

P99 HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200311696K)

SUPPLEMENTAL AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF 95.95% OF THE ISSUED SHARE CAPITAL OF BARITO PTE. LTD. (THE “PROPOSED ACQUISITION”)

The Board of Directors (the “Board” or the “Directors”) of P99 Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the announcement of the Company dated 31 August 2015 in relation to the Proposed Acquisition (the “Announcement”). All capitalised terms used in this announcement shall, unless otherwise defined herein, have the meanings ascribed to them in the Announcement.

1. INTRODUCTION

Further to the Announcement, the Board wishes to announce that the Company had on 9 October 2015 entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Vendors, Mr. Swaminathan S Mahalingam (the “**New Vendor**”) and the Target to further supplement and vary the SPA in the manner as set out in the Supplemental Agreement. Except as to the extent varied or amended by the provisions of the Supplemental Agreement, the terms and conditions of the SPA shall remain in full force and effect.

2. PRINCIPAL AMENDMENTS

- 2.1 The principal amendments made to the SPA via the Supplemental Agreement are set out in this section.
- 2.2 Following the SPA, the Company has since been informed by the Target that, its 99.995% owned subsidiary, PT PGI, holds 98.5% equity interest comprising 400,000 ordinary shares in the issued share capital PT TB (“**TB Shares**”) instead of 99.99% equity interest comprising 400,000 TB Shares as stated in the Announcement (“**TB Structure Amendment**”).
- 2.3 The Target clarified that PT Prima Multi Andalguna had on 26 June 2015 transferred all its equity interest in PT TB comprising 1 TB Share to PT PGI. Furthermore, PT TB had on 26 June 2015 issued an additional 6,091 new TB Shares to Perusahaan Daerah Baramarta Tingkat II Banjar (“**PD Baramarta**”), representing 1.5% equity interest in the enlarged issued share capital PT TB comprising 406,091 TB Shares. As a result, the key details of the Target Group stated in paragraph 2.2 of the Announcement shall be amended as follows:

No.	Name of Company (with registration number)	Date and Place of Incorporation	Issued and Paid-Up Capital	Proportion Owned by Vendors / Target / Relevant Subsidiary	Principal Activity
1.	Barito Pte. Ltd. (Company Registration No. 201436104H)	4 December 2014, Singapore	S\$20,250 comprising 20,250 issued shares	95.95% held by the Vendors	Investment Holding Company
2.	PT Pratama Guna Inti (Company Registration No. (09054.2015))	3 December 2014, Indonesia	IDR202,500,000,000 comprising 20,250 issued shares	99.995% held by the Target	Investment Holding Company
3.	PT Talenta Bumi (Company Registration No.	21 October 2004, Indonesia	IDR203,045,500,000 comprising 406,091	98.5% held by PT Pratama	Owns and operates a coal hauling road and

	09.03.1.05.48844)		issued shares	Guna Inti	a coal load-out port in Kalimantan, Indonesia
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Purchase Consideration

- 2.4 The Purchase Consideration payable for the Proposed Acquisition shall be reduced from US\$163,115,000 to US\$160,684,344 (the “**Reduced Purchase Consideration**”) due to the TB Structure Amendment, as set out in paragraph 2.2 above. The Reduced Purchase Consideration shall be fully satisfied by way of the allotment and issuance of an aggregate of 956,058,205 new Consolidated Shares in the issued and paid-up share capital of the Company (the “**Reduced Consideration Shares**”) at the Issue Price of S\$0.2356 (on a post-share consolidation basis) to the Vendors.
- 2.5 Accordingly, the Reduced Purchase Consideration will be subject to adjustments, based on 95.95% of the Appraised Value. Due to the TB Structure Amendment, the estimated appraised value of the Target Group Assets of US\$170,000,000 as stated in the Announcement shall be reduced to US\$167,466,747.
- 2.6 Following the Independent Valuation, the Reduced Purchase Consideration may be adjusted in the following manner:-
- (a) if the Appraised Value is between US\$144,615,909 and US\$176,752,778, there will be no adjustment to number of the Reduced Consideration Shares to be allotted and issued to the Vendors as Reduced Purchase Consideration;
 - (b) if the Appraised Value is less than US\$144,615,909, the Reduced Purchase Consideration shall be reduced by such amount equal to the deficit of the Appraised Value below US\$160,684,344 expressed as a percentage, and the number of Reduced Consideration Shares to be allotted and issued to each of the Vendors in satisfaction of the Reduced Purchase Consideration shall be reduced on a pro-rated basis; and
 - (c) if the Appraised Value exceeds US\$176,752,778, the Reduced Purchase Consideration shall be increased by such amount equal to the excess of the Appraised Value over US\$160,684,344 expressed as a percentage, and the number of Reduced Consideration Shares to be allotted and issued to each of the Vendors in satisfaction of the Reduced Purchase Consideration shall be increased on a pro-rated basis.

