M M P RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 200613299H)

Proposed Acquisition of the Entire Issued Share Capital of KL Energy Partners Limited — Entry into Sale and Purchase Agreement

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1. INTRODUCTION

The Board of Directors (the "**Board**") of MMP Resources Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") wishes to announce that the Company has on 2 March 2020 entered into a conditional sale and purchase agreement (the "**SPA**") with Arrabco & Partners Limited (the "**Vendor**", and the Vendor and the Company collectively, the "**Parties**") in respect of the acquisition by the Company of all the shares in the entire issued share capital (the "**Sale Shares**") of KL Energy Partners Limited, a company incorporated in Hong Kong (the "**Target Company**") for a purchase consideration of S$6,200,000 (the "**Consideration**"), upon the terms, and subject to the conditions, of the SPA (the "**Proposed Acquisition**"). In connection with the Proposed Acquisition, the Company has also entered into a service agreement (the "**Service Agreement**") with LE Group Holdings Pte. Ltd. ("**LE Holdings**"). Further details on the Service Agreement are set out in section 4 of this announcement. Upon completion of the Proposed Acquisition (the "**Completion**"), the Target Company will be a direct wholly-owned subsidiary of the Company.

In reading this announcement, shareholders of the Company ("Shareholders") should also refer to the announcement released by the Company on 3 March 2020 in relation to the outcome of the application submitted by the Company for a further extension of time for the Company to satisfy the requirements under the financial exit criteria set out in Rule 1314(1) of the Mainboard Rules of the Listing Manual (the "Listing Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST" or "Exchange").

2. INFORMATION ON THE VENDOR, THE TARGET COMPANY AND THE SALE SHARES

Shareholders should note that information relating to the Target Company, the Vendor, LE Holdings and Chalid Arrab in this section and elsewhere in this announcement was provided by the Target Company, the Vendor, LE Holdings and/or Chalid Arrab and/or extracted from publicly available information. The Company and the Directors have not independently verified the accuracy and correctness of such information. The sole responsibility of the Company and the Directors for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

2.1 Vendor

The Vendor is the sole shareholder of the Target Company, and is wholly-owned by Chalid Arrab who is also the sole director of the Vendor. Chalid Arrab has extensive experience, contact networks and equity ownerships in the liquefied natural gas ("**LNG**") industry, and had incorporated the Target Company as a consulting and trading desk that is capable of providing LNG consultancy and trading services to internal and external clients of himself or his equity interests.

As at the date of this announcement, the Vendor does not directly hold any shares in the Company (each a "**Share**"). Chalid Arrab, the sole shareholder of the Vendor, is however interested in the Shares held by LE Holdings, which is in turn wholly-owned by him.

As at the date of this announcement, LE Holdings is a substantial shareholder of the Company as it is deemed interested in 325,766,685 Shares registered under UOB Kay Hian Private Limited, representing approximately 13.90% of the existing issued share capital of the Company. As the Vendor does not constitute an "interested person" as defined under Chapter 9 of the Listing Rules, the Proposed Acquisition will not constitute an "interested person transaction" pursuant to the Listing Rules.

2.2 Target Company

The Target Company is a private company limited by shares incorporated under the laws of Hong Kong. The Target Company has an issued and paid-up share capital of Hong Kong Dollars 100 represented by 100 ordinary shares. The Target Company is 100% owned by the Vendor, which is in turn wholly-owned by Chalid Arrab.

The principal business of the Target Company is in the provision of consultancy services relating to LNG. As at the date of this announcement, the Target Company does not have any subsidiaries or associated companies.

Currently, the Target Company is expected to earn approximately US$3.7 million in revenue in 2020 based on an existing LNG consulting and trading services agreement which has been entered into by the Target Company with a third party (the "**LNG Consulting Agreement**").

2.3 Value of the Sale Shares

Based on the unaudited financial statements of the Target Company for the year ended 31 December 2019 (being the latest available financial statements of the Target Company), the Target Company had a first year negative net earnings of US$243,795.17 (approximately S$328,441 based on the exchange rate of US$1:S$1.3472 as at 31 December 2019) for the year ended 31 December 2019. The negative net earnings is mainly attributable to the Target Company's start-up operating expenses and zero income, prior to first contracts being signed, as the Target Company was only incorporated in November 2018. However, the Target Company has since executed, and commenced its first contract, being the LNG Consulting Agreement, with the 2020 gross profits margin of the LNG Consulting Agreement being approximately 42%.

