

PROPOSED ACQUISITION OF STRAITS TRADING BUILDING

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of MYP Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement dated 1 June 2016 in relation to a Letter of Offer to acquire a Grade A Building in the Central Business District of Singapore. The Board is pleased to announce that the Company had on 20 June 2016, through its wholly-owned subsidiary, Salveur Pte. Ltd. (the “**Purchaser**”), entered into a conditional sale and purchase agreement (the “**SPA**”) with Nine Battery Pte. Ltd. (the “**Vendor**”) in respect of the proposed acquisition of the Property (as defined herein) (“**Proposed Acquisition**”) known as the “Straits Trading Building”, which is situated at 9 Battery Road, Singapore 049910, for an aggregate consideration of S\$560.0 million (“**Purchase Consideration**”).
- 1.2 The Proposed Acquisition is subject to, *inter alia*, the approval of the shareholders of the Company (“**Shareholders**”), which will be sought at an extraordinary general meeting of the Company (the “**EGM**”) to be convened. A circular to Shareholders containing further information on the Proposed Acquisition, together with the notice for the EGM, will be despatched to Shareholders in due course.

2. INFORMATION ON THE PROPERTY

The Property comprises:

- (a) the following land lots (the “**Land Lots**”):
- (i) the whole of Lot 391K of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862;
 - (ii) the whole of Lot 455W of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850; and (B) the unexpired portion of a leasehold term of 999 years commencing from 9 March 1863;
 - (iii) the whole of Lot 700N of Town Subdivision 1 comprising a leasehold estate for the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862; and
 - (iv) the whole of Lot 393X of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850;

- (b) the building known as the “Straits Trading Building” (the “**Building**”) situated at 9 Battery Road, Singapore 049910 (including the car parks situated at the Building, and service, loading and other areas serving the Building); and
- (c) the fixed plant, mechanical and electrical equipment (including without limitation fixtures and fittings, air-conditioning equipment, lift installations, fire safety equipment, CCTVs, power generators and other plant and equipment necessary for the operation of the Building) located in or on the Building and which are owned by the Vendor (the “**Plant and Equipment**”).

The Building is a 28-storey commercial office building in the central business district of Singapore, with a site area of 1,334 square metres and a net floor area of 14,762 square metres.

3. INFORMATION ON THE VENDOR

The Vendor, Nine Battery Pte. Ltd., is a Singapore incorporated company and it is part of the Sun Venture group of companies (“**Sun Venture Group**”) which currently own and manage various commercial real estate assets in Singapore. The Sun Venture Group’s portfolio of commercial assets include an office building at 50 Scotts Road and three (3) floors at Samsung Hub. They also own and manage Westgate Tower and Paya Lebar Square retail mall with joint venture partner Low Keng Huat (Singapore) Limited. Sun Venture Group’s parent company is Legend Investment Holdings Limited, a private company incorporated in Hong Kong.

4. PRINCIPAL TERMS OF THE ACQUISITION

4.1 Consideration

The Purchase Consideration of S\$560.0 million is payable entirely in cash.

As at the date of this announcement, the Company has paid the Vendor an initial non-refundable deposit of S\$5.6 million (representing one per cent. (1%) of the Purchase Consideration). A balance deposit of S\$22.4 million (representing four per cent. (4%) of the Consideration) has also been paid to the Vendor’s solicitors’ CVY account, which sum shall be released only on completion of the Proposed Acquisition pursuant to the SPA (“**Completion**”). The balance of the Purchase Consideration of S\$532.0 million (being 95% of the Purchase Consideration) shall be paid by the Purchaser on Completion.

The Purchase Consideration was arrived at on a willing-seller, willing-buyer basis after arms’ length negotiations between the Vendor and the Purchaser, after taking into account, amongst other things, the indicative open market value of the Property as determined by an independent third party property valuer.

4.2 Conditions Precedent

Completion of the Proposed Acquisition shall be conditional upon the following:

- (a) the approval of the Shareholders for the Proposed Acquisition, at an EGM of the Company to be convened, being granted no later than 15 December 2016 (or such other date as may be mutually agreed between the Vendor and the Purchaser in writing); and;

- (b) the title to the Land Lots and the Plant and Equipment thereon being in order and free from encumbrances on Completion (including the existing registered mortgages which the Vendor has warranted and undertaken to discharge on Completion).

4.3 **Conditions of the Property**

The Property is being sold in its present state and condition (subject to fair wear and tear) and the Company shall purchase the Property with full notice of the floor areas of the Building. Pursuant to the SPA, the Vendor is giving no warranty, representation or assurance as to the state, condition, nature, repair, quality, fitness, use or correctness of description or suitability for any purpose whatsoever and howsoever in respect of the Land Lots and/or the Property, and the Vendor shall be under no liability or obligation whatsoever to the Purchaser in this respect.

