

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

TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF BARITO PTE LTD

1. INTRODUCTION

The Board of Directors (the “**Board**”) of P99 Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company has on 26 May 2015 entered into a non-binding term sheet (the “**Term Sheet**”) with David Pang acting for and on behalf of the vendors details of whom would be provided at a subsequent date (“**Vendors**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire equity interest in Barito Pte Ltd (the “**Target**”, and together with its subsidiaries, the “**Target Group**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The Proposed Acquisition, is expected to result in a Reverse Takeover of the Company as defined in Chapter 1015 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (the “**EGM**”) to be convened.

The Term Sheet is not intended to be legally binding between the Parties, except for provisions relating to confidentiality and exclusivity.

2. INFORMATION ON TARGET GROUP AND VENDORS

The Vendors collectively own and operate a 46-kilometre (“**km**”) dedicated commodities hauling road in Kalimantan, Indonesia which commences 71 km north of Banjarmasin, Indonesia and ends at the Target’s licenced public port load-out area (collectively, the “**Target Assets**”). The Target Assets cater to the infrastructural and logistics needs of several operational coal mines located north of Banjarmasin.

Following a restructuring, the Vendors will collectively own the Target Assets through a 100% equity interest in the Target and Target Group. The Vendors are not related to any of the directors or controlling Shareholders of the Company.

3. CONSIDERATION FOR THE PROPOSED ACQUISITION

The aggregate purchase consideration payable for the Proposed Acquisition is to be based on an independent valuation by a competent independent valuer (the “**Appraised Value**”). The Appraised Value is expected to be not less than US\$170 million or its equivalent in Singapore Dollars at the prevailing exchange rate as at the completion of the Proposed Acquisition (the “**Purchase Consideration**”). In the event that the Appraised Value is less than the expected US\$170 million, the Parties shall still proceed with the Proposed Acquisition.

The Purchase Consideration is to be satisfied by the issuance of new shares in the Company (the “**Consideration Shares**”) to the Vendors. The aggregate implied value ascribed to the Company is to comprise:

- (a) a base premium of S\$15 million; and

- (b) approximately S\$10.35 million in cash and cash equivalents held by the Company as at completion of the Proposed Acquisition, on or by 30 November 2015.

The implied share price for each Consideration Share to be issued pursuant to the Proposed Acquisition shall be mutually agreed between the Vendors and the Company based on the issued share capital of the Company of 216,408,000 ordinary shares ("**Implied Share Price**"), prior to the Share Consolidation, as elaborated upon below.

In accordance with Rule 429 of Section B of the Listing Manual of the SGX-ST ("**Catalist Rules**"), the issue price of each Consideration Share is required to be at least S\$0.20 ("**Consideration Share Issue Price**"). The Parties agree that upon completion of the share consolidation, the consolidated Consideration Share Issue Price shall be at least S\$0.20 for each consolidated share (the "**Share Consolidation**").

Depending on the Appraised Value of the Target and Target Group from the independent valuer, the Consideration Shares to be issued and allotted to the Vendors will comprise at least 85% of the enlarged issued share capital of the Company after completion of the Proposed Acquisition.

4. CONDITIONS PRECEDENT

Completion of the Proposed Acquisition (the "**Completion**") is subject to, *inter alia*:

- (a) satisfactory due diligence on the Target, Target Group and Vendors having been concluded by the Company;
- (b) all necessary approvals and consents from all relevant governmental, regulatory and other authorities and third parties (such as existing lenders holding pledges over the shares of the Target or Target Group or the Vendors) in Singapore, Indonesia and other foreign jurisdictions in which the Target or Target Group have operations and businesses in respect of the Proposed Acquisition, including:
 - (i) the approval of the SGX-ST (including the listing and quotation of the Consideration Shares); and
 - (ii) the approval of the Securities Industry Council (the "**SIC**") for the waiver from the requirement of a mandatory general offer by the Vendors (the "**Whitewash Waiver**");
- (c) the approval of the majority of Shareholders of the Company for the Proposed Acquisition and the Whitewash Waiver (the "**Whitewash Resolution**");
- (d) the approval of the Board for the Proposed Acquisition;
- (e) the approval from Shareholders of the proposed Share Consolidation;
- (f) the approval from Shareholders of the allotment and issuance of Consideration Shares to the Vendors in satisfaction of the Purchase Consideration;
- (g) the approval from Shareholders of the allotment and issuance of new shares of the Company to the arranger as payment of the arranger's fee;

- (h) the Company having procured written undertakings from the Company's substantial shareholders to vote in favour of the Proposed Acquisition and not to dispose of their shareholdings in the Company until the conclusion of the extraordinary general meeting in respect of the Proposed Acquisition and the Completion of the Proposed Acquisition (the "**Voting Undertakings**");
- (i) the approval from Shareholders for the proposed change of core business to that of the Target; and
- (j) change of name of the Company.

If any of the conditions precedent above are not satisfied or waived on or before the earlier of (a) 30 November 2015 or (b) the expiry of 12 months (unless mutually extended in writing by the Parties) from the date of the Sale and Purchase Agreement to be entered into (the "**Long-stop Date**"), the Sale and Purchase Agreement shall lapse and cease to have further effect and no Party shall have any claim against the other Parties, save for (a) those clauses specified in the Sale and Purchase Agreement that will survive the termination of the Sale and Purchase Agreement; and (b) antecedent breaches where applicable.

5. EXCLUSIVITY

The Parties agree to an exclusivity period of up to 60 days commencing from the date of this Term Sheet or such other extended period as may be mutually agreed between the Parties (the "**Exclusivity Period**"). During the Exclusivity Period, the Vendors shall not enter into discussions or negotiations with third parties in relation to the Proposed Acquisition, and the Company shall not enter into discussions or negotiations with third parties in relation to a change in control or any other proposed acquisition amounting to a change in control or reverse takeover as defined in the Catalyst Rules.

6. SALE AND PURCHASE AGREEMENT

The Parties shall act in good faith in all matters contemplated by this Term Sheet, including on discussions and negotiations relating to the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The entering into the Term Sheet is not expected to have any material effects on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2015.

Save as disclosed herein, none of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the Term Sheet or the Proposed Acquisition (other than their direct or indirect shareholdings in the Company).

8. TERM SHEET AVAILABLE FOR INSPECTION

A copy of the Term Sheet 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.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update the Shareholders as and when appropriate.

10. 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 Term Sheet including information pertaining to the Proposed Acquisition, the Group 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.

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company, as there is no certainty that the Parties will progress to signing the Sale and Purchase Agreement. In the event of any doubt as to the action they should take, Shareholders should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Tan Sin Huat, Dennis
Executive Director
27 May 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.