Based on the unaudited financial statements of the Target Company for the year ended 31 December 2019, the book value and net tangible liability value of the Target Company is US$243,795.17 (approximately S$328,441 based on the exchange rate of US$1:S$1.3472 as at 31 December 2019).

There is no open market value for the Sale Shares as they are not publicly traded.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 The Proposed Acquisition

Subject to the terms and conditions of the SPA, the Company shall purchase from the Vendor and the Vendor agrees to sell to the Company all of the Vendor's interest in the Sale Shares representing the whole of the issued and paid up share capital of the Target Company.

3.2 Consideration

3.2.1 Amount of Consideration

The Consideration of S$6,200,000 was arrived at after arm's length negotiations and on a willing buyer willing seller basis. The Consideration was also arrived at after taking into consideration the following factors:

(a) the Target Company's expected earnings of at least US$3.7 million for the financial year ending 31 December 2020 which will include earnings from the LNG Consulting Agreement;

(b) the Target Company's prospects in the LNG consultancy and trading business and the expanding LNG market; and

(c) the rationale for and benefits to the Group of the Proposed Acquisition.

3.2.2 Consideration to be satisfied in Shares

The Consideration shall be satisfied entirely by way of issuance and allotment of such number of new Shares (the "**Consideration Shares**") in favour of the Vendor or its nominee (the "**Nominee**") on or around the Completion Date (as defined below). The Consideration Shares, when issued, shall rank *pari passu* with the then existing Shares of the Company, save for any dividends, rights, allotments or other distribution (if any) the record date of which falls on or before the date of issue of such Consideration Shares.

The Vendor has confirmed that LE Holdings shall be appointed as the Nominee that shall be issued and allotted the Consideration Shares. Further information on LE Holdings is set out in section 4.2 of this announcement.

3.2.3 Issue Price and Number of Consideration Shares

Pursuant to the SPA, the issue price of each Consideration Share (the "**Issue Price**") shall be S$0.0028 per Consideration Share. The Issue Price of S$0.0028 is a discount of approximately 6.67% to the volume weighted average price ("**VWAP**") of S$0.003 per Share for trades done on the SGX-ST on 25 February 2020, being the last full market day preceding the date of the SPA on which Shares were traded. Based on the Issue Price of S$0.0028 per Consideration Share, an aggregate of 2,214,285,714 Consideration Shares will be issued.

3.3 Conditions Precedent

Completion of the Proposed Acquisition is further conditional upon, *inter alia*, the following conditions having been fulfilled (or waived in accordance with the SPA, to the extent legally permissible):

(a) the Company obtaining such approval(s) required from the Board in connection with the SPA and the transactions contemplated therein;

(b) the Vendor procuring the Target Company to obtain such approval(s) required from the Target Company's board of directors in connection with the SPA and the transactions contemplated therein;

(c) the Company receiving all necessary approvals from its Shareholders at an extraordinary general meeting (the "**EGM**") to be convened including such approvals as may be required pursuant to Chapter 10 of the Listing Rules and for the issuance and allotment of the Consideration Shares to the Vendor or the Nominee (as the case may be), and where such approval(s) is / are subject to any conditions, such condition(s) being complied with;

(d) the Company being satisfied in its discretion that there has been no material adverse change, or events, acts or omissions likely to lead to such a material adverse change in the business, assets, prospects, performance, financial position, results of operation and / or conditions (financial or otherwise) of the Target Company;

(e) the waiver from the Securities Industry Council (the "**Council**") in respect of the obligation by the Vendor, the Nominee and their concert parties to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the Shares in issue not already owned, controlled or agreed to be acquired by the Vendor, the Nominee and their concert parties as a result of the allotment and issuance of the Consideration Shares to the Vendor or the Nominee (the "**Whitewash Waiver**") having been obtained (on terms and conditions acceptable to the Parties, each acting reasonably), and such Whitewash Waiver not being revoked or amended;

(f) the approval of a whitewash resolution from independent Shareholders for the waiver of their rights to receive such a mandatory general offer from the Vendor, the Nominee and/or their concert parties pursuant to Rule 14 of the Code;

(g) business and operational, financial and legal due diligence on the Target Company having been completed by the Company, and the results of such due diligence investigations being satisfactory to the Company; and

(h) the Company not having received any delisting notification and/or notification for suspension of trading of the Shares of the Company (other than any temporary suspension at the request of the Company or any suspension which will be lifted prior to or upon Completion) for the period from the date of the SPA until Completion.

