

ABR HOLDINGS LIMITED

Company Registration No. 197803023H
(Incorporated in Singapore)

PROPOSED ACQUISITION OF 50% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PT BINTAN LAGOON RESORT

1. INTRODUCTION

- 1.1 The Board of Directors of ABR Holdings Limited (“**ABR**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, ABR Land (S) Pte. Ltd. (“**Purchaser**”), has entered into a conditional sale and purchase agreement dated 19 December 2017 (the “**SPA**”) with Resort Venture Pte. Ltd. (the “**Vendor**”) for the acquisition by the Purchaser of 50% of the entire issued and paid-up share capital of PT Bintan Lagoon Resort (“**BLR**”) from the Vendor (“**Sale Shares**”), for an aggregate consideration (the “**Consideration**”) of S\$65,000,000 (the “**Proposed Acquisition**”). Following completion of the Proposed Acquisition (“**Completion**”), BLR will be held in equal shares between the Purchaser and the Vendor.
- 1.2 The Proposed Acquisition is subject to the fulfillment of certain conditions precedent, including the approval by the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened. Further information on the Proposed Acquisition will be provided in a circular to be issued by the Company in due course for the purpose of convening the EGM (“**Circular**”).

2. INFORMATION ON BLR AND THE VENDOR

- 2.1 BLR is a company incorporated in the Republic of Indonesia and wholly owns the property known as “Bintan Lagoon Resort” situated in Bintan, Indonesia. Bintan Lagoon Resort comprises a 413 key resort hotel, two 18-hole championship golf courses, 58 villas and leisure and food and beverage facilities, that sits on a site measuring approximately 311 hectares of land (“**Resort**”).
- 2.2 The Vendor is a company incorporated in Singapore and its principal business activity is investment holding. The Vendor is controlled by Khua Kian Keong and Pacific Star Holdings Pte. Ltd. (“**Pacific Star**”). Khua Kian Keong is a businessman with more than 20 years of experience in real estate investment, having developed and completed numerous residential and industrial projects in Singapore, while Pacific Star is a global real estate investment house with established track record in investment and asset management of prime real estate assets.

The Vendor is not related to any of the Company’s directors, controlling shareholders or their respective associates.

- 2.3 In connection with the Proposed Acquisition, the Vendor will incorporate a company in Singapore (“**Singapore Management Co**”), which will subsequently be held by the Vendor and the Purchaser in equal shares for the purpose of, *inter alia*, supporting the operations and

business of the Resort. Singapore Management Co will apply for, and the Vendor will assist Singapore Management Co to apply for, a travel agent licence to be issued by the Singapore Tourism Board and a regional ferry services operator licence to be issued by the Maritime and Port Authority of Singapore. Pending the issuance of such licences to Singapore Management Co, the Vendor will provide such services as are necessary to support the operations and business of BLR and/or the Resort.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 Consideration

The Consideration for the Sale Shares is S\$65,000,000, which is payable by the Purchaser to the Vendor in cash and shall be satisfied by:

- (a) a deposit of S\$4,050,000 paid on the date of the SPA, which is refundable to the Purchaser in the event Completion does not take place through no fault of the Purchaser; and
- (b) the balance of S\$60,950,000 to be paid at Completion by the Purchaser to the Vendor, of which S\$24,500,000 ("**Advance**") will be funded by an advance to the Purchaser from Singapore Management Co's loan facility to be obtained from United Overseas Bank Limited ("**UOB**") at Completion ("**UOB Facility**").

The Consideration was arrived at on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the Valuation (defined below) of the Resort.

Based on a valuation report commissioned by the Vendor and issued by Edmund Tie & Company (SEA) Pte Ltd and Sarwono, Indrastuti & Rekan to United Overseas Bank Limited in August 2017 ("**Valuation Report**"), the market value of the Resort as at 30 June 2017 was valued at S\$136,500,000 based on the Income Approach-Discounted Cash Flow Method ("**Valuation**").

3.2 Conditions Precedent

Completion of the Proposed Acquisition, is conditional on, *inter alia*, the following Conditions Precedent being fulfilled or (where applicable) waived:

- (a) the sale and purchase of the Sale Shares being approved by the Shareholders at the EGM;
- (b) the letter of offer in respect of the UOB Facility having been issued by UOB to Singapore Management Co on terms mutually acceptable to the Vendor and the Purchaser;
- (c) no event or matter having occurred that results in a material adverse change on the Resort or BLR;
- (d) the outstanding shareholder's loan of a principal sum of S\$8,084,559.98 owed by BLR to the Vendor and its affiliates and any interest accruing up till the date of capitalisation having been capitalised;

- (e) the receipt of the written approval from the *Badan Koordinasi Penanaman Modal* (“**BKPM**”), the capital investment coordinating board of Indonesia, or *Badan Pengusahaan Wilayah Kabupaten Bintan*, the agency delegated by BKPM to issue principle licensing and any of its amendments in Bintan region, for the transfer of the Sale Shares;
- (f) the signed and unqualified audited financial statements of BLR for the financial year ended 31 December 2017, which are audited by a recognised audit firm mutually agreed by the Purchaser and the Vendor and prepared on the basis of International Financial Reporting Standards having been provided to the Purchaser;
- (g) an announcement of the Proposed Acquisition having been made to employees of BLR and in one newspaper circulated in Indonesia for the requisite period in accordance with Indonesia laws, and no creditor objection to the Proposed Acquisition being received, or where any creditor objection is received, such objection being settled on terms mutually satisfactory to the Vendor and the Purchaser; and
- (h) all documents required to verify the Vendor's title to the Sale Shares and BLR's title to the properties owned, leased or occupied by BLR having been provided to the Purchaser and/or its legal advisers to the satisfaction of the Purchaser.

