JAYA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 199002391E)

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF A NEW BUSINESS

---

1. INTRODUCTION

The board of directors (the "**Board**") of Jaya Holdings Limited (the "**Company**") wishes to announce that the Company has on 1 April 2016 entered into a non-binding term sheet (the "**Term Sheet**") in relation to the proposed acquisition by the Company from Bernard Chan, Tan Siew Ann Jason, Lee Chan Beng, David John Kelso and Gajanan Pandurang Barve (collectively, the "**Vendors**" and together with the Company, the "**Parties**") of the entire equity interest in Heduru Moni Limited (the "**Target Company**") (hereinafter referred to as the "**Proposed Acquisition**").

The purchase consideration for the Proposed Acquisition shall be satisfied by the allotment and issuance of new shares in the issued and paid up capital of the Company to the Vendors. The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual (the "**Listing Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Term Sheet is not intended to be legally binding between the Parties, except for provisions relating to confidentiality, exclusivity, costs and governing law.

2. INFORMATION ON THE TARGET COMPANY

The information on the Target Company in this paragraph 2 was provided by the Vendors and the Target Company, 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 the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

The Target Company is a limited liability company incorporated in Papua New Guinea ("**PNG**") in 1998.

The Target Company is a financial institution licensed and regulated by the Bank of Papua New Guinea. Operating in Port Moresby, the capital of PNG, the Target Company is the largest micro-lender in PNG engaging in the provision of personal loans, asset financing, term deposits and foreign currency payments. A competitive advantage of the Target Company lies in its ability to grant loan approvals within 24 hours of application by its customers.

The Target Company is a profitable entity. The historical net profit of the Target Company was S$11.7 million, S$14.3 million and S$19.9 million for FY2013, FY2014 and FY2015 respectively, with a revenue of S$47.3 million in FY2015 (based on the exchange rate of PNG Kina ("**PGK**") 1 : S$0.44).

3. RATIONALE FOR THE PROPOSED ACQUISITION

Following the completion of the disposal of all of the Company's previous subsidiaries, the Company ceased to have any operating subsidiaries or businesses and accordingly, became a cash company under Rule 1018 of the Listing Rules with effect from 4 June 2014.

Under Rule 1018(2) of the Listing Rules, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The issuer may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period.

The SGX-ST had on 26 May 2015 granted the Company an extension of six months, until 3 December 2015, to meet the requirements for a new listing pursuant to Rule 1018(2) of the Listing Rules. On 13 October 2015, the Company applied to the SGX-ST for a further extension of time to meet the requirements for a new listing. On 19 November 2015, the SGX-ST granted the Company an extension of six months, until 3 June 2016, to meet the requirements for a new listing. For further details, please refer to the announcements made by the Company on 27 May 2015 and 19 November 2015.

The Board believes that the Proposed Acquisition will provide an opportunity for the Company to venture into a new business area with a proven profitable track record and that has potential for growth. This will enable the Company to enhance shareholder value and generate renewed investor interest in the shares of the Company. The Board is hence of the view that the Proposed Acquisition is likely to enhance the long term interests of the Company and its shareholders ("**Shareholders**").

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

Based on the Term Sheet, the principal terms of the Proposed Acquisition are as follows:

4.1 Purchase Consideration and Consideration Shares

The total maximum purchase consideration for the Proposed Acquisition ("**Total Maximum Consideration**") is approximately S$237,600,000 (equivalent to PGK540,000,000 based on an exchange rate of PGK 1 : S$0.44, which will be adjusted based on the prevailing exchange rate as at the date of entering into of a definitive sale and purchase agreement ("**SPA**") in respect of the Proposed Acquisition ("**PGK : S$ Exchange Rate**")), and shall be apportioned as follows:

Initial Consideration

(a) An initial consideration of approximately S$178,200,000 (equivalent to PGK405,000,000 based on the PGK : S$ Exchange Rate) ("**Initial Consideration**"), which is approximately 9 times of the net profit after tax ("**NPAT**") of the Target Company for the financial year ended 31 December 2015, shall be paid on completion of the Proposed Acquisition ("**Completion**").