3.4 Source of Funds

The Proposed Acquisition will be funded entirely by the allotment and issuance of the Consideration Shares.

3.5 Completion

Completion of the Proposed Acquisition shall take place on the date falling within 30 calendar days after the fulfilment of the conditions precedent for the Proposed Acquisition under the SPA, unless they are waived by the relevant Parties (to the extent permitted under the applicable laws) (the "**Completion Date**").

3.6 Long Stop Date

Pursuant to the SPA, the Parties have agreed that the long stop date for the Proposed Acquisition (the "**Long Stop Date**") shall be 9 months from the date of the SPA or such other date as the Parties may mutually agree in writing.

If any of the conditions precedent for the Proposed Acquisition is not fulfilled or waived by the relevant Parties (subject to whether such condition precedent is capable of being waived by the relevant Party) by the Long Stop Date, the SPA shall cease and determine and (save for any antecedent breach) no Party shall have any claim against the other Party for costs, damages, compensation or anything whatsoever.

4. THE SERVICE AGREEMENT

4.1 Details of the Service Agreement

The Company has also on 2 March 2020 entered into the Service Agreement with LE Holdings. Pursuant to the Service Agreement, LE Holdings will provide the following services (the "**Services**") to the Company (or Group) for a period of 2 years from the completion of the Proposed Acquisition: -

(a) Procuring Financing: LE Holdings shall assist the Target Company in all matters relevant to the financing of the Target Company's business activities, including but not limited to sourcing and identifying feasible funding and financing arrangements for the Target Company to facilitate the growth of its LNG consultancy and trading business, and to negotiate, structure and finalise feasible arrangements with relevant financiers, subject to the approval of the Board.

(b) General Management and Consultancy: LE Holdings shall provide the Target Company with general management and consultancy services in respect of the management of the business of the Target Company and to ensure a seamless transition and integration with the Group in respect of the Target Company's businesses after the completion of the Proposed Acquisition.

(c) Introductory Services: LE Holdings shall introduce to the Company further viable and profitable assets in the LNG industry for injection into the Group as part of the Group's

plans to diversify into the LNG industry. LE Holdings shall also introduce to the Company key and strategic contacts and / or parties in the LNG supply value chain so as to facilitate the continued expansion of the LNG business.

The provision of the Services is conditional on the completion of the Proposed Acquisition. Accordingly, if the Proposed Acquisition is not completed, LE Holdings will not be required to render the Services pursuant to the Service Agreement.

4.2 Details on LE Holdings

LE Holdings is an investment holding Singapore-incorporated company that is wholly owned by Chalid Arrab. As at the date of this announcement, LE Holdings is a substantial Shareholder, holding 325,766,685 Shares, representing approximately 13.90% of the issued and paid-up share capital of the Company.

Save for the Shares held by LE Holdings and his interests in Lloyds Energy Ltd., Chalid Arrab does not have any other interests in the Shares. Save for the Shares it holds, LE Holdings does not have any connection (including business relationships) with the Company, its directors and/or substantial Shareholders.

Further details on the Service Agreement will be set out in the Circular (as defined below) to be despatched to Shareholders in due course.

5. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is an acquisition opportunity that the Board believes will enhance value for the Shareholders and generally be in the interests of the Company and the Group for the following reasons:-

5.1 Diversification into the LNG consultancy and trading business and potential in the growing LNG industry

The Proposed Acquisition is in line with the Group's strategy to venture into a new business area that has the potential for growth. In view of the historical financial performance of the Group, the Company has been constantly looking to explore new investments, acquisitions, strategic alliances and/or joint ventures to grow and improve the quality of its business operations and / or prospects.

The Board believes that continued economic growth and the rapid industrialisation and urbanisation in the emerging Asian countries led by the People's Republic of China, India, and South-East Asia coupled with the environmental benefits and cost savings associated with LNG will lead to an increase in the demand for LNG as a 'clean' fuel of choice and a robust global LNG trade. Thus, the Board is of the view that following the Proposed Acquisition, the injection of the new LNG consultancy and trading business undertaken by the Target Company is likely to generate a stable revenue stream for the Group in the future.

In view of the foregoing, the Board believes that the Proposed Acquisition represents a timely opportunity and a strategic platform for the Group to diversify and expand its business and operations into LNG consultancy and trading, which will contribute positively to the future earnings of the Group and enhance Shareholders' value in the long term.

