M M P RESOURCES LIMITED

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

PROPOSED ACQUISITION OF GCM LTD., SUCH ACQUISITION BEING A REVERSE TAKEOVER

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1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of MMP Resources Limited (the "**Company**") together with its subsidiaries (the "**Group**") refers to the announcements released by the Company on 4 March 2020, 10 March 2020, 24 March 2020 and 1 April 2020 in relation to, among others, the identification of a Japanese asset (referred to as "**Target 1**" in the announcement released by the Company on 10 March 2020) for potential acquisition by the Company.

1.2 The Board wishes to inform shareholders of the Company (the "**Shareholders**") that it has on 28 April 2020 entered into a conditional sale and purchase agreement (the "**SPA**") with Majesty Asset Management Ltd (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 and paid up share capital (the "**Sale Shares**") of GCM Ltd. (the "**Target Company**") for a purchase consideration of S$118,000,000 (the "**Proposed Acquisition**"). Following completion of the Proposed Acquisition ("**Completion**"), the Target Company will be wholly-owned by the Company.

1.3 The Proposed Acquisition, if undertaken and completed, is expected to result in a "Reverse Takeover" of the Company as defined under Chapter 10 of the Mainboard Rules of the Listing Manual (the "**Listing Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**" or "**Exchange**"). Accordingly, pursuant to Rule 1015(1)(b) of the Listing Rules, the Proposed Acquisition is subject to the approval of the SGX-ST and the Shareholders at an extraordinary general meeting of the Company to be convened in respect of, *inter alia*, the Proposed Acquisition (the "**EGM**").

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

2.1 The Vendor

The Vendor is the sole shareholder of the Target Company and is wholly owned by Toshiyuki Takada. As at the date of this announcement, each of the Vendor and its sole shareholder does not have any existing business relationship or connection with the Directors or, as far as the Company is aware, the substantial Shareholders. Neither the Vendor nor its sole shareholder holds any shares in the Company (each a "**Share**"). The Vendor was introduced to the Company by a Shareholder of the Company, Blue Pegasus Capital Ltd.

2.2 The Target Company

The Target Company is a private company limited by shares incorporated under the laws of Japan. The Target Company is based in Tokyo, Japan and its business is in both the real estate and financial markets industries. Its business focuses primarily on Japan and the Asian region and comprises 2 main business segments, being:

(a) the provision of financial services including offering financial and investment products through asset liquidation, administrative consulting services, and financial advisory services; and

(b) structured real estate management including credit trade brokerage and advisory services, real estate brokerage services and real estate investment.

The Company understands that the Target Company is a recognised market leader, having been involved in the acquisition, development and management of commercial, retail and urban renewal properties throughout Japan. The Target Company is in the process of finalising further substantial property acquisitions as part of a "Smart City" development in Japan, which will increase the Target Company's asset portfolio. As at the date of this announcement, the Target Company has several subsidiaries (the Target Company and its subsidiaries collectively, the "**Target Group**"), including a project company that was incorporated for the purposes of certain development projects undertaken by the Target Group.

Based on preliminary due diligence conducted by the Company, the Target Company has been in the real estate and financing business since 2005, and has earned net profits of more than US$20 million for its most recent financial year ended 31 March 2020. Further information on the business of the Target Group will be set out in the circular to be despatched to Shareholders in due course in relation to, among others, the Proposed Acquisition (the "**Circular**").

2.3 Value of the Sale Shares

Based on the unaudited financial statements of the Target Group for the financial year ended 31 March 2020, the Target Group has a net profit before tax of approximately US$21.1 million (or approximately S$30.0 million based on the exchange rate of US$1:S$1.42 as at 27 April 2020).

Based on the unaudited financial statements of the Target Group for the financial year ended 31 March 2020, the book value and net tangible asset value of the Target Group is approximately US$105.9 million (or approximately S$150.4 million based on the exchange rate of US$1:S$1.42 as at 27 April 2020).

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

3. RATIONALE FOR THE PROPOSED ACQUISITION

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

3.1 Diversification into the businesses of the Target Group

The Proposed Acquisition is to continue with the Group's strategy to venture into global development opportunities, those around real estate and operations, strong areas for potential growth in down markets. 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 scale and the quality of its business operations. The Proposed Acquisition represents a strong opportunity for the Group to expand and diversify its businesses and operations, which will allow it to achieve more consistent and sustainable financial growth, as it will finally have a strong balance sheet. As the Group's current business and operations lack scale in an increasingly challenging and competitive environment, the Proposed Acquisition represents a major step for the Group to diversify and enter the real estate and financial services businesses, via an established Japanese company, which will provide a more consistent and growing revenue stream.