Conditions Precedent

- 2.7 Following the PT Structure Amendment, the condition precedent stated at paragraph 3.7(e) of the Announcement is amended as follows (amendments have been set in bold):

Completion of Restructuring

*The completion of the restructuring of the Target Group, namely: (i) the Target being registered and recognised under the laws of Indonesia as the 99.995% shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT PGI, (ii) PT PGI being registered and recognised under the laws of Indonesia as the **98.5% shareholder of PT TB, and (iii) the necessary approvals having been obtained from the Regent of Banjar, Indonesia Eximbank and any other relevant parties for any transfers of PT TB’s shares or share issuances by PT TB.***

- 2.8 In connection with the Vendor Share Sale (as defined in paragraph 2.9 of this announcement) and pursuant to the Supplemental Agreement, the New Vendor is required to execute a deed of adherence (the “**Deed**”) to the SPA as a condition precedent to Completion. The Deed shall bind the New Vendor to the terms and obligations under the SPA as if he was an original Vendor and Party to the SPA.

Vendors

- 2.9 HOCH Ventures Pte. Ltd., one of the Vendors, has transferred 1,518 Sale Shares of its 9,921 Sale Shares to the New Vendor ("**Vendor Share Sale**"). Accordingly, the shareholding structure of the Target is amended as follows pursuant to the Supplemental Agreement (where amendments have been set in bold):

No.	Name	No. of shares of the Target as at the date of this announcement	Proportion of shareholding in the Target (%)
1.	HOCH Ventures Pte. Ltd.	8,403	41.5%
2.	Power Ridge Holdings Limited	5,579	27.55%
3.	Pearl Bridge Holdings Limited	1,043	5.15%
4.	Stream Field Holdings Limited	936	4.62%
5.	Quest Field Investments Limited	802	3.96%
6.	Ceri Wibisono	230	1.14%
7.	Hendy Narindra	171	0.84%
8.	PT Trans Coalindo	574	2.84%
9.	Cove Knight Limited	174	0.86%
10.	<u>Swaminathan S Mahalingam</u>	<u>1,518</u>	<u>7.5%</u>
	Total	19,430	95.95%

- 2.10 The Company understands that the New Vendor is a business associate of HOCH Ventures Pte. Ltd. and the transfer of Sale Shares is a separate commercial decision between HOCH Ventures Pte. Ltd. and the New Vendor.
- 2.11 The New Vendor is holding the shares of the Target for his own benefit and not in trust or benefits for any other party.
- 2.12 The New Vendor is not related to any of the Company's Directors, controlling Shareholders, chief executive officer or their respective associates. As at the date of this announcement, the New Vendor does not hold any Shares in the Company.
- 2.13 Further details and background information of the Target Group, the Vendors, the New Vendor and their directors (where applicable) will be included in the Circular.
- 2.14 Based on the Reduced Purchase Consideration of US\$160,684,344, the Arranger Fee stated in paragraph 2.9 of the Announcement will be reduced and satisfied by (i) cash payment of US\$803,422 (equivalent to S\$1,126,237 based on the Agreed Exchange Rate); and (ii) the allotment and issuance of 43,022,619 new Consolidated Shares in the capital of the Company (the "**Reduced Arranger Fee Shares**").
- 2.15 Save for the above amendments, all other terms of the SPA remained unchanged.

3. REVISED RELATIVE FIGURES OF THE PROPOSED ACQUISITION COMPUTED ON THE BASES SET OUT IN RULE 1006

For the purposes of Chapter 10 of the Catalist Rules, the revised relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules based on the Reduced Purchase Consideration are as follows:

Rule	Basis of Calculation	Relative Figure
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits ⁽¹⁾	Not meaningful ⁽²⁾
Rule 1006(c)	Aggregate value of Reduced Purchase Consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	1,486.92% ⁽³⁾
Rule 1006(d)	Number of equity securities issued by the Company as the Reduced Purchase Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	883.57% ⁽⁴⁾
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Not meaningful as the Company was in a net loss position for the half-year ended 30 June 2015.
- (3) The market capitalisation of the Company, determined by multiplying the 216,408,402 Shares in issue as at the date of the Announcement by the weighted average price of the Company's Shares of S\$0.07 based on trades done on the SGX-ST on 26 August 2015, being the last traded day preceding the date of the SPA as there were no trading on the market day preceding the date of the SPA.
- (4) Based on 108,204,201 Consolidated Shares in issue after the Proposed Share Consolidation but prior to Completion.