The Initial Consideration shall be satisfied by the issue of approximately 297,000,000 new shares in the capital of the Company (following completion of the Proposed Distribution and Proposed Share Consolidation as defined in paragraphs 4.3 and 4.4 below respectively) ("**Initial Consideration Shares**"), at the issue price of S$0.60 ("**Issue Price**") per Initial Consideration Share.

Earn-out Consideration

(b) An earn-out consideration, subject to a maximum of approximately S$59,400,000 (equivalent to PGK135,000,000 based on the PGK : S$ Exchange Rate) ("**Earn-out Consideration**") shall be paid thirty (30) days

from the date on which the audited financial statements of the Company for the financial year ending 31 December 2016 are finalised and issued.

The Earn-out Consideration shall be satisfied by the issue of such number of new shares in the capital of the Company ("**Earn-out Consideration Shares**") to be determined in accordance with the following, subject to a maximum of approximately 99,000,000 Earn-out Consideration Shares ("**Maximum Earn-out Consideration Shares**"), at the Issue Price per Earn-out Consideration Share:

(i) If the NPAT of the Target Company for the financial year ending 31 December 2016 ("**2016 NPAT**") is equivalent to or more than PGK60,000,000, then the Maximum Earn-out Consideration Shares will be issued to the Vendors.

(ii) If the 2016 NPAT is equivalent to or less than PGK45,200,000, then no Earn-out Consideration Shares will be issued to the Vendors.

(iii) If the 2016 NPAT is less than PGK60,000,000 but more than PGK45,200,000, then the number of Earn-out Consideration Shares to be issued shall be determined based on the formula set out below

$$\frac{\text{2016 NPAT} - 45{,}200{,}000}{14{,}800{,}000} \times \text{Maximum Earn-out Consideration Shares}$$

For the avoidance of doubt, where the Initial Consideration and the Earn-out Consideration are adjusted based on the PGK : S$ Exchange Rate, the number of Initial Consideration Shares, Maximum Earn-out Consideration Shares and Earn-out Consideration Shares shall be adjusted accordingly.

The Initial Consideration Shares shall be subject to a moratorium in accordance with the requirements of the Listing Rules, and the Vendors will agree to collectively maintain a shareholding of at least 51% of the issued shares in the Company for a period of three (3) years from the date of Completion.

4.2 Warranted Shareholders' Funds

The Vendors warrant to the Company that the audited shareholders' funds of the Target Company (which includes the NPAT for the period from 1 January 2016 to the end of the month immediately preceding Completion) ("**Shareholders' Funds**") as at Completion shall be at least PGK100,000,000 ("**Warranted Shareholders' Funds**").

If the actual audited Shareholders' Funds as at Completion ("**Actual Shareholders' Funds**") is less than the Warranted Shareholders' Funds, the Vendors shall pay to the Company an amount equivalent to the difference between the Warranted Shareholders' Funds and the Actual Shareholders' Funds in cash in PGK.

If the Actual Shareholders' Funds is more than the Warranted Shareholders' Funds, the Vendors shall be entitled to the excess of the Actual Shareholders' Funds over the Warranted Shareholders' Funds, whether by way of dividend (including interim dividend) or in any other manner permitted by applicable laws, immediately prior to Completion.

4.3 Proposed Distribution

The Company shall be entitled to distribute up to S$0.40 per ordinary share in the Company ("**Proposed Distribution**") prior to Completion whether by way of a dividend and/or capital reduction or otherwise. The Proposed Distribution, at S$0.40 per ordinary share in the Company, would represent over 90% of the Company's unaudited net tangible assets as at 29 February 2016.