5.2 Challenges faced by the existing business of the Company

The Group has been incurring losses in its existing tourism, hospitality and leisure business in Japan and may continue to face challenges in the future. Based on unaudited full year financial statements of the Group for the financial year ended 31 December 2019 ("**FY2019**"), the Group reported a net loss of approximately S$1.939 million.

The Board expects the existing tourism, hospitality and leisure business in Japan to be even more competitive and challenging in the future due to (i) increased competition from competitors, and (ii) the recent global outbreak of the COVID-19 virus which has affected

global tourism. Accordingly, the Proposed Acquisition presents an opportune moment for the Group to diversify into a more promising venture.

In order for the Company to focus on the new LNG consultancy and trading business, the Company intends to eventually dispose of its interest in MMP Resources Japan KK after the completion of the Proposed Acquisition. MMP Resources Japan KK is a wholly-owned subsidiary of the Company that currently holds all the existing business and Japanese assets of the Group. The Company will update Shareholders as and when there are material developments on the aforesaid disposal.

5.3 Aligning the interests of LE Holdings as a strategic investor of the Group

Pursuant to the completion of the Proposed Acquisition, LE Holdings will become a controlling Shareholder of the Company. As a show of its commitment to the long-term growth of the Group, LE Holdings has undertaken not to (directly or indirectly), inter alia, offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, all or any part of the Consideration Shares that will be issued to it in connection with the Proposed Acquisition for a period of 6 months from the Completion Date.

The moratorium reflects and will ensure LE Holdings' commitment to the Group and is pertinent in ensuring that the interests of LE Holdings are aligned with that of the Group and the Shareholders in the long term.

5.4 Enhancing the investment profile of the Group

Upon Completion, the Proposed Acquisition will have the potential to increase the market capitalisation of the Company in addition to increasing the value of the Company and attracting a broader investor base for the Shares. This would in turn generate further investor interest in the Shares and increase trading liquidity in the Shares, representing an opportunity for the Company to realise its long-term growth strategy while delivering value to Shareholders. On the whole, the Proposed Acquisition is in line with the overall strategy of the Group to actively identify and evaluate new profitable business opportunities through mergers and acquisitions.

6. ISSUANCE OF CONSIDERATION SHARES

Pursuant to the SPA, the Vendor may elect for the Consideration Shares to be issued to its Nominee. The Vendor has confirmed that the Consideration Shares shall be issued to LE Holdings. As at the date of this announcement, LE Holdings holds 325,766,685 Shares, representing 13.90% of the issued and paid-up share capital of the Company.

Pursuant to Rule 812(1) and 812(2) of the Listing Rules, an issue must not be placed to, among others, an issuer's substantial shareholders unless specific shareholders' approval for such placement has been obtained.

Accordingly, as LE Holdings holds such number of Shares representing 5% or more of the entire issued and paid-up share capital of the Company and is thus a substantial Shareholder of the Company, the Company will be seeking Shareholders' approval pursuant to Rule 812 of the Listing Rules at the EGM to be convened for the issuance and allotment of the Consideration Shares.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING RULES

7.1 Relative Figures computed on the bases set out in Rule 1006 of the Listing Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Rules in respect of the Proposed Acquisition and based on the latest announced consolidated financial statements of the Group for FY2019 are set out below.

Listing Rule	Relative Figures (%)
Rule 1006(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 as the Proposed Acquisition relates to an acquisition of assets.
Rule 1006(b) The net profits attributable to the assets acquired, compared with Group's net profits(1)	16.94(2)
Rule 1006(c) The aggregate value of the consideration(3) given, compared with the Company's market capitalisation(4) based on the total number of issued shares excluding treasury shares	94.49
Rule 1006(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition(5), compared with the number of equity securities previously in issue	94.49
Rule 1006(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved 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

Notes:

(1) For the purpose of computation of the net profit figures, pursuant to Rule 1002(3)(b) of the Listing Rules, "**net profits**" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(2) The net profits attributable to the Proposed Acquisition is determined based on the net loss of US$243,795.17 (approximately S$328,441 based on the exchange rate of US$1:S$1.3472 as at 31 December 2019) of the Target Company for the financial year ended 31 December 2019 and the latest net loss of the Group of approximately S$1.939 million for FY2019 based on the latest announced consolidated accounts of the Group.

