EPICENTRE HOLDINGS LIMITED

(Company Registration No: 200202930G)

(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 51% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JAPAN IPL HOLDINGS PTE. LTD.

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Epicentre Holdings Limited. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made on 1 December 2016 and wishes to announce that the Company has entered into a conditional Sale and Purchase of Shares Agreement (the "**Agreement**") with Jonathan Lim Zheng Jie, Chan Lai Choo and Lim Ze-Tian (Lin Zetian) (the "**Vendors**") on 11 February 2017 to acquire 51,000 fully paid-up ordinary shares (the "**Sale Shares**") in the capital of Japan IPL Holdings Pte. Ltd. (the "**Target**" and together with its subsidiaries namely Japan IPL Boon Lay Pte Ltd, Japan IPL Development Pte Ltd, Japan IPL Esplanade Pte Ltd, Japan IPL Express Pte Ltd, Japan IPL Pasir Ris Pte Ltd, Japan IPL Raffles Pte Ltd and Japan IPL Holland Pte Ltd, the "**Target Group**") which comprises 51% of the entire issued and paid-up share capital of the Target on the terms and conditions of the Agreement (the "**Proposed Acquisition**") for S$3,060,000 (the "**Consideration**").

2. INFORMATION ON THE TARGET

The information on the Target in this paragraph was provided by the Vendors. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

2.1. The Target Group

The Target Group is principally engaged in the business of lifestyle and wellness service providers comprising mainly hair removal and skin rejuvenation for men and women in Singapore. The Target Group operates 7 outlets in Singapore located at Holland Village MRT, Somerset MRT, Pasir Ris MRT, Esplanade MRT, Raffles Place MRT, Boon Lay MRT and Ang Mo Kio Hub. The directors of the Target are Jonathan Lim Zheng Jie and Sng Chia Huat (Sun Jiafa). The shareholders of the Target are Jonathan Lim Zheng Jie, Chan Lai Choo and Lim Ze-Tian (Lin Zetian).

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition is in the best interests of the Company and its shareholders as the Target Group is profitable and able to provide consistent returns to the Group. Additionally, there is potential for growth and expansion locally and in the region.

The Proposed Acquisition presents a good opportunity for the Company to diversify its business and revenue stream.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1. Sale and Purchase

Pursuant to the Agreement, the Company will acquire the Sale Shares free from all encumbrances and together with all rights attaching thereto. Following completion of the Proposed Acquisition ("**Completion**"), the Target will become a subsidiary of the Company.

4.2. Consideration

The Consideration for the sale and purchase of the Sale Shares shall be satisfied entirely by the Company through the allotment and issuance of 20,400,000 new ordinary shares in the capital of the Company (the "**Consideration Shares**") at the issue price of S$0.15 per Consideration Share ("**Issue Price**") to the Vendors in proportion to their current shareholding in the Target. Based on the Vendor's current shareholding in the Target, Jonathan Lim Zheng Jie will be allotted 8,160,000 of the Consideration Shares, Chan Lai Choo will be allotted 8,160,000 of the Consideration Shares and Lim Ze-Tian (Lin Zetian) will be allotted 4,080,000 of the Consideration Shares. Based on the Issue Price of S$0.15 per Consideration Share, this represents a discount of approximately 5.36% to the weighted average price of S$0.1585 per ordinary share in the capital of the Company ("**Share(s)**") for trades done on Catalist of the SGX-ST ("**Catalist**") on 10 February 2017 (being the full market day prior to the date on which the Agreement was signed).

The Consideration Shares, when allotted and issued, shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank pari passu in all respects with and carry all rights similar to the existing ordinary shares of the Company ("**Shares**"), except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

The Vendors are not persons who fall within the categories set out in Rule 812(1) of Section B: Rules of Catalist of the Listing Manual ("**Rules of Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") unless Rule 812(3) of the Rules of Catalist applies. There is no moratorium imposed on the Consideration Shares.

The Sponsor of the Company, Stamford Corporate Services Pte. Ltd., will be making an application on behalf of the Company to SGX-ST, for the listing and quotation of the Consideration Shares on Catalist. The Company will make the necessary announcement in due course upon obtaining the approval in-principle from the SGX-ST.

The Consideration was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account the net asset value of the Target Group for the six months period ended 31 December 2016, and the net profit before tax attributable to the Target Group for the six months period ended 31 December 2016.

4.3. Profit Guarantee

For the period beginning from 1 January 2017 and ending on 31 December 2017 ("**Period**"), the Vendors have provided a profit guarantee that the Target Group shall achieve a consolidated net profit after tax of an amount of not less than S$800,000 (the "**Profit Guarantee**") based on a special audit to be carried out by such person appointed by the Company and which shall be completed no later than 15 March 2018 ("**Special Audit**").

