to the Proposed Acquisition; and

(g) no goodwill will arise from the Proposed Acquisition. However, on Completion, the deemed consideration for the Proposed Acquisition for accounting purposes will be based on the fair value of the Sale Interests as at the Completion Date. As final goodwill will have to be determined at the Completion Date, the actual goodwill could be materially different from the assumption used above. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the Singapore Financial Reporting Standards.

Shareholders should note that the pro forma financial effects of the Proposed Acquisition are purely for illustrative purposes only. The illustrative financial effects should not be construed to mean that the Group's actual results, performance or achievements will be as expected, expressed or implied in such financial effects.

**FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The effects of the Proposed Acquisition on the EPS and NTA of the Group for FY2015 are as follows:

EPS

| | Before the Proposed Acquisition | After the exercise of 2013 Warrants, 2014 Warrants, completion of 2015 Rights cum Warrants Issue and completion of Century 21 Acquisition | After Disposal of Existing Business | After Completion | After completion of the Proposed Share Issuance | After Exercise of Warrants after Completion |
|---|---|---|---|---|---|---|
| Loss attributable to equity holders of the Company (RM'000) | (5,957) | (5,912) | (241,365) | (251,691) | (251,691) | (251,691) |
| Weighted average number of ordinary shares in issue ('000) | 1,175,196 | 3,852,807 | 3,852,807 | 6,386,348 | 9,010,373 | 12,554,367 |
| EPS (RM cents) | (0.5) | (0.2) | (6.3) | (3.9) | (2.8) | (2.0) |

NTA

| | Before the Proposed Acquisition | After the exercise of 2013 Warrants, 2014 Warrants, completion of 2015 Rights cum Warrants Issue and completion of Century 21 Acquisition | After Disposal of Existing Business | After Completion | After completion of the Proposed Share Issuance | After Exercise of Warrants after Completion |
|---|---|---|---|---|---|---|
| NTA (RM'000) | 105,977 | 149,100 | 113,102 | 162,839 | 205,761 | 294,164 |
| Number of ordinary shares in issue ('000) | 1,213,185 | 3,890,796 | 3,890,796 | 6,424,337 | 9,048,362 | 12,592,356 |
| NTA per share (RM cents) | 8.7 | 3.8 | 2.9 | 2.5 | 2.3 | 2.3 |