

CHANGJIANG FERTILIZER HOLDINGS LIMITED

(Company Registration No.: 200713878D)

(Incorporated in the Republic of Singapore)

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- (A) **PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF (I) WBH INVESTMENTS PTE. LTD.; AND (II) COWEALTH INVESTMENTS PTE. LTD.; AND**
- (B) **PROPOSED DISPOSAL OF EXISTING ASSETS IN THE PEOPLE'S REPUBLIC OF CHINA**
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1. INTRODUCTION

1.1 The Proposed Transactions

1.1.1 The board of directors ("**Board**") of Changjiang Fertilizer Holdings Limited ("**Company**") wishes to announce that the Company has on 11 April 2016 entered into the following agreements:

- (a) a conditional sale and purchase agreement (the "**WBH Acquisition Agreement**") with Chiu Teng Enterprises Pte Ltd ("**CTE**") and Wang & Lee Investments Pte. Ltd. ("**WLI**") (collectively, the "**WBH Vendors**") as the vendors in respect of the proposed acquisition by the Company of the entire issued and paid-up share capital of WBH Investments Pte. Ltd. ("**WBH**") comprising 100,000 issued and paid-up ordinary shares (the "**WBH Sale Shares**") on the terms of the WBH Acquisition Agreement ("**WBH Acquisition**"); and
- (b) heads of agreement (the "**Cowealth Acquisition HOA**") with Affluence Resource Pte Ltd ("**Affluence Resource**") as the vendor in respect of the proposed acquisition by the Company of the entire issued and paid-up share capital of Cowealth Investments Pte. Ltd. ("**Cowealth**") comprising 100 issued and paid-up ordinary shares (the "**Cowealth Sale Shares**") on the terms of the Cowealth Acquisition HOA ("**Cowealth Acquisition**").

In addition, the Company has put its assets located in the People's Republic of China ("**PRC**"), comprising its shareholding interests in the PRC Companies (as defined below) up for sale (the "**Disposal of PRC Assets**").

The WBH Acquisition and the Cowealth Acquisition are collectively referred to as the "**Proposed Acquisitions**" and, together with the Disposal of PRC Assets, are collectively referred to as the "**Proposed Transactions**".

1.1.2 The completion of the WBH Acquisition and the completion of the Cowealth Acquisition are to be concurrent and inter-conditional upon the completion of each other.

1.1.3 Following the completion of the Proposed Acquisitions, the Company will become the owner of all the 23 ground floor units in One Commonwealth ("**OCW**"), which is a 9-storey light industrial building in Singapore with a total of 250 factory/showroom units completed in 2010. OCW is strategically located along Commonwealth Avenue, is adjacent to the Commonwealth MRT station and close to the Pan-Island and Ayer Rajah Expressways.

- 1.1.4 If the Proposed Acquisitions proceed to completion, they will constitute a "Very Substantial Acquisition" or a "Reverse Takeover" as defined under Chapter 10 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and will be subject to, amongst others, the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company to be convened ("**EGM**").
- 1.1.5 Following the completion of the Proposed Transactions, the Company will transfer its listing to Catalist, the sponsor-supervised board of the SGX-ST.

1.2 **Financial Adviser for the Proposed Transactions**

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as its financial adviser in relation to the Proposed Acquisitions (the "**Financial Adviser**") and as its continuing sponsor following the transfer of the Company to Catalist.

2. **THE PROPOSED TRANSACTIONS**

2.1 **Information on WBH and the WBH Vendors**

WBH is a private company limited by shares incorporated in Singapore. As at the date of this announcement, CTE, WLI and YMK Realty Pte. Ltd. ("**YMKR**") own 40.0%, 30.0% and 30.0% of the issued and paid-up share capital of WBH, respectively. Pursuant to the WBH Acquisition Agreement, CTE and WLI shall procure the restructuring and transfer of all of YMKR's shares in WBH to each of them, such that on or prior to the completion of the WBH Acquisition, CTE and WLI will each hold 50.0% of the total issued and paid-up share capital of WBH.

CTE is a company incorporated in Singapore, primarily engaged in the business of property development, real estate investment and building and construction. Mr. Ng Chee Beng owns 90.0% of the issued and paid-up share capital of CTE and his wife, Mdm Jane Tan Bee Bee owns 10.0% of the issued and paid-up share capital of CTE. WLI is an investment holding company incorporated in Singapore, primarily engaged in the passive investment of real estate assets in Singapore. Dr. Bailey Wang and his wife, Mdm Lee Tee Eng each own 50.0% of the issued and paid-up share capital of WLI.

WBH owns 13 leasehold premises known as 1 Commonwealth Lane #01-07, #01-08, #01-09, #01-10, #01-11, #01-12, #01-13, #01-14, #01-15, #01-17, #01-18, #01-19 and #01-20 One Commonwealth (the "**OCW1 Units**"). The aggregate net leasable area of the OCW1 Units is 16,680 square feet (approximately 1,550 square metres). The lease of the OCW1 Units expires on 1 March 2038.

9 out of the 13 OCW1 Units covering an aggregate of 11,515 square feet are currently tenanted. This represents an occupancy rate of approximately 70.0% of the net leasable area owned by WBH.

Apart from being the owner and landlord of the OCW1 Units, currently, WBH does not have any other businesses or substantial assets.

2.1.1 **Financial Information on WBH**

The statutory financial year adopted by WBH is 30 June, which is different from the financial year end of 31 December adopted by the Company and Cowealth.

In order to align the financial year end of the Company, WBH and Cowealth, the audited financial information of WBH for the financial year ending 30 June 2013, 2014 and 2015 have been adjusted to present the financial performance of WBH as if its financial year end was 31 December 2013, 2014 and 2015.

Shareholders should note that the figures set out below may vary from the final unaudited proforma financial information of the Company, WBH and Cowealth due to changes in the basis of preparation, assumptions and adjustments that may arise. Such proforma financial information will be reviewed by the Company's reporting accountants, and will be set out in a circular to be sent to the Shareholders.

	Financial year ended 31 December		
	2013	2014	2015
	(unaudited)	(unaudited)	(unaudited)
Summary of profit and loss (S\$'000)			
Revenue	1,139	1,148	904
Profit before tax	375	447	161
Profit after tax	275	358	65

A summary of the financial position of WBH as at 31 December 2015 is set out below.