In the event of a shortfall from the Profit Guarantee stipulated above, the Vendors shall jointly and severally pay to the Company on or before 15 April 2018 the difference between the Profit Guarantee and the actual consolidated net profit after tax for the Period based on the Special Audit ("**Shortfall**").

To secure the compensation payable in the event of a shortfall from the Profit Guarantee, the Company shall issue 8,160,000 Shares (these 8,160,000 Shares have a value of S$1,224,000 at the issue price of S$0.15 per Share and comprise of each of the Vendor's proportionate

right to the said Shares based on each of their shareholding in the Target) out of the Consideration Shares ("**Escrow Shares**") to an escrow agent appointed by the Company, Elitaire Law LLP, a Singapore law firm ("**Escrow Agent**") to hold the Escrow Shares in escrow for and on behalf of the Vendors until the Profit Guarantee is achieved or the Vendors have paid the Company the Shortfall. The Vendors shall execute an escrow agreement ("**Escrow Agreement**") to authorise the Escrow Agent, that in the event of the Shortfall and the Vendors do not make payment of the Shortfall to the Company, to sell such number of the Escrow Shares at such price as the Escrow Agent shall determine in its sole discretion to recover the Shortfall payable by the Vendors with the balance number of Escrow Shares to be thereafter released to the Vendors in proportion to their current respective shareholding in the Target. In the event that the proceeds from the sale of all the Escrow Shares is unable to satisfy the Shortfall, the Vendors shall remain jointly and severally liable to pay the balance of the Shortfall to the Company. In the event that the Profit Guarantee is met or the Vendors make payment of the Shortfall to the Company, the Escrow Agent would be authorised under the Escrow Agreement to release the entire Escrow Shares to the Vendors.

The following are the principal assumptions including commercial bases and assumptions upon which the quantum of the Profit Guarantee is based:

(a) the Target Group's net profit before tax attributable for the six months period ended 31 December 2016 based on its unaudited management accounts;

(b) the Target Group's management's projected total revenue of S$3,000,000 for the Period and its projected net profit after tax attributable to the Target Group of S$800,000 for the Period; and

(c) the number of outlets the Target Group is planning to open during the Period.

The Board is of the view that the Profit Guarantee from the Vendors would be beneficial to the Company and in accepting the Profit Guarantee, the Board took into consideration the following factors:

(a) the track record and management records of the Target Group provided by the Vendors;

(b) the current sales of the Target Group provided by the Vendors; and

(c) the potential growth prospect of this market and the Target Group in the near future.

4.4. Completion

Under the terms of the Agreement, the completion of the Proposed Acquisition is conditional upon, amongst others (the "**Sale Conditions**"):

(a) the Company being satisfied in its sole discretion with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) to be carried out by the Company and/or its advisers on the Target Group, including without limitation the title to and the status and condition of any properties (whether movable or immovable), assets (whether tangible or intangible), liabilities, businesses, operations, records, financial position, accounts, results, legal and corporate structure, its subsidiaries and associated companies and the Vendors procuring the Target Group to regularise and/or resolve any issues raised under the said due diligence;

(b) the execution of the Escrow Agreement by the Vendors;

(c) the receipt of approvals of the respective board of directors of the Company and the Target for the transfer of the Sale Shares;

(d) listing and quotation notice being received from the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on the Catalist and where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to

the Vendors and the Company;

(e) the appointment of such directors nominated by the Company to form part of the Target's board of directors;

(f) there being no adverse change (as determined by the Company in its sole and absolute discretion) in the global economy and the prospects, operations or financial condition of the Target Group occurring on or before Completion;

(g) no governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:

(i) make the transactions contemplated in the Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;

(ii) render the Company unable to purchase all or any of the Sale Shares in the manner set out in the Agreement;

(iii) render the Vendors unable to dispose of all or any of their Sale Shares in the manner set out in the Agreement; and/or

(h) save as disclosed in the Vendors' disclosure letter, each of the warranties of the Company and the Vendors being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendors and the Company as at the date of the Agreement and until the date of Completion.

Completion of the Proposed Acquisition will take place not later than 21 business days after all the Sale Conditions precedent are fulfilled in accordance with the Agreement.

If the Sale Conditions have not been fulfilled or waived by mutual consent on or before 30 April 2017 (or such other date as the Company and the Vendors may agree in writing) (the "**Long-Stop Date**"), the Agreement shall lapse and cease to have effect.

4.5. Value of the Sale Shares

(a) Net Asset Value

The net asset value of the Target Group for the six months period ended 31 December 2016 based on unaudited management accounts of the Target Group is S$499,000.