4.4 Proposed Share Consolidation

In conjunction with the Proposed Acquisition and subject to the approval of the Shareholders, the Company proposes to undertake a share consolidation exercise of every two (2) existing ordinary shares of the Company into one (1) consolidated ordinary share of the Company ("**Proposed Share Consolidation**") on or prior to Completion. The Initial Consideration Shares shall be allotted and issued on a post-share consolidation basis.

4.5 Conditions to Completion

Completion shall be subject to, *inter alia*, the following conditions:

(a) the Vendors having undertaken and completed due diligence investigations on the Company, and the results of such due diligence investigations being reasonably satisfactory to the Vendors;

(b) the Company having undertaken and completed due diligence investigations on the Target Company, and the results of such due diligence investigations being reasonably satisfactory to the Company;

(c) the Company having obtained legal opinion(s) reasonably satisfactory to the Company in respect of the laws of PNG (or any other relevant foreign jurisdiction) on, *inter alia*, the SPA and the transactions contemplated by the SPA;

(d) the Company having obtained a valuation report from an independent professional valuer stating that the Target Company is valued at not less than the Total Maximum Consideration;

(e) the grant of a whitewash waiver by the Securities Industry Council to the Vendors and their concert parties of their obligation to make a mandatory general offer for shares in the Company not already owned or controlled by them pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers;

(f) the approval of the SGX-ST in respect of the Proposed Acquisition (including the listing of and quotation for the Initial Consideration Shares, the Earn-out Consideration Shares and the New Placement Shares (as defined below));

(g) the granting by the SGX-ST of a further extension of time for the Company to meet the requirements for a new listing pursuant to Rule 1018(2) of the Listing Rules;

(h) the approval of the Shareholders for, *inter alia*, (i) the Proposed Acquisition; (ii) the issue of the Initial Consideration Shares and the Earn-out Consideration Shares; (iii) the issue of the New Placement Shares; (iv) the Proposed Distribution; and (v) the Proposed Share Consolidation;

(i) the approval of the Bank of Papua New Guinea in respect of the Proposed Acquisition;

(j) all approvals, consents, licenses, permits, waivers and/or exemptions being granted by all relevant third parties for the transactions contemplated under the SPA;

(k) one of the controlling shareholders of the Company executing in favour of the Vendors an undertaking pursuant to which the controlling shareholder undertakes to vote in favour of the resolutions referred to in sub-paragraph (h) above; and

(l) no material adverse change in the existing or prospective legal, financial, operational, business and tax positions of the Target Company occurring on or before Completion.

4.6 Completion Date

The Vendors and the Company agree to use their best endeavours to procure that Completion will take place on or before 31 December 2016 (or such other date as the Parties may mutually agree).

4.7 Compliance Placement

Upon Completion, the Company shall undertake a placement of new shares in the capital of the Company ("**New Placement Shares**"), and the Vendors shall undertake a placement of part of their Initial Consideration Shares in order for the Company to meet the shareholding spread and distribution requirements under the Listing Rules.

4.8 Exclusivity

The Vendors and the Company shall not seek, solicit, entice or entertain any other proposals from any other parties in respect of the transactions contemplated herein or transactions of a substantially similar nature from the date hereof until the entry by the Parties into the SPA, or 1 May 2016 (or such other date as the Parties may mutually agree), whichever is earlier, but nothing shall restrict the Board from having discussions, to the extent necessary to discharge their fiduciary duties as directors of the Company, with unsolicited third parties who have approached the Company with a bona fide proposal.

4.9 Costs

The Vendors and the Company shall bear all costs and expenses (including all professional fees, costs and expenses) incurred or to be incurred in relation to the Proposed Acquisition in equal proportion.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company ("**Directors**") or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of Chapter 10 of the Listing Rules, upon the execution of the SPA and/or when there are material developments in respect of the Proposed Acquisition.

7. 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 and the Company 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.

8. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the SPA will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the Term Sheet, or the Proposed Acquisition will be undertaken at all.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Ngiam May Ling
Company Secretary
1 April 2016