	As at 31 December 2015
	(unaudited)
Balance sheet summary (S\$'000)	
Total assets	10,315
Total liabilities	9,568

2.2 Information on Cowealth and Affluence Resource

Cowealth is a private company limited by shares incorporated in Singapore which is solely owned by Affluence Resource. Affluence Resource is a company incorporated in Singapore, primarily engaged in real estate development and investment. Mr. Ng Teng Yeng, who is the father of Mr. Ng Chee Beng, owns 60.0% of the issued and paid-up share capital of Affluence Resource. Mr. Ng Teng Yeng's wife, Mdm Yong Ai Cheng, his daughter, Ms. Ng Sok Bee, and his sons, Mr. Ng Chee Hwa and Mr. Ng Chee Beng each owns 10.0% of the issued and paid-up share capital of Affluence Resource respectively.

Cowealth owns 10 leasehold premises known as 1 Commonwealth Lane #01-01, #01-02, #01-03, #01-04, #01-05, #01-06, #01-21, #01-22 #01-23 and #01-24 One Commonwealth (the "**OCW2 Units**"). The aggregate net leasable area of the OCW2 Units is 16,879 square feet (approximately 1,568 square metres). The lease of the OCW2 Units expires on 1 March 2038. All 10 OCW2 units are currently tenanted.

Apart from being the owner and landlord of the OCW2 Units, currently, Cowealth does not have any other businesses or substantial assets.

2.2.1 Financial Information on Cowealth

A summary of the financial performance of Cowealth for the financial year ended 31 December 2013, 2014 and 2015, prepared based on the audited financial statements of Cowealth for the financial year ended 31 December 2013 and 2014, and the management accounts for the financial year ended 31 December 2015, is set out below.

	Financial year ended 31 December		
	2013 (audited)	2014 (audited)	2015 (unaudited)
Summary of profit and loss (S\$'000)			
Revenue	1,149	1,227	1,230
Profit before tax	778	755	762
Profit after tax	673	631	637

A summary of the financial position of Cowealth as at 31 December 2015 is set out below.

	As at 31 December 2015 (unaudited)
Balance sheet summary (S\$'000)	
Total assets	11,102
Total liabilities	11,299

2.3 Information on the Disposal of PRC Assets

Please refer to **Appendix A** for details on the PRC Companies (as defined below).

The Company had, on 31 December 2014, engaged Hunan Public Assets Appraisal Co., Limited (湖南公众资产评估有限公司) to appraise the value of the Company's following three subsidiaries which are incorporated in the PRC:

- (a) Miluo Jincheng Shiye Co., Ltd (汨罗市金成实业有限责任公司) ("**JC Miluo**");
- (b) Changjiang Huafei (Hunan) Co., Ltd. (长江化肥(湖南)有限公司) ("**Changjiang Huafei**");
and
- (c) Hunan Changjiang Huafei Hanshou Co., Ltd. (湖南长江化肥汉寿有限公司) ("**Huafei Hanshou**").

The Company holds its interest in Huafei Hanshou through Changjiang Huafei and its interest in JC Miluo through Tangjia Electric Technology (Shenzhen) Co., Ltd (唐家用电器科技(深圳)有限公司), an investment holding company incorporated in the PRC ("**Tangjia Electric**", and together with JC Miluo, Changjiang Huafei and Huafei Hanshou, collectively the "**PRC Companies**").

The Company had on 31 December 2014, engaged Hunan Public Assets Appraisal Co., Limited (湖南公众资产评估有限公司) ("**HPAA**") to appraise the value of JC Miluo, Changjiang Huafei and Huafei Hanshou. On 17 September 2015, the Company appointed Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLLCAA**") to provide a second valuation report on the property interests of the JC Miluo, Changjiang Huafei and Huafei Hanshou. Based on the

valuation reports by HPAA and JLLCAA, the aggregate valuation of the property interests owned by JC Miluo, Changjiang Huafei and Huafei Hanshou is estimated at RMB75.4 million and RMB37.6 million respectively.

Based on the latest available management accounts as at 31 December 2015, the net realisable value of the PRC Companies is estimated to be approximately RMB8.4 million. The Company has been informed that the PRC Companies have incurred significant tax and other contingent liabilities and on this basis, the Company does not expect the sale consideration to be derived from the Disposal of PRC Assets to be meaningful.

The Company proposes to appoint Nanshengyang Auction Co., Ltd (南晟扬拍卖有限公司) and Yueyangshi Zhengping Auction Co., Ltd (岳阳市正平拍卖有限公司) to jointly sell the Company's entire interests in the PRC Companies by way of a public auction. As the Company expects that, over time, the potential and contingent liabilities will be in excess of the above-stated net realisable value, the public auction for the PRC Companies will start at RMB1.00. The final bid price for the PRC Companies will be announced at a later date.

The Company expects to negotiate and enter into a sale and purchase agreement relating to the Disposal of PRC Assets with the successful bidder, if any, upon the close of the public auction. The completion of the sale will be subject to the approval of Shareholders at the EGM.

The Board wishes to emphasise that no legally binding agreement has been entered into between the Company and any party in relation to the Disposal of PRC Assets as at the date of this announcement. There is no certainty or assurance that any definitive agreement or transaction will result from the abovementioned public auction.

3. KEY TERMS OF THE PROPOSED TRANSACTIONS

3.1 The WBH Acquisition

3.1.1 Consideration

The aggregate consideration for the purchase of the WBH Sale Shares ("**WBH Consideration**") shall be S\$13,844,400, being the sum agreed between the Company and the WBH Vendors.

The WBH Consideration shall be satisfied as follows:

- (a) on completion of the WBH Acquisition, S\$4,845,540 shall be satisfied through the allotment and issue of 969,108,000 new shares of the Company (the "**Shares**") to the WBH Vendors or their nominee(s) (the "**WBH Consideration Shares**") at an issue price of S\$0.005 per WBH Consideration Share (the "**Issue Price**"), with each of the WBH Vendors or their nominee(s) being allotted and issued 484,554,000 WBH Consideration Shares (fractions to be disregarded); and
- (b) on the date falling no later than 14 days after the date of completion of the WBH Acquisition, or such other date as the WBH Vendors and the Company may mutually agree in writing (the "**WBH Deferred Consideration Date**"), S\$8,998,860 (or such sum as may be adjusted based on the terms of the WBH Acquisition Agreement) (the "**WBH Deferred Consideration Amount**") shall be paid in cash to CTE and WLI by telegraphic transfer, cashier's order or banker's draft, or in such other manner as may

be agreed between the WBH Vendors and the Company in writing.

In November 2014, the WBH Vendors commissioned Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**") to undertake a valuation of the OCW1 Units. The market value of the OCW1 Units on an as-is basis, as of 3 November 2014, assuming that the OCW1 Units are free from all encumbrances, was an aggregate of S\$15,260,000.

