

TERMINATION OF JOINT VENTURE WITH PALATE GROUP PTE. LTD.

1. INTRODUCTION

The Board of Directors ("**Board**") of ABR Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to refer to the announcements made on 28 January 2013 and 1 March 2013 in relation to the conditional joint venture agreement with Palate Group Pte. Ltd. ("**Palate Group**") for the development, operation, franchise and management of food and beverage brands of the Group through a designated joint venture vehicle, All Best Foods Pte. Ltd. ("**All Best Foods**"). The share capital of All Best Foods was held by the Company and Palate Group in the proportion of 51% and 49%, respectively.

The Board wishes to announce that the joint venture with Palate Group has been terminated with the mutual consent of the Company and Palate Group with effect from 23 June 2015, pursuant to the terms of an agreement dated 23 June 2015 ("**Agreement**") entered into between the Company, Palate Group, the key founder of Palate Group and All Best Foods.

2. RATIONALE

The joint venture was entered into as a strategic alliance with Palate Group to tap on the industry knowledge and experience of its key founder to manage and further develop certain food and beverage brands of the Group. After a strategic review of its operations, and further to discussions with Palate Group, the Board has taken the view it would be timely to bring the joint venture to an end.

3. TERMINATION OF JOINT VENTURE

Consequently, pursuant to the terms of the Agreement, the Company has purchased the entire 49% shareholding stake held by Palate Group in All Best Foods ("**Acquisition**"), which comprises 3,920,000 shares in All Best Foods ("**Sale Shares**"), and as at the date of this announcement, Palate Group no longer holds any shares in the capital of All Best Foods and All Best Foods has become a wholly-owned subsidiary of the Company.

The purchase consideration payable by the Company to Palate Group for the Sale Shares is S\$2,940,000 ("**Consideration**"), which was arrived at on a willing buyer willing seller basis, taking into account, amongst other things, the total amount of investment made by Palate Group in All Best Foods. The Consideration has been paid by the Company in cash and was funded by internal sources.

Pursuant to the Agreement, the key founder of Palate Group has resigned from all offices which he holds in All Best Foods and its subsidiaries with effect from the date of this announcement.

Save for the foregoing, there are no other material conditions attached to completion of the transactions contemplated under the Agreement.

4. MATERIALITY THRESHOLDS UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**"), are as follows:

Rule 1006	Bases	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profit ⁽¹⁾	- 11.0% ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares in the capital of the Company (excluding treasury shares) (" Shares ")	2%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable
(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) "Net profits" is defined as profit or loss before income tax, minority interests and extraordinary items.

All Best Foods has recorded losses of approximately S\$1,025,000 for FY2014, while the Group had a net profit before tax of approximately S\$9,351,000 for FY2014.
- (2) As the relative figure calculated under Rule 1006(b) is negative, the Company will consult SGX-ST in accordance with Rule 1007(1) of the Listing Manual of the SGX-ST.
- (3) The Company had a market capitalisation of S\$145,721,907 as at 22 June 2015, being the market day preceding the date of the Agreement.

5. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects of the Acquisition are set out below for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Acquisition nor a projection of the future financial performance or position of the Group after completion of the Acquisition. The financial effects of the Acquisition set out below are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

(a) Net tangible assets ("NTA") per Share

Assuming the Acquisition was completed on 31 December 2014, the NTA per Share would be as follows:

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	96,050	95,991
Number of issued Shares ('000)	200,996	200,996
NTA per Share (Singapore cents)	47.8	47.8

(b) Earnings per Shares ("EPS")

Assuming the Acquisition was completed on 1 January 2014, the EPS of the Group would be as follows:

	Before the Acquisition	After the Acquisition
Net profit/(loss) after tax (S\$'000)	7,906	7,405
Weighted average number of issued Shares ('000)	200,996	200,996
EPS (Singapore cents)	3.93	3.68

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director

23 June 2015