In the event that the Conditions Precedent are not fulfilled or (where applicable) waived within six months from the date of the SPA, or such other date mutually agreed by the Purchaser and the Vendor in writing, the SPA (other than certain provisions which shall survive the termination of the SPA) shall lapse and cease to have further effect.

3.3 **Shareholders' Agreements in respect of each of BLR and Singapore Management Co**

The Vendor and the Purchaser have entered into a shareholders' agreement in respect of BLR and Singapore Management Co respectively, to govern their mutual rights and obligations as shareholders of BLR and Singapore Management Co, respectively, with effect from the date of Completion (collectively, the “**Shareholders' Agreements**”).

3.4 **Asset Management Services Agreement**

BLR shall, at Completion, enter into an asset management services agreement (“**Asset Management Services Agreement**”) with Pacific Star in relation to the provision of asset management services by Pacific Star to BLR and the management of the Resort for a period of five (5) years from the date of the Asset Management Services Agreement (“**Term**”). On the expiry of the Term, BLR and Pacific Star may, by mutual agreement, renew the Asset Management Services Agreement on an annual basis.

4. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is in line with the Group's strategic plans and on-going efforts to expand into selective property development businesses and pursue new investment opportunities. The Resort will diversify the Group's property portfolio. In addition, the Resort resides on a site with approximately 150 hectares of undeveloped land, which has potential for development in the future.

5. FUNDING FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will be funded from a combination of the Group's internal resources and bank borrowings, including the Advance.

6. MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual") and based on the latest announced unaudited consolidated results of the Group for the 9 months ended 30 September 2017 are as follows:

Rule 1006	Bases	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable. This is an acquisition of assets.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profit ⁽¹⁾	8.3%
(c)	The aggregate value of the consideration given, ⁽²⁾ compared with the Company's market capitalisation based on the total number of issued shares in the share capital of the Company (excluding treasury shares) ⁽³⁾	40.4%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable. No equity securities are intended to be issued as consideration for the Proposed Acquisition.
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not Applicable. The Company is not a mineral, oil or gas company.

Notes:

(1) "Net profits" is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits attributable to the Sale Shares is approximately IDR3,917,237,000 (equivalent to S\$407,000 at the exchange rate of S\$1 : IDR9,615), based on the unaudited management accounts of BLR for the 9-month period ended 30 September 2017.

(2) Based on the Consideration of S\$65,000,000.

- (3) Market capitalisation has been calculated on the basis of 200,995,734 ordinary shares in the capital of the Company in issue (“**Shares**”) multiplied by S\$0.80, the weighted average price of the Shares transacted on 14 December 2017, being the last full market day preceding the date of the SPA where Shares were traded.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition constitutes a “Major Transaction” under Rule 1010 of the Listing Manual and the Company will be seeking approval of Shareholders at the EGM to be convened.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

For illustration purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the Group, based on the Group’s audited consolidated balance sheet as at its financial year ended 31 December 2016 (“**FY2016**”), and the assumptions as summarised herein and the accompanying notes:

- (a) The financial effects of the Proposed Acquisition are purely for illustrative purposes and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Acquisition nor a projection of the future financial performance or position of the Group after Completion.
- (b) The financial effects of the Proposed Acquisition are based on the Group’s audited financial statements for FY2016 and on BLR’s audited financial statements for FY2016.
- (c) No adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group and BLR.
- (d) The expenses in connection with the Proposed Acquisition have been excluded.
- (e) For the purpose of computing the net tangible assets of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition was completed on 31 December 2016.
- (f) For the purpose of computing the net profit attributable to Shareholders and basic earnings per Share of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition was completed on 1 January 2016.

7.1 Net tangible assets (“NTA”)

	As at 31 December 2016	
	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$’000)	99,266	99,266
Number of Shares (’000)	200,996	200,996
NTA per Share (In Singapore cents)	49.4	49.4

7.2 Earnings per Share (“EPS”)

	FY2016	
	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to Shareholders (S\$'000)	5,410	5,718
Weighted average no. of Shares used in the computation of basic EPS ('000)	200,996	200,996
Basic EPS (In Singapore cents)	2.69	2.84

8. IRREVOCABLE UNDERTAKINGS

As at the date of this announcement,

- (a) Chua Tiang Choon, Keith has a direct interest in 300,000 Shares and has a deemed interest in 56,925,858 Shares, in aggregate representing approximately 28.47% of the existing issued and paid-up share capital of the Company; and
- (b) Ang Yee Lim has a direct interest in 97,979,901 Shares, representing approximately 48.75% of the existing issued and paid-up share capital of the Company,

(each an “Undertaking Shareholder”).

As an indication of their support and commitment to the Company, each Undertaking Shareholder has provided an irrevocable undertaking to the Vendor to, in respect of all the Shares directly or indirectly held by each of them or their nominees, vote in favour of all of the resolutions at the EGM relating to approval of the Proposed Acquisition.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the substantial Shareholders of the Company has an interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests, direct or indirect, in the Company.

10. NO SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition.

11. 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 Acquisition, the Group and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading, and where this announcement contains a profit forecast or guarantee, the Directors are satisfied that the profit forecast or guarantee has been stated after due and careful enquiry. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

The Circular containing information on the Proposed Acquisition and enclosing the notice of EGM to seek Shareholders' approval for the Proposed Acquisition, amongst other things, will be despatched by the Company to Shareholders in due course.

Copies of the SPA, Valuation Report and Shareholders' Agreements will be made available for inspection by the Shareholders at the registered office of the Company at 41 Tampines Street 92 Singapore 528881 during normal business hours for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Ang Yee Lim
Managing Director

19 December 2017