

**PROPOSED DISPOSAL OF THE PROPERTY KNOWN AS 24 KAKI BUKIT CRESCENT  
SINGAPORE 416255**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of Excelpoint Technology Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Excelpoint Systems (Pte) Ltd (the “**Vendor**”) has entered into a sale and purchase agreement on 2 September 2014 (the “**Agreement**”) with Jing King Tech Holdings Pte Ltd (the “**Purchaser**”) in relation to sale by the Vendor to the Purchaser of the property being Lot 5212W of Mukim 23 comprised in Certificate of Title Volume 485 Folio 47 of a leasehold term of 60 years with effect from 25 September 1993 together with the building erected thereon and known as 24 Kaki Bukit Crescent, Singapore 416255 (the “**Property**”) (the “**Proposed Disposal**”). The Property is sold free from encumbrances but subject to any subsisting rights, easements, exceptions, reservations, restrictive or other covenants or conditions affecting the Property, and will be sold with vacant possession to be delivered on the Completion Date (as defined below).

**2. DETAILS OF THE PROPERTY**

The Property had previously been used by the Group for the storage of its stocks. However, in light of the expansion of the business, the warehouse space at the Property became insufficient and the Group rented another location for the storage of its stocks. The Property is currently vacant.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013, the book value and the net tangible asset value of the Property is US\$1,615,492.

**3. SALE PRICE**

Under the Agreement, the sale price of the Property is S\$6,680,000 (equivalent to US\$5,322,709<sup>(1)</sup>) (the “**Sale Price**”).

The Sale Price was arrived at after arm’s length negotiations on a willing-buyer willing-seller basis, taking into account various commercial factors such as the location of the Property, the property market in the vicinity, and prevailing market conditions.

The Purchaser has paid to the Vendor the sum of S\$334,000 (equivalent to US\$266,135<sup>(1)</sup>) amounting to 5% of the Sale Price (the “**Deposit**”) by way of deposit and to account of the Sale Price immediately on the signing of the Agreement. The balance Sale Price of 95% and Goods and Services Tax on the full Sale Price shall be paid to the Vendor on completion (as described in paragraph 4.2 below). The Deposit shall be held by the Vendor’s lawyers as stakeholders pending completion.

**Note:**

<sup>(1)</sup> Financial Year ended 31 December 2013 exchange rate of US\$1 = S\$1.255.

#### 4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

##### 4.1 Legal requisitions and applications

Under the Agreement, the Proposed Disposal is subject to, *inter alia*, the Purchaser's solicitors receiving satisfactory replies to their usual legal requisitions and applications for interpretation plans to various government departments and relevant competent authorities. Insofar as such replies and/or interpretation plan relate to the Property and if any of such replies and/or interpretation plans are found to be unsatisfactory, the Purchaser may at his option elect either to proceed with the purchase or rescind such purchase.

##### 4.2 Completion

Under the Agreement, the sale and purchase of the Property shall be completed and the balance of the sale price shall be paid to the Vendor's solicitors within 8 weeks from the date of the Agreement (the "**Completion Date**").

In the event that shareholders' approval ("**Shareholders' Approval**") of the sale of the Property is required pursuant to the rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Vendor shall notify the Purchaser in writing, within three weeks of the date of the Agreement. If Shareholders' Approval is required, the completion shall take place within 12 weeks from the date of the Agreement or 4 weeks from obtaining the Shareholders' Approval, whichever is later. If Shareholders' Approval is required and the same is not obtained within 15 weeks from the date of the Agreement, the Vendor may elect to rescind the sale herein by notice in writing (the "**Vendor's Rescission Notice**") to the Purchaser. Upon issuance of the Vendor's Rescission Notice, the Agreement shall be null and void and of no further effect and the Vendor shall refund the Deposit paid by the Purchaser but without any interest, compensation or deduction and thereafter neither party shall have any claim or demand against the other for costs, damages, compensation or otherwise.

On completion, the Vendor shall make and execute in favour of the Purchaser a proper assurance of the Property, such assurance to be prepared by and at the expense of the Purchaser.

#### 5. INFORMATION ON THE PURCHASER

The Purchaser (Company Registration Number: 201229678W) is a company incorporated in Singapore with its registered office at 9 Colchester Grove, Singapore 558349.

#### 6. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is expected to improve the Group's cash flow through the disposal of a non-core asset which is currently not in use by the Group.

#### 7. USE OF PROCEEDS

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013, the proceeds from the Proposed Disposal will represent an excess of approximately US\$3,707,217 over the book value of the Property.

The Group intends to use the net proceeds from the Proposed Disposal for general working capital purposes.

#### 8. GAIN ON THE PROPOSED DISPOSAL

The book value of the Property was approximately US\$1,615,492 as at 31 December 2013. Accordingly, the net gain on the Proposed Disposal, after taking into account expenses, will be approximately US\$3,645,000.

## 9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal on the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013. These *pro forma* financial effects are purely for illustrative purposes only and do not reflect the future actual financial position and results of the Group after completion of the Proposed Disposal.

### 9.1 Net Tangible Assets (“NTA”)

Assuming that the Proposed Disposal had been completed on 31 December 2013, the *pro forma* financial effects of the Proposed Disposal on the NTA per share of the Group for the financial year ended 31 December 2013 would have been as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$'000)	51,860	55,505
Number of issued shares excluding treasury shares ('000)	507,578	507,578
NTA per share (US cents)	10.22	10.94

### 9.2 Earnings per Share (“EPS”)

Assuming that the Proposed Disposal had been completed by on 1 January 2013, the *pro forma* financial effects of the Proposed Disposal on the EPS of the Group for the financial year ended 31 December 2013 would have been as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to shareholders (US\$'000)	6,226	9,871
Weighted average number of issued shares ('000)	505,003	505,003
EPS (US cents)	1.23	1.95

## 10. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal (the “**Relative Figures**”) computed on the bases of assessment pursuant to Rule 1006 (a) to (e) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) are set out below, based on the latest announced unaudited consolidated accounts of the Group for the financial quarter ended 30 June 2014:

Rule	Bases	Relative Figures
1006(a)	Net asset value (“NAV”) of the Property to be disposed of, compared with the Group’s NAV	3.1%
1006(b)	Net profits attributable to the Property disposed of, compared with the Group’s net profits	0%
1006(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	12.5%
1006(d)	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
1006(e)	Aggregate volume or amount of proved and	Not applicable

	probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	
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As the Relative Figures computed on the above bases of assessment in Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal will not be subject to Shareholders' Approval being obtained and will constitute a discloseable transaction.

#### **11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors and/or controlling shareholders of the Company have any interest, direct or indirect, other than through their directorships and/or shareholdings in the Company, if any, in the Proposed Disposal and/or the Agreement.

#### **12. NO SERVICE CONTRACTS**

No person will be appointed to the Board in connection with the Proposed Disposal and no service contracts in relation thereto will be entered into by the Company.

#### **13. DOCUMENTS FOR INSPECTION**

A copy of the Agreement is available for inspection during normal business hours at the Company's registered office at 15 Changi Business Park Central 1, #06-00, Singapore 486057 for a period of three months commencing from the date of this Announcement.

#### **BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary

2 September 2014