The WBH Consideration was agreed on a willing-buyer and willing-seller basis after arm's length negotiations. In arriving at the WBH Consideration, the Company has considered, amongst others, the future benefits expected to be created as a result of the WBH Acquisition as set out in paragraph 4 (Rationale for the Proposed Transactions) below, the valuation of the OCW1 Units indicated by Colliers, as well as the following bases:

- (a) WBH has maintained and shall maintain the current passing rental of approximately S\$6.00 per square foot per month ("**psf/month**") for OCW1 Units' net leasable area of 16,680 square feet (approximately 1,550 square metres);
- (b) WBH does not and shall not own or hold any significant assets on its balance sheet save for the OCW1 Units;
- (c) the following loans and indebtedness owed by WBH (the "**WBH Existing Loans**") shall be fully repaid prior to the WBH Deferred Consideration Date:
 - (i) all outstanding shareholders' loan(s) owed by WBH to the WBH Vendors and YMKR; and
 - (ii) the outstanding loan (and all interest, fees and other amounts payable) owed by WBH to United Overseas Bank Limited;
- (d) save for the bank loan to be obtained by the Company which shall be secured with the OCW1 Units, WBH shall not have outstanding, nor agree to create or incur, any loan capital, borrowings or indebtedness in the nature of borrowings; and
- (e) the business and affairs of WBH (including the incurrence of expenses) shall be managed properly and efficiently in good faith and in a businesslike manner and consistent with best practices of companies carrying on similar businesses or owning property of a similar nature.

If prior and up to the WBH Deferred Consideration Date, any of the bases set out above is in any respect not complied with, fulfilled and/or satisfied at any time, the Company shall be entitled (in addition to and without prejudice to all other rights and remedies available to it, including the right to claim damages), in consultation with the WBH Vendors, to adjust the WBH Deferred Consideration Amount by such amounts as it deems necessary. In particular, if prior and up to the WBH Deferred Consideration Date, the bases set out in paragraph (c) above is in any respect not complied with, fulfilled and/or satisfied, the WBH Deferred Consideration Amount shall be reduced by the amount of the outstanding WBH Existing Loans.

3.1.2 Conditions Precedent

Completion of the WBH Acquisition under the WBH Acquisition Agreement shall, unless waived, be conditional upon, amongst others:

- (a) Shareholders' Approval. The approval of the Shareholders at an EGM for the following matters, and such approval not having been withdrawn or revoked and remaining in full force and effect as at the completion date:
- (i) the WBH Acquisition;
 - (ii) the allotment and issue of the WBH Consideration Shares by the Company to the WBH Vendors or their nominee(s);
 - (iii) the transactions contemplated under the Cowealth Acquisition Agreement (as defined below);
 - (iv) a rights issue to be undertaken by the Company, if any (the "**Rights Issue**"), such that following its completion and the completion of the Proposed Acquisitions, the WBH Vendors or their nominee(s) shall collectively hold not less than 41.4% of the enlarged issued and paid-up share capital of the Company;
 - (v) the Disposal of PRC Assets, if any; and
 - (vi) the proposed transfer of the Company's listing to Catalist (the "**Proposed Transfer**");
- (b) Independent Shareholder Approval for Whitewash Resolution. The approval of the majority of the Shareholders who are not involved in, or interested in, the Proposed Acquisitions (the "**Independent Shareholders**") being obtained at the EGM for the whitewash resolution (the "**Whitewash Resolution**"), being a separate resolution of a majority of the Independent Shareholders in a general meeting of the Company to waive their rights to receive a mandatory takeover offer from the WBH Vendors and/or Affluence Resource and the respective parties acting in concert with the WBH Vendors and/or Affluence Resource who would incur an obligation to make a mandatory takeover offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all of the Shares not already owned by the WBH Vendors and/or Affluence Resource and the respective persons acting in concert with the WBH Vendors and/or Affluence Resource as a result of the WBH Acquisition, the transactions contemplated under the WBH Acquisition Agreement and/or the transactions contemplated under the Cowealth Acquisition Agreement, provided that the WBH Vendors and/or Affluence Resource and any persons not being Independent Shareholders abstain from voting on such resolution;
- (c) SIC Waiver. The grant by Securities Industry Council ("**SIC**") of a waiver (such waiver not having been withdrawn or revoked as at the completion date of the WBH Acquisition) to the WBH Vendors and/or Affluence Resource and the respective parties acting in concert with the WBH Vendors and/or Affluence Resource, of their obligation to make a mandatory offer under Rule 14 of the Code for the Shares not held by the WBH Vendors and/or Affluence Resource and their respective concert parties, and from having to comply with the requirements of Rule 14 of the Code upon completion of the WBH Acquisition and the allotment and issue of the WBH Consideration Shares to the WBH Vendors and/or new Shares to Affluence Resource pursuant and subject to the terms and conditions of the Cowealth Acquisition Agreement and if such waiver is subject to

any condition or restriction imposed by the SIC, such condition and/or restriction being reasonably acceptable to WBH Vendors and the Company;

- (d) SGX-ST Approval. The approval of the SGX-ST for the WBH Acquisition, the proposed transfer of the Company's listing to Catalist, the transactions contemplated under the Cowealth Acquisition Agreement and the transactions contemplated under the WBH Acquisition Agreement having been obtained where necessary and such approval not having been withdrawn or revoked and remaining in full force and effect as at the completion date of the WBH Acquisition, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being reasonably acceptable to WBH Vendors and the Company;
- (e) SGX-ST Approval for Listing and Quotation. The approval of the SGX-ST and the issuance of a listing and quotation notice from the SGX-ST for the admission of the WBH Consideration Shares and such number of new Shares to be allotted and issued (if any) to comply with the relevant shareholding and distribution requirements of the Listing Manual of the SGX-ST (the "**Listing Rules**") or the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") (as the case may be) (the "**Compliance Placement**") to the Official List of the SGX-ST, and the dealing and quotation of such Shares on the Main Board or Catalist (as the case may be) upon the allotment and issue of such Shares, and such approval not having been withdrawn or revoked and remaining in full force and effect, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being reasonably acceptable to the WBH Vendors and the Company;
- (f) Governmental Approvals for Company. The licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals necessary or desirable for or in respect of the WBH Acquisition, the allotment and issue of the WBH Consideration Shares to the WBH Vendors or their nominee(s) and the transactions contemplated under the WBH Acquisition Agreement, having been obtained from the appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms reasonably satisfactory to the Company and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals continuing to remain in full force and effect up to and including the completion date of the WBH Acquisition, and if such approval is subject to any condition or restriction, such condition and/or restriction being reasonably acceptable to the WBH Vendors and the Company;
- (g) Governmental Approvals for WBH Vendors. The licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals necessary or desirable for or in respect of the sale of the WBH Sale Shares by the WBH Vendors to the Company, the transfer of the shares of WBH held by YMKR to the WBH Vendors and the transactions contemplated under the WBH Acquisition Agreement, having been obtained from the appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms reasonably satisfactory to the WBH Vendors and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals continuing to remain in full force and effect up to and including the completion date of the WBH Acquisition, and if such approval is subject to any condition or restriction, such condition and/or restriction being reasonably acceptable to WBH Vendors and the Company;
- (h) Change in Control Approval. Where the terms of any agreement or arrangement to which