(3) Pursuant to Rule 1003(3) of the Listing 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 ("**NAV**") represented by such shares, whichever is higher. The market value of the Consideration Shares is approximately S$6,642,857 based on the VWAP of S$0.003 per Share on 25 February 2020, being the last full market day preceding the date of the SPA on which the Shares were traded, and the NAV attributable to the Consideration Shares is approximately S$(7,673,532). Based on Rule 1003(3) of the Listing Rules, the aggregate value of the consideration is therefore approximately S$6,642,857, being the market value of the Consideration Shares.

(4) The Company's market capitalisation is approximately S$7,030,584, derived by multiplying the issued share capital of the Company of 2,343,527,950 Shares by the VWAP of S$0.003 per

Share on 25 February 2020, being the last full market day preceding the date of the SPA on which the Shares were traded. The Company does not have any treasury shares.

(5) The relative figure under Rule 1006(d) is computed based on 2,214,285,714 Consideration Shares to be issued at the Issue Price of S$0.0028 as satisfaction of the Consideration for the Proposed Acquisition.

7.2 Major Transaction

7.2.1 As the relative figures under Rule 1006(c) and 1006(d) exceed 20% but are less than 100%, the Proposed Acquisition is deemed to be a "Major Transaction" under Chapter 10 of the Listing Rules. Accordingly, the Company will be seeking Shareholders' approval for the Proposed Acquisition under Rule 1014(2) of the Listing Rules.

7.2.2 In addition, as the Consideration for the Proposed Acquisition will be satisfied entirely by the allotment and issuance of the Consideration Shares for which listing will be sought, the Company is obliged to announce the Proposed Acquisition pursuant to Rule 1009 of the Listing Rules, stating the information required under Part VI of Chapter 10 of the Listing Rules.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1 Bases and Assumptions

The financial effects of the Proposed Acquisition on the share capital, net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") of the Group have been prepared based on the latest announced unaudited consolidated financial statements of the Group for FY2019. The *pro forma* financial effects of the Proposed Acquisition are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following Completion.

For illustration purposes only, the financial effects of the Proposed Acquisition have been computed based on the following assumptions:

(a) the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Acquisition was completed on 31 December 2019, being the end of the most recently completed financial year;

(b) the financial effects on the Group's loss attributable to the Shareholders and LPS have been computed assuming that the Proposed Acquisition was completed on 1 January 2019, being the beginning of the most recently completed financial year; and

(c) that the expenses in connection with the Proposed Acquisition have been disregarded.

8.2 Share Capital

	Before Completion	**After Completion[(1)]**
Number of Shares	2,343,527,950	4,557,813,664
Issued and paid-up share capital (S$'000)	125,783	131,983

Note:

(1) Pursuant to the allotment and issuance of 2,214,285,714 Consideration Shares as satisfaction of the Consideration.

8.3 NTA per Share

	Before Completion	**After Completion[(1)]**
NTA attributable to Shareholders (S$'000)	(8,121)	(1,921)
Number of Shares	2,343,527,950	4,557,813,664
NTA per Share attributable to Shareholders (Singapore cents)	(0.35)	(0.04)

Note:

(1) Pursuant to the allotment and issuance of 2,214,285,714 Consideration Shares as satisfaction of the Consideration.

8.4 LPS

	Before Completion	**After Completion[(1)]**
Net loss attributable to Shareholders (S$'000)	(1,939)	(2,267)
Weighted average number of Shares	2,343,527,950	4,557,813,664
LPS (Singapore cents)	(0.08)	(0.05)

Note:

(1) Pursuant to the allotment and issuance of 2,214,285,714 Consideration Shares as satisfaction of the Consideration.

9. CHANGE IN RISK PROFILE

As the Proposed Acquisition contemplates the Company's venture into the LNG consultancy and trading business and industry, the Proposed Acquisition is a potential diversification of the Company's existing business which will change the risk profile of the Company and the Group. Accordingly, the Company will be obtaining the Shareholders' approval for the Proposed Acquisition at the EGM to be convened and for the proposed diversification, and subsequent expansion, of the Group's business into the LNG consultancy and trading business and LNG industry (the "**Proposed Diversification**"). Further information on the Proposed Acquisition and the Proposed Diversification will be provided in a circular to be issued by the Company in due course for the purpose of convening the EGM (the "**Circular**").