3.2 Future Projects of the Target Group

The Target Group is also now looking to expand in South East Asia and intends to set up an office in Singapore with a headcount of about 15-20 people, should the Proposed Acquisition be completed. Currently, the Target Group does not have any presence in South East Asia. However, given the Target Group's ready access to low cost funds in Japan, and in light of the weak economic outlook due to the COVID-19 outbreak, there may be ample opportunities for the Target Group to invest in and/or acquire distressed real estate assets and finance future real estate development projects not only in Japan but also the South East Asia region, given the Target Group's strong balance sheet and ability to fundraise via various licences which it already holds in Japan. In addition, there will be additional business opportunities for the Target Group to extend its financial services offering given the interest of Japan corporates venturing into South East Asia region.

3.3 Challenges faced by the existing business of the Company

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

The Board expects the existing tourism, hospitality and leisure business of the Group to face bigger challenges going ahead due to increased competition from its competitors and the 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 businesses with promising prospects and greater returns.

3.4 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.

In view of the foregoing, the Board believes that the Proposed Acquisition will contribute positively to the future earnings of the Group and enhance Shareholders' value in the long term. Therefore, the Board is of the view that the Proposed Acquisition is beneficial to the Company and is likely to enhance the long-term interests of Shareholders.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 The Proposed Acquisition

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

4.2 Consideration

4.2.1 Amount of Consideration

The consideration for the purchase of the Sale Shares (the "**Consideration**") shall be the sum of S$118,000,000. The Consideration was arrived at on a willing buyer willing seller basis after taking into consideration the following factors:

(a) the net profit after tax of the Target Group for the financial year ended 31 March 2020 of approximately US$21.0 million (or approximately S$29.9 million based on the exchange rate of US$1:S$1.42 as at 27 April 2020);

(b) the low to high range of price to earnings ratio of 5 - 9 for new listings (excluding REITs) on the SGX-ST for the year 2020;

(c) the future projects in the pipeline for the Target Group as set out in Section 3.2 above;

(d) the rationale for and benefits to the Group arising from undertaking the Proposed Acquisition; and

(e) the strong balance sheet of the Target Group.

4.2.2 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 and such persons as directed by the Vendor (the "**Nominees**") 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.

4.2.3 Issue Price and Number of Consideration Shares

Pursuant to the SPA, the issue price of each Consideration Share (the "**Issue Price**") shall be S$0.003 per Consideration Share. The Issue Price of S$0.003 is equivalent to the volume weighted average price ("**VWAP**") of S$0.003 per Share for trades done on the SGX-ST on 27 April 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$0.003 per Consideration Share, an aggregate of 39,333,333,333 Consideration Shares will be issued.

4.2.4 Adjustments to Consideration Amount

Pursuant to the SPA, if the audited net profit after tax of the Target Group for the financial year ended 31 March 2020 is lesser than the corresponding figure set out in Appendix A enclosed herein by 5% or more, both Parties will enter into further negotiations to mutually agree on a lower figure as the revised consideration for the Sale Shares. If Parties are unable to mutually agree on a lower figure as the revised consideration within 1 month from the commencement of such negotiations, the Company is entitled to terminate the SPA.

4.3 Conditions Precedent

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

(a) the receipt by the Company from the SGX-ST of the listing and quotation notice (the "**LQN**") for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST, such LQN remaining in full force and effect and not having been revoked or amended, and where such approval is subject to conditions, such conditions being acceptable to the Parties;

(b) the Company receiving the following approvals from its Shareholders at the EGM of the Company to be convened in respect of the following:

(i) such approval(s) pursuant to Chapter 10 of the Listing Rules;

(ii) such approval(s) pursuant to Chapter 8 of the Listing Rules in respect of the issuance and allotment of the Consideration Shares to the Vendor and the Nominees;

(iii) any change in the composition of the Board;

(iv) any change in the name of the Company;

(v) the compliance placement to be undertaken by the Company to meet the relevant shareholding spread, distribution and public float requirements pursuant to the Listing Rules upon terms to be mutually agreed between the Parties; and

(vi) such other approval(s) required under the Listing Rules and any other applicable laws in connection with the Proposed Acquisition and the transactions contemplated therein as may be necessary,

such approvals having been obtained (each on terms and conditions acceptable to the Parties, each acting reasonably), remaining in full force and effect and not being revoked or amended;

(c) the issue and allotment of the Consideration Shares to the Vendor and the Nominees at the Issue Price not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the SPA by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company and / or the Vendor and / or the Nominees;

(d) the waiver from the Securities Industry Council (the "**Council**") in respect of the obligation by the Vendor, the Nominees and/or 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 Nominees and their concert parties as a result of the allotment and issuance of the Consideration Shares to the Vendor and the Nominees (the "**Whitewash Waiver**") having been obtained (on terms and conditions acceptable to the Parties, each acting reasonably and complying with such terms and conditions), and such Whitewash Waiver not being revoked or amended;