WBH is a party or is bound by and which is of material importance to the business, affairs, operations, assets, profits or financial condition of WBH contain any restrictions or prohibition on the change in control of the shareholdings or the board of directors of WBH or include any right to terminate exercisable prior to or as a result of any matter contemplated by the WBH Acquisition Agreement (including but not limited to the sale and transfer of the WBH Sale Shares from the WBH Vendors to the Company and the transfer of the shares of WBH held by YMKR to the WBH Vendors), receipt by the Company of a written confirmation in a form and on terms (if any) satisfactory to the Company by the counterparts thereto, of the waiver of such restrictions or prohibition in relation to any such change arising from the transactions contemplated under the WBH Acquisition Agreement or of any such right to terminate;

- (i) Restructuring. The transfer of the shares of WBH held by YMKR to the WBH Vendors, such that the WBH Vendors shall each be the legal and beneficial owners of 50.0% of the WBH Sale Shares, and the updating of the register of members of WBH to reflect that the WBH Vendors are each the legal and beneficial owners of 50.0% of the WBH Sale Shares;
- (j) All Other Consents and Approvals. The Company and the WBH Vendors having obtained all necessary bank consents and other necessary consents, approvals and waivers from all relevant third parties and/or authorities for the sale and transfer of the WBH Sale Shares from the WBH Vendors to the Company, the allotment and issue of the WBH Consideration Shares to the WBH Vendors or their nominee(s), the transfer of the shares of WBH held by YMKR to the WBH Vendors and the transactions contemplated under the WBH Acquisition Agreement, and such consents, approvals and waivers not having been amended or revoked and remaining in full force and effect up to and including the completion date, and if such approval is subject to any condition or restriction, such condition and/or restriction being reasonably acceptable to the WBH Vendors or the Company (as the case may be);
- (k) Irrevocable Undertakings. The receipt by the WBH Vendors of the irrevocable undertakings from Equinox Investment Group Limited and/or any shareholder(s) of the Company, as may be determined by the Company in its sole discretion and notified to the WBH Vendors in writing, to vote at the EGM in favour of the resolutions set out in paragraph 3.1.2(a) above;
- (l) Company's Due Diligence. The results of a due diligence exercise by the Company and/or its representatives over the business, affairs, operations, assets, financial condition, prospects and records of WBH being reasonably satisfactory to the Company;
- (m) Transaction Deed. The Transaction Deed (as defined below) having been entered into and coming into effect in accordance with its terms and not having been terminated, rescinded or revoked prior to the completion of the Proposed Transactions;
- (n) No Breach. The WBH Acquisition, the allotment and issue of the WBH Consideration Shares by the Company to the WBH Vendors or their nominee(s) and the transactions contemplated under the WBH Acquisition Agreement not being prohibited by and not resulting in a breach of, any statute, order, rule, regulation, directive, guideline or request promulgated by, or any judgment or decree of, any legislative, executive, judicial or regulatory body or authority in Singapore or any other jurisdiction affecting the Company,

the WBH Vendors or WBH;

- (o) No Delisting. The Shares not having been delisted from the Main Board or Catalist (as the case may be);
- (p) No Material Adverse Change. There being no changes to the business, financial conditions or operations of the Company and its subsidiaries (collectively, the "**Changjiang Group**") (save for the Disposal of PRC Assets) or WBH since the date of the WBH Acquisition Agreement that would in the reasonable opinion of the WBH Vendors or the Company (as the case may be) be likely to have a material adverse effect;
- (q) Completion of the Disposal of PRC Assets. The completion of the Disposal of PRC Assets;
- (r) Cowearth Acquisition Agreement. The Cowearth Acquisition Agreement having been entered into and coming into effect in accordance with its terms, the conditions precedent contained therein being satisfied or waived in accordance with its terms (except with respect to the unconditionality of the WBH Acquisition Agreement) and such agreement not having been terminated in accordance with its terms; and
- (s) Rights Issue. The completion of the Rights Issue, if any.

3.1.3 Minimum Gross Rental Income for both OCW1 Units and OCW2 Units

The WBH Vendors have agreed to enter into a deed (the "**Transaction Deed**") to undertake and guarantee to the Company that the Company shall, for a period of three (3) years following completion of the Proposed Transactions receive a minimum gross rental income of S\$6.00 psf/month for the aggregate net leasable area of the OCW1 Units and OCW2 Units amounting to 33,559 square feet, on such terms and conditions acceptable to the Company in its sole discretion.

3.1.4 Issue Price

The Issue Price represents a discount of approximately 72.2% from the last transacted price of the Shares of S\$0.018 on the SGX-ST on 13 April 2015.

3.1.5 Status of the WBH Consideration Shares

The WBH Consideration Shares when allotted and issued to the WBH Vendors and Affluence Resource or their nominee(s), respectively, will be free from encumbrances, credited as fully paid and shall rank *pari passu* in all respects with the existing Shares as at the date of issuance of the WBH Consideration Shares.

3.1.6 Moratorium

The WBH Vendors have undertaken to comply, and have procured that their respective associates shall comply, with any applicable moratorium requirements imposed by the SGX-ST (including without limitation, such undertakings not to sell, transfer, dispose, realise, deal and/or create any encumbrance over Shares held directly or indirectly by each of them for such periods as may be required by the Listing Rules or the Catalist Rules, as the case may be) unless such applicable moratorium requirements have been waived by the SGX-ST.