5. **RATIONALE AND BENEFITS OF PROPOSED ACQUISITION**

The Company is primarily involved in the business of property investment, which includes investments in real estate and real estate related assets for rental income and capital appreciation (the “**Property Business**”). The Group owns two commercial buildings, the ABI Plaza and the MYP Plaza, and residential units in Sky@Eleven and Saint Regis Residences. The Proposed Acquisition represents an opportunity for the Company to expand the Property Business and diversify its portfolio, as well as to supplement its revenue stream with additional income.

6. **IRREVOCABLE UNDERTAKING**

- 6.1 As at the date of this Announcement, Mr. Jonathan Tahir (the “**Undertaking Shareholder**”), the Executive Chairman of the Group, legally and beneficially owns an aggregate of 886,653,577 Shares (“**Relevant Shares**”), representing approximately 84.59% of the issued and paid up share capital of the Company.
- 6.2 The Undertaking Shareholder has given an irrevocable undertaking dated 20 June 2016 (“**Irrevocable Undertaking**”) in favour of the Vendor that he will vote and/or procure to be voted all the Relevant Shares held directly and beneficially by him in favour of the resolutions to be tabled at the EGM for the Proposed Acquisition.
- 6.3 The Undertaking Shareholder has also undertaken that he will not dispose of the Relevant Shares that he holds during the period commencing from the date of the Irrevocable Undertaking, until the earlier of:
 - (a) the approval by Shareholders having been obtained for the Proposed Acquisition at the EGM and such other transactions in connection therewith and incidental thereto; or
 - (b) termination of the SPA in accordance with the terms of the SPA,

unless following such disposal, his legal and beneficial interests in the Company remain more than 50% as at the date of disposal and will continue to be more than 50% as at the date of the EGM.

7. SOURCES OF FUNDS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is intended to be funded by a combination of internal resources, bank borrowings and/or fund raising in the capital markets. The Company will update Shareholders on any material developments and will make such necessary announcements as and when appropriate.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures in respect of the Proposed Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

	<u>Bases under Rule 1006</u>	<u>Relative Figure</u>
(a)	NAV of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	-177.78% ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued Shares excluding treasury shares.	220.77%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) Net profits attributable to the assets to be acquired refers to estimated profits before income tax, minority interests and extraordinary items of approximately S\$2,000,000 which has been derived based on current occupancy agreements and subsisting maintenance contracts. Relative figure under Rule 1006(b) is determined by dividing these estimated net profits by the Group's latest announced unaudited consolidated loss before income tax, minority interests and extraordinary items of S\$1,125,000.
- (3) Under Rule 1002(3), market capitalisation is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the Market Day preceding the date of the SPA. Based on the 1,048,155,724 shares then in issue multiplied by S\$0.242, being the weighted average price of such shares transacted on the Market Day preceding the date of the SPA, the market capitalisation of the Company for the purposes of the Proposed Acquisition is approximately S\$253,653,685.

As the relative figure under Rules 1006(c) of the Listing Manual exceed 100.0%, and the Proposed Acquisition will not result in a change in control of the Company, the Proposed Acquisition would constitute a "very substantial acquisition" under Rule 1015 of the Listing Manual. Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of the SGX-ST and the Shareholders being obtained pursuant to Rule 1015 of the Listing Manual.

9. WAIVER

The Company has, on 13 June 2016, applied to the SGX-ST for a waiver from compliance with Rule 1015 of the Listing Manual in respect of the Proposed Acquisition (the "**Waiver**"), so that the Proposed Acquisition will be regarded as a major transaction under Rule 1013 of the Listing Manual.

The Company's reasons for seeking the Waiver are as follows:

- (a) The Company is primarily involved in the Property Business. The Proposed Acquisition is made in the ordinary course of business and will not result in a material change to the nature of the Group's business. The Proposed Acquisition is an expansion of the Company's existing core business and is in line with the Group's acquisition strategy to expand the Property Business and diversify its portfolio;
- (b) The *pro forma* profit and loss requirement of a very substantial acquisition under Rule 1015 is not meaningful as this is an acquisition of Property, and not a business. There is no past profit and loss contribution to the Property to be acquired; and
- (c) The Purchase Consideration will be satisfied in cash and no new shares will be issued to satisfy such consideration, accordingly there will be no change of control of the Company as a result of the Proposed Acquisition. The Vendor will not have any board or management representation as a condition of the Proposed Acquisition.

The Company will update Shareholders on the status of the application for the Waiver, as and when appropriate.

10. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Company will provide the *pro forma* financial effects of the Proposed Acquisition once the details of the bank borrowings and/or fund raising in the capital markets have been determined. The *pro forma* financial effects of the Proposed Acquisition will be presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Proposed Acquisition. .

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Proposed Acquisition, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

12. DESPATCH OF SHAREHOLDERS CIRCULAR

The Company will in due course despatch a circular to the Shareholders containing information relating to the Proposed Acquisition, as well as to seek approval for the same at an EGM to be convened.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 135 Cecil Street, #14-01 MYP Plaza, Singapore 069536, during normal business hours for three (3) months from the date of this Announcement.

14. 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.

15. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
MYP LTD.

Jonathan Tahir
Executive Chairman

20 June 2016