(b) Net Profits

The net profit before tax attributable to the Target Group for the six months period ended 31 December 2016 based on unaudited management accounts of the Target Group is S$468,000.

4.6. Service Contracts

There are no persons proposed to be appointed as directors of the Company in connection with the Proposed Acquisition.

There are no services contracts to be entered into at completion, as the management team of the Target Group will be kept to continue to manage the business and affairs of the Target Group.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1. Assumptions

The pro forma financial effects in this section are based on the audited consolidated accounts of the Group for the financial year ended 30 June 2016 ("**FY2016**") and the unaudited consolidated accounts of the Target Group for twelve months period ended 30 June 2016 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following Completion.

5.2. Net Tangible Assets

For illustrative purposes and assuming the Proposed Acquisition had been completed on 30 June 2016, the pro forma financial effects on the consolidated net tangible assets ("**NTA**") for FY2016 are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA (S$'000)	336	6,336
Number of shares	93,275	113,675
NTA per share (Singapore cents)	0.36	5.57

5.3. Earnings

For illustrative purposes and assuming the Proposed Acquisition had been completed on 1 July 2015, the pro forma financial effects on the earnings per share of the Group are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net profit attributable to shareholders after tax from continuing operations (S$'000)	(2,875)	(2,913)
Number of weighted average shares	93,275	113,675
Earnings per share (Singapore cents)	(3.08)	(2.56)

5.4. Share Capital

The Proposed Acquisition involves the allotment and issuance of the Consideration Shares.

The Consideration Shares represent approximately 14.67% of the existing issued and paid-up share capital of the Company of 139,074,600 Shares as at the date of this announcement (excluding treasury shares). Immediately after completion of the Proposed Acquisition and assuming that no further Shares are issued prior thereto, the Proposed Acquisition will increase the number of issued and paid-up Shares to 159,474,600 Shares and the Consideration Shares represent approximately 12.79% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

5.5 New Share Issue Mandate

The Consideration Shares will be allotted and issued pursuant to the new Share issue mandate granted by the shareholders of the Company at the extraordinary general meeting of the Company held on 26 January 2017 (the "**New Share Issue Mandate**"). As such, no circular will be issued by the Company in connection with the Proposed Acquisition.

Under the New Share Issue Mandate, the Board is authorised to issue new Shares, on the basis that the total number of issued Shares and instruments to be issued other than on a pro rata basis to existing shareholders of the Company must be not more than 50% of the total number of issued Shares (excluding treasury shares) as at the time of the passing of the resolution approving the New Share Issue Mandate (the "**Relevant Time**"), after adjusting for, amongst others, new Shares arising from the conversion or exercise of any instruments.

The total number of ordinary Shares (excluding treasury shares) in the capital of the Company as at the Relevant Time was 139,074,600 Shares. As at the date of this announcement, the Company has not issued any Shares under the New Share Issue Mandate, and no event has occurred which would result in any adjustment in the number of Shares on which the New Share Issue Mandate is based. As such, the maximum number of Shares that may be issued pursuant to the General Mandate other than on a pro rata basis to existing shareholders is 69,537,300 new Shares.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

Based on (a) the unaudited consolidated accounts of the Group for the six months period ended 31 December 2016; and (b) the unaudited consolidated accounts of the Target Group for six months period ended 31 December 2016, the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follows:

Rule 1006	**Bases**	**Size of Relative Figures (%)**
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	663[(1)]
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	14.67 [(2)]
(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	14.67[(3)]
(e)	The 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) The net profits of the Group for the six months period ended 31 December 2016 were S$36,000. The net profits of the Target Group for the six months period ended 31 December 2016 were S$468,000.

(2) The market capitalisation was derived from 139,074,600 Shares in issue and the weighted average price of S$0.1585 per Share ("**Weighted Average Price Per Share**") as at 10 February 2017, being the last traded market day immediately preceding the date of the Agreement. The aggregate value of the Consideration Shares is S$3,233,400 based on the Weighted Average Price Per Share.

(3) The number of Shares previously issued by the Company is 139,074,600 and the number of Consideration Shares to be issued is 20,400,000.

As the Proposed Acquisition is an acquisition of a profitable asset, it is deemed to be a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules.

7. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company ("**Shareholders**")) has any interest, direct or indirect, in the Proposed Acquisition.

8. RESPONSIBILITY STATEMENT

The Directors of the Company (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and the Directors of the Company jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

9. DOCUMENT FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

10. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By order of the Board

Epicentre Holdings Limited
Lim Tiong Hian
Executive Chairman and Acting Chief Executive Officer
11 February 2017

This announcement has been prepared by the Company and its contents have been reviewed by the company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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