3.1.7 Long-Stop Date

If any of the conditions precedent is not satisfied or is not waived by the Company and/or the WBH Vendors (as the case may be) on or before 1 October 2016 or such other date as may be mutually agreed by the Company and the WBH Vendors in writing, the WBH Acquisition Agreement shall terminate, save for certain surviving clauses which relate to, amongst others, confidentiality and costs, and in that event, the Company and the WBH Vendors shall be released and discharged from their respective obligations under the WBH Acquisition Agreement and such release and discharge shall be without prejudice to the right of the Company or the WBH Vendors to claim against one another for any antecedent breach of any obligations and liabilities under the WBH Acquisition Agreement.

3.2 The Cowealth Acquisition

3.2.1 Consideration

The aggregate consideration for the purchase of the Cowealth Sale Shares ("**Cowealth Consideration**") shall be S\$13,844,400, being the sum agreed between the Company and Affluence Resource.

The Cowealth Consideration shall be satisfied as follows:

- (a) on completion of the Cowealth Acquisition, \$4,153,320 shall be satisfied through the allotment and issue of 830,664,000 new Shares (the "**Cowealth Consideration Shares**") to Affluence Resource or its nominee(s) at the Issue Price; and
- (b) on completion of the Cowealth Acquisition or such other date as Affluence Resource and the Company may mutually agree in writing, \$9,691,080 (the "**Cowealth Cash Consideration Amount**") (or such sum as may be adjusted) shall be paid in cash.

The Cowealth Consideration was agreed on a willing-buyer and willing-seller basis after arm's length negotiations. In arriving at the Cowealth Consideration, the Company considered, amongst others, the future benefits expected to be created as a result of the Cowealth Acquisition as set out in paragraph 4 (Rationale for the Proposed Transactions) below as well as on the basis that Cowealth has maintained and shall maintain the current passing rental of approximately S\$6.00 psf/month for OCW2 Units' net leasable area of 16,879 square feet (approximately 1,568 square metres). Further bases forming the Cowealth Consideration will be set out in the Cowealth Acquisition Agreement (defined below).

If prior and up to the date of completion of the Cowealth Acquisition, any of such bases is in any respect not complied with, fulfilled and/or satisfied, the Company shall be entitled to adjust the Cowealth Cash Consideration Amount by such amounts as it deems necessary.

The Company is in the process of commissioning an independent valuer to assess the fair market value of the OCW2 Units.

3.2.2 Conditions Precedent

Completion of the Cowealth Acquisition shall be subject to the fulfillment or waiver of, amongst others, the following:

- (a) Shareholders' Approval. The approval of the Shareholders at an EGM as may be necessary for and in connection with, amongst others, the Cowealth Acquisition, the

Proposed Transfer and all transactions contemplated under the Cowealth Acquisition Agreement (defined below);

- (b) Independent Shareholder Approval for Whitewash Resolution. The approval of the majority of the shareholders who are not involved or interested in the Cowealth Acquisition being obtained at an EGM waiving their rights to receive a mandatory takeover offer by the relevant persons;
- (c) SIC Waiver. The grant by the SIC of a waiver to Affluence Resource and the parties acting in concert with Affluence Resource, of their obligation to make a mandatory offer for the shares in the Company and if such waiver is subject to any condition or restriction imposed by the SIC, such condition and/or restriction being reasonably acceptable to Affluence Resource and the Company;
- (d) SGX-ST Approval. The approval of the SGX-ST for all transactions contemplated under the Cowealth Acquisition HOA and the Cowealth Acquisition Agreement having been obtained where necessary and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being reasonably acceptable to Affluence Resource and the Company; and
- (e) Transaction Deed. The Transaction Deed having been entered into.

If any of the conditions precedent is not satisfied or is not waived by the Company and/or the Affluence Resource (as the case may be) on or before 1 October 2016 or such other date as may be mutually agreed by the Company and Affluence Resource in writing, the Cowealth Acquisition Agreement (as defined below) shall terminate, save for certain surviving clauses which relate to, amongst others, confidentiality and costs, and in that event, the Company and Affluence Resource shall be released and discharged from their respective obligations under the Cowealth Acquisition Agreement (as defined below) and such release and discharge shall be without prejudice to the right of the Company or Affluence Resource to claim against one another for any antecedent breach of any obligations and liabilities under the Cowealth Acquisition Agreement (as defined below).

3.2.3 Date of Completion

The completion of the Cowealth Acquisition shall take place on a date falling no later than 1 October 2016 or such other date as mutually agreed by the Company and Affluence Resource in writing.

3.2.4 Termination

The Cowealth Acquisition HOA shall terminate and cease to have any effect from the earlier of two (2) weeks from the date of the Cowealth Acquisition HOA (or such other period as may be agreed in writing between Affluence Resource and the Company) or the date on which they execute the Cowealth Acquisition Agreement (as defined below).

3.2.5 Definitive Agreement

Affluence Resource and the Company shall use their best endeavours to negotiate, finalise and execute a definitive conditional sale and purchase agreement (the "**Cowealth Acquisition Agreement**") which incorporates all the terms set out in the Cowealth Acquisition HOA not later than 2 weeks from the date of the Cowealth Acquisition HOA or such other date as the Parties may agree in writing.

The Cowealth Acquisition Agreement shall contain undertakings, representations and warranties from each of the Company and Affluence Resource as are customary for transactions of similar nature.

The Company will make further announcements on the details of the Cowealth Acquisition Agreement in due course, after such agreement has been entered into.

3.3 The Disposal of PRC Assets

The Company will make further announcements on the relevant details of the Disposal of PRC Assets when it receives a final bid price for the PRC Companies.

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

The Board believes that the Proposed Transactions will be beneficial to and is in the best interests of the Company and its Shareholders.

The Proposed Acquisitions are intended to provide the Company with the opportunity to revive its fortunes by transforming itself into a real estate developer and investor which is backed by the network and experience of its various board, management and shareholder stakeholders. The Proposed Acquisitions are expected to increase the market capitalisation of the Company significantly, raise the profile of the Company and generate investors' interest in the Company. Critically, it is also hoped that the Proposed Acquisitions and re-quotations of the Company's shares on SGX-ST will offer the Company's minority shareholders an opportunity to recover some of their investment in the Company.

The PRC Companies are unprofitable and have ceased their production activities since 2013. In 2013, the PRC government notified JC Miluo and Changjiang Huafei, whose plants are located in urban areas of Hunan province in the PRC, to wind-down the operations of their plants to make way for redevelopment of these areas. The production in the two plants owned by JC Miluo and Changjiang Huafei were halted following the notification. The Board also decided to halt the production activities of Huafei Hanshou in the same year due to persistent weakness in the demand for the Company's products as a result of a growing trend of farmers preferring compound fertilizers over nitrogenous fertilizers. As such, there has been no revenue generated by the PRC Companies and the Changjiang Group has been loss-making since 2013.