(e) 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 Nominees and/or their concert parties pursuant to Rule 14 of the Code (the "**Whitewash Resolution**");

(f) 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 operations and / or conditions (financial or otherwise) of the Target Group;

(g) the Company and its advisers having completed business and operational, financial and legal due diligence on the Target Group, and the results of such due diligence investigations being satisfactory to the Company and its advisers in their sole and absolute discretion;

(h) the Vendor having rectified, or having procured that the Target Group rectifies, to the Company's satisfaction, all issues and irregularities uncovered by the Company during the business and operational, financial and legal due diligence on the Target Group;

(i) the Company remaining listed on the Mainboard of the SGX-ST and 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; and

(j) the outstanding directors' fees payable to each existing Director and former Director being no more than S$50,000, such fees to be satisfied by way of the issuance and allotment of Shares at the Issue Price.

4.4 Source of Funds

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

4.5 Completion

Completion shall take place on the date falling within 30 calendar days after the fulfillment 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**").

4.6 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 12 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.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING RULES

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

Based on the latest announced audited financial statements of the Group for the financial year ended 31 December 2019 and the unaudited financial statements of the Target Group for the 12-month period from 1 April 2019 to 31 March 2020, the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Listing Rules are set out below.

Listing Rule	Base	Relative Figure (%)
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
1006(b)	The net profits attributable to the assets acquired, compared with the group's net profits [(1)]	(1,579) [(2)]
1006(c)	The aggregate value of the consideration given[(3)], compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1,678 [(4)]
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	1,678 [(5)]
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of 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 these figures, "**net profits**" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(2) Computed based on (i) the Target Group's net profit before tax of approximately US$21.1 million (or approximately S$30.0 million based on the exchange rate of US$1:S$1.42 as at 27 April 2020) based on the unaudited financial statements of the Target Group for the year ended 31 March 2020, and (ii) net loss before tax of the Group of approximately S$1.9 million for the financial year ended 31 December 2019.

(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$118,000,000 based on the VWAP of S$0.003 per Share on 27 April 2020, being the last full market day preceding the date of the SPA on which the Shares were traded, and the NAV attributable to the Consideration Shares is approximately S$(0.02). Based

on Rule 1003(3) of the Listing Rules, the aggregate value of the Consideration is therefore approximately S$118,000,000, being the market value of the Consideration Shares.

(4) Computed based on (i) the aggregate value of the Consideration being approximately S$118,000,000, and (ii) the Company's market capitalisation of 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 27 April 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) Computed based on (i) 39,333,333,333 Consideration Shares to be issued at the Issue Price of S$0.003 as satisfaction of the Consideration for the Proposed Acquisition, and (ii) the total number of Shares previous in issue of 2,343,527.

5.2 Reverse Takeover

As the relative figures under Rule 1006(c) and 1006(d) of the Listing Rules exceed 100% and given that the Proposed Acquisition will result in a change in control of the Company as the Vendor will become a controlling shareholder of the Company, the Proposed Acquisition constitutes a "Reverse Takeover" as defined under Rule 1015 of the Listing Rules. Accordingly, the Company will be seeking Shareholders' approval for the Proposed Acquisition at an EGM to be convened.

6. FINANCIAL INFORMATION OF THE TARGET GROUP

Pursuant to Rule 1015(1)(a)(ii) of the Listing Rules, a summary of the pro forma financial information of the Target Group for the latest three financial years ending 31 March 2018, 31 March 2019 and 31 March 2020 is attached hereto as **Appendix A**.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 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**") / earnings per Share ("**EPS**") of the Group have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2019. 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.

7.2 Share Capital

	Before Completion	**After Completion[(1)]**
Number of Shares	2,343,527,950	41,676,861,283
Issued and paid-up share capital (S$'000)	125,783	243,783

Note:

(1) Pursuant to the allotment and issuance of 39,333,333,333 Consideration Shares as satisfaction of the Consideration.

7.3 NTA per Share

	Before Completion	**After Completion[(1)]**
NTA attributable to Shareholders (S$'000)	(8,121)	164,955
Number of Shares	2,343,527,950	41,676,861,283
NTA per Share attributable to Shareholders (Singapore cents)	(0.35)	0.40

Note:

(1) Pursuant to the allotment and issuance of 39,333,333,333 Consideration Shares as satisfaction of the Consideration.

7.4 LPS/EPS

	Before Completion	**After Completion[(1)]**
Net (loss)/profit attributable to Shareholders (S$'000)	(1,939)	28,047
Weighted average number of Shares	2,343,527,950	41,676,861,283
(LPS) / EPS (Singapore cents)	(0.08)	0.07

Note:

(1) Pursuant to the allotment and issuance of 39,333,333,333 Consideration Shares as satisfaction of the Consideration.