4. REVISED PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

- 4.1 As a result of the TB Structure Amendment and the Reduced Purchase Consideration, the revised pro forma financial effects of the Proposed Acquisition of the Group are set out below. The revised pro forma financial effects have been prepared based on the audited accounts of the Group and the unaudited accounts of the Target Group for FY2014. These revised pro forma financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group immediately following the Completion of the Proposed Acquisition.
- 4.2 For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following assumptions:
 - (a) The financial effects of the Proposed Acquisition on the Group's earnings/(loss) per Share ("EPS") are computed assuming that the Proposed Acquisition was completed on 1 January 2014;
 - (b) The financial effects of the Proposed Acquisition on the consolidated net tangible assets ("NTA") of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2014;
 - (c) An aggregate of 956,058,205 Reduced Consideration Shares were allotted and issued at the Issue Price of S\$0.2356 per Reduced Consideration Share after taking into account the Proposed Share Consolidation;
 - (d) Costs and expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects;
 - (e) The fair value adjustments on the net assets of the Group and positive or negative

goodwill arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on the Completion Date when the Vendors have effectively obtained control of the Company. As the goodwill will have to be determined at Completion of the Proposed Acquisition, the goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company;

- (f) There is no adjustment to the Reduced Purchase Consideration of US\$160,684,344 (equivalent to S\$225,247,313 based on the Agreed Exchange Rate);
- (g) The analysis does not take into account the financial effects of the Compliance Shares Placement;
- (h) That 43,022,619 Reduced Arranger Fee Shares were allotted and issued to the Arranger on or just immediately prior to Completion and the cash payment of S\$1,126,237 assumed unpaid and recognised under liabilities; and
- (i) The number of Shares stated in this section has taken into account the Proposed Share Consolidation exercise.

4.3 Share Capital

	Number of Shares	Issued and paid-up share capital (S\$'000)
Before the Proposed Acquisition as at 31 December 2014	216,408,402	48,540
After Proposed Share Consolidation	108,204,201	-
Reduced Consideration Shares	956,058,205	225,247
Reduced Arranger Fee Shares	43,022,619	10,136
After Completion of Proposed Acquisition	1,107,285,025	283,923

4.4 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated net profit/(loss) attributable to Shareholders (S\$'000)	1,765	(8,335)
Weighted average number of issued Shares outstanding as at 31 December 2014 ⁽¹⁾	108,204,201	1,107,285,025
Consolidated earnings/(loss) per Consolidated Share (Singapore cents)	1.63	(0.75)

Note:

- (1) After the completion of the Proposed Share Consolidation.

4.5 NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Enlarged Group (S\$'000)	10,858	18,370

Number of issued Shares ⁽¹⁾	108,204,201	1,107,285,025
Consolidated NTA per Consolidated Share (Singapore cents)	10.03	1.66

Note:

(1) After the completion of the Proposed Share Consolidation.

4.6 Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Net Debt (S\$'000)	N.M	54,098
Total Capital (S\$'000)	10,858	18,370
Gearing	N.M	2.94

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and Supplemental Agreement is available for inspection at the registered address of the Company at 21 Bukit Batok Crescent, #22-77 WCEGA Tower, Singapore 658065, during normal business hours for a period of three (3) months commencing from the date of this announcement.

6. RESPONSIBILITY STATEMENT

- 6.1 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 transactions contemplated in connection therewith and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.
- 6.2 The Vendors collectively and individually accept full responsibility for the accuracy of the information given in this announcement in respect of information relating to the Vendors and the Target Group, 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 Vendors and the Target Group, and the Vendors 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 Vendors 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.

7. CAUTIONARY STATEMENT

- 7.1 Shareholders and potential investors should exercise caution when trading in the Shares of the Company. The Proposed Acquisition and the transactions contemplated herein are subject to Conditions Precedent to be fulfilled and there is no certainty or assurance that Completion will take place. The Company will make the necessary announcements as and when there are

further developments on the Proposed Acquisition and other matters contemplated by this announcement and/or the Announcement.

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

By Order of the Board

Tan Sin Huat, Dennis
Executive Director
12 October 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.