5. SOURCE OF FUNDS

5.1 The Proposed Acquisitions

The Company intends to mortgage the OCW1 Units and OCW2 Units after completion of the Proposed Acquisitions to secure bank loan(s) to pay the cash portion of the WBH

Consideration and Cowealth Consideration. Indicative term sheets for such loans have been provided by a local bank to WBH and Cowealth.

Unless otherwise agreed in writing between the Company and the WBH Vendors or the Company with Affluence Resource, as the case may be, the WBH Vendors and Affluence Resource shall bear all legal and other costs and expenses of and incidental to the negotiation, preparation, execution and performance of the agreements relating to the Proposed Acquisitions and the transactions contemplated thereunder including all stamp duty (if any) payable in connection with the transfer of the WBH Sale Shares and the Cowealth Sale Shares from the WBH Vendors and Affluence Resource respectively to the Company and the costs and expenses incurred by WBH and Cowealth respectively in connection with the transactions contemplated under the agreements.

5.2 Professional Fees of the Other Professional Parties

In connection with the Proposed Transactions, the Company has agreed to pay the fees of its professional advisers (a) in cash; (b) by the issue and allotment of new Shares at the Issue Price; or (c) by a combination of cash and the issue and allotment of new Shares at the Issue Price.

In the event that the professional advisers' fees are paid by the issue and allotment of new Shares, up to 156,000,000 new Shares will be issued and allotted by the Company to the professional advisers ("**Professional Advisers' Shares**"). Further details will be set out in the circular to be despatched to Shareholders in due course.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING RULES

6.1 The Proposed Acquisitions as a Very Substantial Acquisition or a Reverse Takeover

For the purposes of Chapter 10 of the Listing Manual, the relative figures of the Proposed Acquisitions computed on the bases set out in Rules 1006(a) to (e) of the Listing Manual are as follows:

	Bases under Rule 1006	Notes	WBH Acquisition	Cowealth Acquisition	Aggregate
(a)	The net asset value of the asset to be disposed of, compared with Changjiang Group's net asset value	(1)	Not applicable	Not applicable	Not applicable
(b)	The net profit attributable to the assets acquired or disposed of, compared with Changjiang Group's net profit	(2)	Not meaningful	Not meaningful	Not meaningful
(c)	Aggregate value of the consideration to be given or received compared with the Company's market capitalisation (excluding treasury shares)	(3)	213.7%	213.7%	427.4%
(d)	The number of equity securities issued by the Company as consideration compared with the number of Shares previously in issue	(4)	269.3%	230.8%	500.1%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of Changjiang	(5)	Not applicable	Not applicable	Not applicable

	Group's proved and probable reserves				
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Notes:

- (1) Rule 1006(a) is not applicable to an acquisition of assets.
- (2) "Net profit" means profit or loss before income tax, minority interests and extraordinary items as defined under Rule 1002(3). The net profit attributable to the WBH Acquisition is approximately S\$65,000 for the financial year ("FY") ended 31 December 2015 and the net profit attributable to the Cowealth Acquisition is approximately S\$640,000 for FY2015. Changjiang Group's loss for FY2015 is approximately RMB24.2 million or approximately S\$5.3 million based on the currency exchange rate of S\$1:RMB4.5909 as at 31 December 2015.
- (3) Based on the aggregate of 1,799,772,000 WBH Consideration Shares and the Cowealth Consideration Shares to be issued by the Company (without taking into account the effect of the share consolidation to be carried out by the Company and the Professional Advisers' Shares). The Company's market capitalisation of approximately S\$6.5 million is determined by multiplying 359,900,000 Shares (excluding treasury shares) in issue by the volume weighted average price of the Shares of S\$0.018 transacted on 13 April 2015.
- (4) Based on the Company's issued and paid-up share capital of 359,900,000 Shares (excluding treasury shares) as at the date of this announcement.
- (5) Rule 1006(e) is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company and is not applicable to Proposed Transactions.

Based on the relative figures set out above, and that control of the Company will change upon issuance of the WBH Consideration Shares and the Cowealth Consideration Shares, the Proposed Acquisitions are considered a "Very Substantial Acquisition" or a "Reverse Takeover" under Rule 1015 of the Listing Manual.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

Please refer to **Appendix B** of this announcement for certain financial effects of the Proposed Acquisitions.

8. WHITEWASH WAIVER

Upon completion of the allotment and issue of the WBH Consideration Shares pursuant to the WBH Acquisition Agreement and the Cowealth Consideration Shares pursuant to the Cowealth Acquisition Agreement, the shareholdings of the WBH Vendors and Affluence Resource in the enlarged issued share capital of the Company will be as set out in paragraph 11 below.

Pursuant to Rule 14 of the Code, the WBH Vendors and/or Affluence Resource and the respective parties acting in concert with the WBH Vendors and/or Affluence Resource (as may be applicable) will be required to make a mandatory general offer for the Shares not held by the WBH Vendors and/or Affluence Resource and their respective concert parties (as may be applicable) except where the SIC grants them a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code.

An application will be made to the SIC for the waiver of the obligations of the WBH Vendors and/or Affluence Resource and their respective concert parties (as may be applicable) to make a mandatory general offer under Rule 14 of the Code as a result of the acquisition of the WBH

Consideration Shares by the WBH Vendors and/or the Cowealth Consideration Shares by Affluence Resource.

9. APPLICATION FOR EXTENSION OF DELISTING

In accordance with Rule 1309, the Company will be required to delist from the Official List of the SGX-ST and make a cash exit offer to Shareholders by 13 April 2016. The Company intends to apply to the SGX-ST for an extension of time on the basis that it will be acquiring a new business which is involved in real estate investment. Further announcements on the outcome of the application will be made in due course.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement:

- (a) none of the directors has any interest, direct or indirect, in the Proposed Transactions, save through his shareholding in the Company (if any); and
- (b) to the best of the knowledge of the directors, none of the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions, save through such Shareholders' shareholding in the Company.

11. SHAREHOLDING EFFECTS

It is envisaged that upon the completion of the Proposed Transactions, the shareholding structure of the Company shall be as follows:

Shareholder	Before the Proposed Transactions ⁽¹⁾ %	After the Proposed Transactions ⁽²⁾ %
Existing Shareholders	100.0	16.7
Affluence Resource	-	38.5 ⁽³⁾
Mr. Ng Teng Yeng	-	38.5 ⁽³⁾
CTE	-	22.4 ⁽⁴⁾
Mr. Ng Chee Beng	-	22.4 ⁽⁴⁾
WLI	-	22.4 ⁽⁵⁾
Dr. Bailey Wang	-	22.4 ⁽⁵⁾

Notes:

- (1) Based on a total number of 359,900,000 Shares (excluding treasury shares) in issue as at the date of this announcement.

