

**ACQUISITION OF 10.72% OF THE ISSUED SHARE CAPITAL OF
EMS HOLDINGS PTE. LTD.**

1. INTRODUCTION

The Board of Directors of Asiasons Capital Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, Asiasons Investment Ltd (the “**Purchaser**”) has, on 10 June 2014, entered into a sale and purchase agreement (the “**SPA**”) with Arts & Entertainment Investment Ltd (the “**Vendor**”) for the acquisition of 1,072 ordinary shares (“**Sale Shares**”) representing 10.72% of the total issued and paid-up share capital of EMS Holdings Pte. Ltd. (“**EMS Holdings**”) at the date of the SPA, for a consideration of US\$2,135,250 (“**Consideration**”) on the terms and subject to the conditions of the SPA (the “**Acquisition**”).

The Consideration (equivalent to approximately S\$2,681,660 based on the exchange rate of US\$1.00 to S\$1.2559) shall be satisfied in full by the issue and allotment of 43,252,588 new ordinary shares in the capital of the Company (“**Consideration Shares**”) at the issue price of S\$0.062 for each Consideration Share, at a discount of 8.82% to the full-day volume weighted average price of S\$0.068 per share of the Company on 10 June 2014 (being the date of the SPA), credited as fully paid, to the Vendor or its nominee, fractional share disregarded.

2. ABOUT EMS HOLDINGS

EMS Holdings is a leading exhibition and events management company whose business involves the designing and producing of travelling exhibitions and live shows and events as well as developing innovative and interactive marketing concepts from its own creations and using the licences and rights granted by third party licensors.

The shareholders of EMS Holdings as at the date of the SPA are:

| | | |
|-------------------------------|----------------------|---------------|
| Rainbow Lead Limited | 5,556 shares | 55.56% |
| Christopher Rahofer* | 3,333 shares | 33.33% |
| Five Stone Investment Limited | <u>1,111 shares</u> | <u>11.11%</u> |
| Total | <u>10,000 shares</u> | <u>100%</u> |

Rainbow Lead Limited is a special purpose vehicle wholly-owned by Dragonrider Opportunity Fund II L.P. (“**DOF II**”), a fund managed by a fund company.

* *Christoph Rahofer (“**Christoph**”) who is currently the legal and beneficial owner of 3,333 shares in EMS Holdings (“**Christoph’s Shares**”) has on 5 June 2014 entered into a sale and purchase agreement (“**5 June SPA**”) with the Vendor which is a company wholly-owned by Christoph for the acquisition of Christoph’s Shares on the terms and subject to the conditions of the 5 June SPA. The 5 June SPA is to be completed prior to the completion of the Acquisition.*

3. THE CONSIDERATION

- 3.1 The Consideration is arrived at, on a willing-buyer and willing-seller basis, based on the valuation of EMS Holdings at approximately 4.5 times of the EMS Holdings budgeted earnings before interest, taxation, depreciation and amortisation as reflected in its budgeted accounts for its financial year ending 31 December 2014, excluding any extraordinary gains or losses, and increased by the amount reflected in such accounts as expenses to be incurred for interest, income taxes, depreciation and amortization, prepared in accordance with Singapore Financial Reporting Standards ("**EBITDA**") of US\$5 million.
- 3.2 The Consideration Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 28 April 2014 which authorises the Directors of the Company, pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual.
- 3.3 The Consideration Shares represent (i) approximately 4.41% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.23% of the enlarged issued share capital of the Company after the issue of the Consideration Shares. The Consideration Shares, when issued, will rank *pari passu* in all respects with the existing ordinary shares of the Company.
- 3.4 The issue of the Consideration Shares is conditional upon the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consideration Shares on the SGX-ST. The Company will be making an application to the SGX-ST for the listing and quotation of the Consideration Shares on the SGX-ST. Announcement will be made upon receipt of the in-principle approval for the listing and quotation of the Consideration Shares from the SGX-ST.

4. RATIONALE FOR THE ACQUISITION

The Board of Directors believes that the acquisition will enable the Company and its subsidiaries (the "**Asiasons Group**") to participate in the growth prospects of EMS Holdings and use this as a platform to further develop and enhance its business in the events marketing and management industry.

5. MATERIAL CONDITIONS OF THE ACQUISITION

The material conditions of the Acquisition are set out below:

- (i) approval in-principle being granted by the SGX-ST for the listing of and quotation for the Consideration Shares on Main Board of the SGX-ST, and such approval not having been revoked or amended on or before the completion date, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Purchaser and/or the Vendor and, if any such condition shall be required to be fulfilled on or before the completion date, the fulfilment of such condition on or before the completion date and such conditions being satisfied or waived by the SGX-ST and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing of and quotation for the Consideration Shares;