10. SERVICE CONTRACT

Upon the terms of the SPA, the Vendor is entitled to nominate 1 person to be appointed as a director of the Company (each a "**Director**") after completion of the Proposed Acquisition. As at the date of this announcement, the Company has not entered into any service contract with any person proposed to be appointed as a Director in connection with the Proposed Acquisition.

11. PROPOSED SHARE CONSOLIDATION AFTER COMPLETION

The Company intends to undertake a share consolidation exercise subject to completion of the Proposed Acquisition. Further details on the proposed share consolidation will be included in the Circular to be despatched to Shareholders in due course.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the date of this announcement and the effect of the Proposed Acquisition on the shareholding structure of the Company is set out below: -

	As at the date of this announcement		After issuance of Consideration Shares	
	No. of Shares	%(1)	No. of Shares	%(2)
Directors				
Drew Ethan Madacsi	100,000,000	4.27	100,000,000	2.19
Jason N Block (3)	305,701,215	13.04	305,701,215	6.71
Chong Chee Meng Gerard	-	-	-	-
Chan Ying Wei	-	-	-	-
Damian Paul Collins	-	-	-	-
Substantial / Other Shareholders				
LE Holdings	325,766,685	13.90	2,540,052,399	55.73
Chalid Arrab (4)	325,766,685	13.90	2,540,052,399	55.73
Maiora Asian Structured Finance Segregated Portfolio (5)	305,701,215	13.04	305,701,215	6.71
Koh Yew Choo	189,054,100	8.07	189,054,100	4.15
Blue Pegasus Capital Ltd.	179,063,462	7.64	179,063,462	3.93

Notes:-

(1) Based on the issued and paid-up share capital of the Company of 2,343,527,950 Shares as at the date of this announcement.

(2) Based on the enlarged share capital of the Company of 4,557,813,664 Shares after completion of the Proposed Acquisition and issuance of 2,214,285,714 Consideration Shares to LE Holdings, being the Nominee.

(3) Jason N Block holds more than 20% of the shares in the issued share capital of Maiora Asset Management Pte. Ltd which manages Maiora Asian Structured Finance Segregated Portfolio. Accordingly, by virtue of Section 7(4A) of the Companies Act, Chapter 50 of Singapore, Jason N Block is deemed to have an interest in the Shares held by Maiora Asian Structured Finance Segregated Portfolio.

(4) By virtue of Section 7(4)(b) of the Companies Act, Chapter 50 of Singapore, Chalid Arrab is deemed to have an interest in the Shares held by LE Holdings which is 100% owned by him.

(5) Shareholders should note that subject to completion of the Proposed Acquisition and the relevant Shareholders' approvals being obtained, Maiora Asian Structured Finance Segregated Portfolio, will be issued certain number of Shares as consideration for the settlement of certain loans outstanding by the Group (the "**Proposed Settlement**"). Shareholders may wish to refer to the announcement released by the Company on 2 August 2019 in respect of the Proposed Settlement for further details on the Proposed Settlement. The Company will also be releasing an update in respect of the Proposed Settlement in the Circular to be despatched to Shareholders in due course.

Save (i) for LE Holdings which will be allotted the Consideration Shares (having been appointed as the nominee by the Vendor), (ii) for their respective shareholding interests (if any) in the Company, and (iii) as disclosed in this announcement, none of the Directors or, as far as the Company is aware, substantial Shareholders, has any interest, direct or indirect, in the Proposed Acquisition.

13. CIRCULAR TO SHAREHOLDERS

As the Proposed Acquisition, Proposed Diversification and issuance of the Consideration Shares are conditional upon the Company having obtained the relevant Shareholders' approval(s), the Circular to the Shareholders containing, among others, information in respect thereof will be despatched to Shareholders in due course.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and the Service Agreement will be available for inspection during normal business hours at the Company's registered office at 6 Eu Tong Sen Street, #12-20, The Central, Singapore 059817 for a period of 3 months from the date of this announcement.

15. 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 Company and its subsidiaries, 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.

16. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Acquisition is subject to the conditions precedent being fulfilled and there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms of the SPA. In addition, as the Company's application for a further extension of time to satisfy the requirements to exit the financial watch-list of the SGX-ST under Rule 1314(1) of the Listing Rules has not been granted, there is no certainty or assurance that the Company will be able to complete the Proposed Acquisition. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants, and/or other professional advisers if they are in doubt about the actions that they should take.

17. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Acquisition as appropriate or when there are developments on the same.

By Order of the Board

Drew Ethan Madacsi
Non-Executive Chairman

3 March 2020