- (2) Based on a total number of 2,159,672,000 Shares in issue assuming that (i) 969,108,000 WBH Consideration Shares and 830,664,000 Cowealth Consideration Shares are issued by the Company pursuant to the Proposed Transactions, (ii) the Company does not issue the up to 156,000,000 Professional Advisers' Shares and (iii) the Company does not undertake the Rights Issue.
- (3) Mr. Ng Teng Yeng is deemed interested in the Shares held by Affluence Resource by virtue of his 60.0% shareholding in Affluence Resource.
- (4) Mr. Ng Chee Beng is deemed interested in the Shares held by CTE by virtue of his 90.0% shareholding in CTE. In the event that the Company undertakes the Rights Issue, under the WBH Acquisition Agreement, the WBH Vendors or their nominees will collectively hold not less than 41.4% of the enlarged issued and paid-up share capital of the Company.
- (5) Dr. Bailey Wang is deemed interested in the Shares held by WLI by virtue of his 50.0% shareholding in WLI. In the event that the Company undertakes the Rights Issue, under the WBH Acquisition Agreement, the WBH Vendors or their nominees will collectively hold not less than 41.4% of the enlarged issued and paid-up share capital of the Company.

12. INDEPENDENT FINANCIAL ADVISER

The Company will appoint an independent financial adviser to advise the independent Directors in respect of the proposed Whitewash Resolution. The advice of the independent financial adviser will be set out in the circular to be despatched to Shareholders in due course.

13. SHARE CONSOLIDATION

The Company intends to undertake a share consolidation exercise of every 40 ordinary shares to one ordinary share or such other basis as may be determined by the Company at a later date, in order to comply with the requirement of the Catalist Rules for a minimum issue price of S\$0.20, immediately prior to the completion of the Proposed Transactions and the transfer of the Company's listing to Catalist. The number and issue prices of the Shares stated in this announcement have not been adjusted for any share consolidation.

14. RECONSTITUTION OF THE BOARD AND SERVICE CONTRACTS

As at the date of this announcement, the Company has not entered into any service contract with any person proposed to be appointed as director in connection with the Proposed Acquisitions.

The details of any such appointments and service contracts will be set out in the circular to be despatched to Shareholders in due course.

15. CIRCULAR

A circular containing, amongst others, the notice of the EGM in relation to the Proposed Transactions will be despatched to Shareholders in due course.

16. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Financial Adviser's office at 16 Collyer Quay, #10-00 Income at Raffles Singapore 049318 for a period of three (3) months from the date of this announcement:

- (a) the WBH Acquisition Agreement;
- (b) the Cowealth Acquisition HOA;
- (c) the valuation report of Colliers in relation to the OCW1 Units;
- (d) the first valuation report on the PRC Companies issued by HPAA; and
- (e) the second valuation report on the PRC Companies issued by JLLCAA.

17. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements when there are further developments on the Proposed Transactions and other matters contemplated by this announcement.

BY ORDER OF THE BOARD

Cai Jianhua
Chairman and Executive Director
11 April 2016

Appendix A

Details on the PRC Companies

1. Miluo Jincheng Shiye Co., Ltd (汨罗市金成实业有限责任公司)

JC Miluo is a private limited company incorporated under the laws of the PRC on 16 February 2001. As at the date of this announcement, JC Miluo has a registered and paid-up capital of RMB22.68 million.

The Company holds its interest in JC Miluo through Tangjia Electric.

JC Miluo was primarily engaged in the trading and manufacturing of nitrogenous fertilizer, ammonia and methanol until it ceased all production activities in 2013 following the receipt of a notification from the PRC government informing it to wind-down the operations in its plant, which is located in the urban area of Hunan province in the PRC, to make way for the redevelopment of such area.

JC Miluo owns and has the land use rights for the following properties located in the PRC:

Address	Land Area (sq m)	Gross Floor Area of All Buildings in Land Area (sq m)	Purpose/Use	Date of Expiry of Tenure of Land Use Right
Plot 04-001, 18 North Gaoquan Road, Miluo	51,054.85	22,868.94	Industrial (comprising production facilities, offices and warehouse)	7 January 2053
Plot 02-05-01, Yangsi Temple, Guiyi Village, Chengjiao Town, Miluo	377.40	-(2)	Industrial (water pump)	7 January 2053
Plot 40-025, North Side of Shantang Road, Miluo	55,399.75	8,305.78	Industrial	7 January 2053
Plot 25-030, South Laodong Road, Miluo	1,012.50	64.80	Warehouse	7 January 2053

Note:

(1) The water pump facility is located on this property, which does not contain any building requiring a building ownership certificate.

Apart from the above, JC Miluo does not engage in any business.

2. Changjiang Huafei (Hunan) Co., Ltd. (长江化肥(湖南)有限公司)

Changjiang Huafei is a private limited company incorporated under the laws of the PRC on 4 February 2010. As at the date of this announcement, Changjiang Huafei has a registered and paid-up capital of RMB68.2 million.

The Company's total investment in Changjiang Huafei is RMB68.2 million, which represents 100.0% of the registered and paid-up capital of Changjiang Huafei. Changjiang Huafei owns 100.0% of the registered and paid-up share capital of Huafei Hanshou.

Changjiang Huafei was primarily engaged in the trading and manufacturing of nitrogenous fertilizer, ammonia and methanol until it ceased its production activities in 2013 following the receipt of a notification from the PRC government informing it to wind-down the operations in its plant which is located in the urban area of Hunan province in the PRC to make way for the redevelopment of such area.

Changjiang Huafei owns and has the land use rights for the following properties located in the PRC:

Description/ Address	Land Area (sq m)	Gross Floor Area of All Buildings in Land Area (sq m)	Purpose/Use	Date of Expiry of Tenure of Land Use Right
A parcel of land, 42 buildings and various structures located at Wayaowan Community Wenxing Town, Xiangyin County Yueyang City Hunan Province	86,730.6	21,570.21	Industrial (comprising workshops, offices, canteen, and warehouse)	4 April 2055

Apart from the above, Changjiang Huafei does not engage in any business.