- (ii) all consents, approvals and authorisations of bankers, financial institutions, landlords of leases, relevant third parties, government or regulatory authorities (including but not limited to the SGX-ST, the Monetary Authority of Singapore, the Securities Industry Council, and the Accounting and Corporate Regulatory Authority of Singapore) having jurisdiction over the transactions, which are necessary in connection with the entry into and completion of the Acquisition by the parties, transfer of the Sale Shares from the Vendor to the Purchaser and the ownership by the Purchaser of the Sale Shares having been obtained (including waivers of pre-emption rights by existing shareholders of EMS Holdings, if applicable), and being in full force and effect and not having been withdrawn, suspended amended or revoked, and if subject to conditions, on such conditions acceptable to the Purchaser and/or the Vendor (as the case may be), and such consents, approvals and authorisation remaining in full force and effect and not being revoked on or prior to the completion date;
- (iii) approval of the board of directors of EMS Holdings for the proposed transfer of the Sale Shares from the Vendor to the Purchaser having been obtained;
- (iv) approval of the board of directors, and its shareholders, if required, of the Purchaser for the purchase of the Sale Shares, and of the Company for the issuance of the Consideration Shares upon the terms and conditions as set out in the SPA (or upon other terms and conditions as may be agreed between the parties) having been obtained;
- (v) no material contract, lease, licence or other similar commercial arrangement would be terminated or adversely affected arising from the sale of the Sale Shares and change in ownership and/or control of EMS Holdings;
- (vi) all representations, warranties and undertakings of the Vendor and the Purchaser being complied with, and being true, accurate and correct in all respects as at the completion date, as if repeated at completion and at all times between the date of the SPA and completion;
- (vii) each of the parties having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA;
- (viii) there being no default by EMS Holdings in any of its obligations by which it may become bound or liable to be called upon to repay prematurely any loan capital or borrowed moneys;
- (ix) the Vendor or the Purchaser not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;
- (x) the business of EMS Holdings having been carried on in a satisfactory and ordinary manner and EMS Holdings not having disposed of any material assets or assumed or incurred any material liabilities including contingent liabilities (whether recorded or unrecorded) other than those in connection with its ordinary course of business;
- (xi) save for the 5 June SPA, there has been no change in the shareholding or capital structure of EMS Holdings;

- (xii) there being no material adverse change (as mutually determined by the parties) in the prospects, operations, assets, business, profits or financial condition of EMS Holdings; and
- (xiii) the sale and purchase of all the Sale Shares being completed simultaneously under the SPA.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures in relation to the Acquisition computed on the bases pursuant to Rule 1006 of the Listing Manual (based on the audited consolidated accounts of the Company for the financial year ended 31 December 2013) are as follows:-

| | Relative Figure |
|---|------------------------|
| Net asset value of assets to be disposed of, compared with the consolidated net asset value of the Company and its subsidiaries | Not applicable. |
| Net profits attributable to the assets acquired, compared with the consolidated net profits of the Company and its subsidiaries | 5.64% ⁽¹⁾ |
| Aggregate value of consideration given, compared with the Company's market capitalisation | 5.33% ⁽²⁾ |
| Number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities previously in issue | 4.41% ⁽³⁾ |

Notes:

- (1) Based on EMS Holdings' unaudited loss before tax of S\$5,209,368 for the financial year ended 31 December 2013 ("FY2013") and the Company's audited consolidated loss before tax of S\$92,410,273 for FY2013.
- (2) Based on the Consideration of S\$3,183,390 (being the total number of shares to be issued of 43,252,588 shares and the net asset value per share of S\$0.0736 as at 31 December 2013); and the Company's market capitalisation of S\$59,765,633 (being its issued ordinary share capital of 979,764,476 shares ("**Shares**") and the volume weighted average price of the Shares on the SGX-ST of S\$0.061 on 9 June 2014 (being the market day preceding the date of the SPA)).
- (3) Based on the Consideration Shares and the Company's issued ordinary share capital of 979,764,476 Shares.

7. FINANCIAL EFFECTS OF THE ACQUISITION

For illustration purposes only, the financial effects of the Acquisition (including the issue of the Consideration Shares) are calculated on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for FY2013;
- (ii) In relation to the Company's consolidated net tangible assets ("NTA") per Share, the financial effect is computed on the assumption that the Acquisition was completed on 31 December 2013, and in relation to the Company's consolidated earnings per Share ("EPS"), the financial effect is computed on the assumption that the Acquisition was completed on 1 January 2013; and
- (iii) Transaction costs are assumed to be insignificant and ignored for computational purposes.

7.1 Share Capital

| | <u>Before the Acquisition</u> | <u>After the Acquisition</u> |
|----------------------------|-------------------------------|------------------------------|
| Issued share capital (S\$) | 113,671,814 | 116,855,204 |
| Number of Shares | 979,764,476 | 1,023,017,064 |

7.2 NTA per Share

| | <u>Before the Acquisition</u> | <u>After the Acquisition</u> |
|-----------------------|-------------------------------|------------------------------|
| NTA (S\$) | 64,872,433 | 67,758,609 |
| Number of Shares | 979,764,476 | 1,023,017,064 |
| NTA per Share (cents) | 6.62 | 6.62 |

7.3 EPS

| | <u>Before the Acquisition</u> | <u>After the Acquisition</u> |
|--|-------------------------------|------------------------------|
| Loss after tax attributable to owners of the Company (S\$) | (92,697,978) | (92,752,978) |
| Number of Shares | 979,764,476 | 1,023,017,064 |
| EPS (cents) | (9.46) | (9.07) |

7.4 Gearing

There is no change to the gearing of the Group as the Group is only acquiring 10% of EMS Holdings.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as director or shareholders of the Company) has any interest, direct or indirect, in the Acquisition.

No director is proposed to be appointed to the Company in connection with the Acquisition.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 22 Cross Street #03-54/61, South Bridge Court, China Square Central, Singapore 048421, for three months from the date of this announcement.

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
10 June 2014