8. CHANGE IN COMPOSITION OF THE BOARD AND SERVICE CONTRACT(S)

Under the terms of the SPA, the Vendor is entitled to nominate such person(s) to be appointed as Director(s) upon completion of the Proposed Acquisition. The Company expects that it will enter into service contract(s) with such person(s) nominated by the Vendor on or prior to Completion. 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.

9. PROPOSED COMPLIANCE PLACEMENT

Pursuant to Rule 1015(3)(a) of the Listing Rules, the Company is required to satisfy the shareholding spread and distribution requirements set out in Rule 210(1) upon Completion. As the market capitalisation of the Company upon Completion is expected to be less than S$300 million, in accordance with Rule 210(1)(a), at least 25% of the enlarged share capital of the Company (excluding treasury shares) must be held by at least 500 public Shareholders (the "**Requisite Public Float**"). Pursuant to Rule 210(1)(a)(ii), in computing the percentage of Shares held in public hands, existing public Shareholders may be included subject to an aggregate limit of 5% of the Company's enlarged share capital and provided such Shares are not under moratorium. Accordingly, to satisfy the requirements under Rule 1015(3)(a) in respect of the shareholding spread and distribution requirements under Rule 210(1)(a), the Company will undertake a compliance placement to constitute the Requisite Public Float (the "**Proposed Compliance Placement**") after Completion. The details of the Proposed Compliance Placement will be set out in the Circular to be despatched to Shareholders in due course.

10. PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 1015(3)(d) of the Listing Rules, where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share of the issuer after adjusting for any share consolidation must not be lower than S$0.50. Accordingly, subject to the relevant Shareholders' approval being obtained, the Company intends to undertake a share consolidation (the "**Proposed Share Consolidation**") after completion of the Proposed Acquisition to satisfy the requirements under Rule 1015(3)(d). The details of the Proposed Share Consolidation (including the share consolidation ratio) will be set out in the Circular to be despatched to Shareholders in due course.

11. APPOINTMENT OF FINANCIAL ADVISER, INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT VALUER

The Company will be appointing a financial adviser in connection with the Proposed Acquisition. The Company will also appoint an independent financial adviser (the "**IFA**") to the independent Directors and independent Shareholders in connection with the Whitewash Resolution. Pursuant to Rule 1015(3)(a) of the Listing Rules, an independent valuer (the "**Valuer**") will also be appointed to value the Target Group.

The advice of the IFA in respect of the Whitewash Resolution, as well as further information relating to the valuation report to be issued by the Valuer will be set out in the Circular to be despatched to the Shareholders in due course.

12. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholding interests (if any) in the Company, 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 and the 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 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. 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

28 April 2020

APPENDIX A

FINANCIAL INFORMATION OF THE TARGET GROUP

The financial information of the Target Group is subject to audit and any financial effects of any restructuring, if any, of the Target Group.

Based on the unaudited financial statements of the Target Group for its last three financial years ended 31 March 2018 ("**FY2018**"), 31 March 2019 ("**FY2019**") and 31 March 2020 ("**FY2020**"), a summary of the unaudited financial information of the Target Group for FY2018, FY2019 and FY2020[(1)] is set out below.

Income Statement

(US$'000) ***(S$'000)*[(2)]**	**Unaudited** **FY2018**	**Unaudited** **FY2019**	**Unaudited** **FY2020**
Revenue	3,997 / ***5,676***	6,472 / ***9,190***	25,451 / ***36,140***
Profit before tax	486 / ***690***	2,284 / ***3,243***	21,117 / ***29,986***
Income tax expenses	31 / ***44***	223 / ***317***	93 / ***132***
Net profit after tax	455 / ***646***	2,060 / ***2,925***	21,024 / ***29,854***

Balance Sheet

(US$'000) ***(S$'000)*[(2)]**	**Unaudited** **FY2018**	**Unaudited** **FY2019**	**Unaudited** **FY2020**
Current assets	2,848 / ***4,044***	1,878 / ***2,667***	13,093 / ***18,592***
Non-current assets	30,466 / ***43,262***	34,769 / ***49,372***	100,465 / ***142,660***
Total assets	33,314 / ***47,306***	36,647 / ***52,039***	113,558 / ***161,252***
Current liabilities	481 / ***683***	216 / ***307***	1,695 / ***2,407***
Non-current liabilities	6,276 / ***8,912***	5,508 / ***7,821***	5,978 / ***8,489***
Total liabilities	6,757 / ***9,595***	5,724 / ***8,128***	7,673 / ***10,896***
Total equity	26,557 / ***37,711***	30,923 / ***43,911***	105,885 / ***150,357***

Notes:

(1) The figures in US$ were furnished by the Target Company after converting such figures from Japanese Yen to United States Dollars.

(2) For ease of reference, the bolded figures in italics represent the equivalent amount in Singapore Dollars based on an exchange rate of US$1:S$1.42 as at 27 April 2020.