3. Hunan Changjiang Huafei Hanshou Co., Ltd. (湖南长江化肥汉寿有限公司)

Huafei Hanshou is a private limited company incorporated under the laws of PRC on 14 September 2010. As at the date of this announcement, Huafei Hanshou has a registered and paid-up capital of RMB75.4 million.

The Company holds its interests in Huafei Hanshou through Changjiang Huafei.

Huafei Hanshou was primarily engaged in the trading and manufacturing of nitrogenous fertilizer, ammonia and methanol. Huafei Hanshou has ceased its production activities since 2013 due to the persistent weak demand of its products and does not have any operating business.

Huafei Hanshou owns and has the land use rights for the following properties located in the PRC:

Description/ Address	Land Area (sq m)	Gross Floor Area of All Buildings in Land Area (sq m)	Purpose/Use	Date of Expiry of Tenure of Land Use Right
A parcel of land and 32 buildings and various structures located at Gongye Road Jiangjiazui	75,228	23,349.82	Industrial (comprising workshops, offices,	March 2043 ⁽¹⁾

Town, Hanshou County,
Changde City
Hunan Province

canteen,
and
warehouse)

Note:

(1) In June 2010, Huafei Hanshou signed an agreement with Hunan Handan Huagong Co., Ltd. ("**Previous Owner**") for the acquisition of the land use right for the land together with the factory, plant and machinery located on the land. Although Huafei Hanshou has not obtained the land use right certificate from the relevant authorities, the management of the Company considers that Huafei Hanshou has obtained the right to use the land through its contractual arrangement with the Previous Owner and believes that there should not be major difficulties in transferring the title to the land in the future.

4. Tangjia Electric Technology (Shenzhen) Co., Ltd (唐家用电器科技（深圳）有限公司)

Tangjia Electric is a private limited company incorporated under the laws of PRC on 11 October 2002. As at the date of this announcement, Tangjia Electric has a registered and paid-up capital of RMB14.0 million. The Company's total investment in Tangjia Electric is RMB139.6 million.

Tangjia Electric is an investment holding company. Save for its ownership of 100.0% of the registered and paid-up share capital of JC Miluo, Tangjia Electric does not have any business or undertaking.

Appendix B

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

The pro forma financial effects of the Proposed Acquisitions are set out below.

1. Bases and assumptions

The pro forma financial effects of the Proposed Acquisitions the Company set out below are for illustrative purposes only. The pro forma financial effects have been prepared based on:

- (i) the unaudited financial statements of the Company for the financial year ended 31 December 2015;
- (ii) the audited financial information of WBH for the financial year ended 30 June 2015 which has been adjusted to present the financial information of WBH as if its financial year end was 31 December 2015; and
- (iii) the unaudited financial information of Cowealth for the financial year ended 31 December 2015.

Shareholders should note that the statutory financial year adopted by WBH is 30 June, which is different from the financial year end of 31 December adopted by the Company and Cowealth. The figures set out below may vary from the final unaudited proforma financial information of the Company, WBH and Cowealth (collectively, the "**Enlarged Group**") due to changes in the basis of preparation, assumptions and adjustments that may arise. The proforma financial information of the Enlarged Group will be reviewed by the Company's reporting accountants, and will be set out in the circular to be sent to the Shareholders.

The proforma financial effects of the Proposed Acquisitions do not necessarily reflect the actual results and financial position of the Enlarged Group immediately following the completion of the Proposed Acquisitions, (for the purpose of this announcement as if such group structure has been in existence since 1 January 2015) following completion of the Proposed Acquisitions.

For the purposes of illustrating the financial effects of the Proposed Acquisitions, the financial effects have been prepared based on, amongst others, the following assumptions:-

- (i) the financial effects of the Proposed Acquisitions on the earnings and earnings per share ("**EPS**")/loss per Share ("**LPS**") of the Enlarged Group are computed assuming that the Proposed Acquisitions were completed on 1 January 2015;
- (ii) the financial effects of the Proposed Acquisitions on net tangible assets ("**NTA**")/net tangible liabilities ("**NTL**") of the Enlarged Group are computed assuming that the Proposed Acquisitions were completed on 31 December 2015;
- (iii) the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisitions, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisitions and will be determined on the date of completion of the Proposed Acquisitions when the shareholders of WBH and Cowealth have effectively obtained control of the Company. As the final goodwill will have to be determined at completion, the actual goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed

Acquisitions will be accounted for in accordance with the accounting policies of the Company;

- (iv) based on the above assumptions, and assuming the total consideration for the Proposed Acquisitions is S\$27,688,000, an aggregate of 1,799,772,000 WBH Consideration Shares and Cowealth Consideration Shares were issued at the Issue Price on 31 December 2015 for the purpose of calculating the financial effects of the Proposed Acquisitions on the NTA/NTL per share of the Company and on 1 January 2015 for the purpose of calculating the financial effects of the Proposed Acquisitions on the EPS/LPS of the Company;
- (v) effects of the Rights Issue (if any), the Compliance Placement (if required), the share consolidation and the Disposal of PRC Assets are disregarded for the purpose of illustration under this appendix as their details and terms have not been confirmed;
- (vi) expenses in connection with the Proposed Acquisitions are disregarded for the purpose of calculating the financial effects; and
- (vii) no Professional Advisers' Shares are issued to the professional advisers as payment for services rendered in connection with the Proposed Transactions.

2. Share Capital

	No. of Shares	S\$ ('000)
Issued and paid-up share capital as at 31 December 2015	359,900,000	44,372
Add: WBH Consideration Shares and Cowealth Consideration Shares	1,799,772,000	8,999
After completion of the Proposed Acquisitions	2,159,672,000	53,371

3. LPS

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Loss attributable to Shareholders (S\$'000) for FY2015	S\$5,300	S\$4,600
Number of issued Shares (excluding treasury shares)	359,900,000	2,159,672,000
Loss per share (S\$ cents)	1.47	0.21

4. NTL		
	Before the Proposed Acquisitions	After the Proposed Acquisitions
NTL of the Company as at 31 December 2015 (S\$'000)	2,430	721
Number of issued Shares (excluding treasury shares)	359,900,000	2,159,672,000
NTL per Share (S\$ cents)	0.68	0.03

5. Gearing⁽¹⁾		
	Before the Proposed Acquisitions	After the Proposed Acquisitions
Net debts as at 31 December 2015 (S\$'000)	-	19,382
Shareholders' equity as at 31 December 2015 (S\$'000)	(2,430)	(721)
Gearing (%)	Not Applicable	Not Applicable

Note:

- (1) Gearing is determined based on net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalent.