

STARLAND HOLDINGS LIMITED
(Company Registration Number: 201131382E)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF THE EQUITY INTEREST OF AYONDO HOLDING AG

1. INTRODUCTION

- 1.1 The Board of Directors (the **"Board"** or the **"Directors"**) of Starland Holdings Limited (the **"Company"**) and together with its subsidiaries, the **"Group"**) refers to the announcement made by the Company on 13 April 2016 in relation to the entering of a non-binding memorandum of understanding in relation to the proposed acquisition of the equity interest of Ayondo Holding AG (**"Ayondo"**).
- 1.2 The Board is pleased to announce that the Company has on 20 June 2016 entered into a conditional sale and purchase agreement (**"SPA"**) with the holders of equity interest in Ayondo (collectively, the **"Vendors"**) to acquire their equity interest in Ayondo (**"Proposed Acquisition"**).
- 1.3 Pursuant to the SPA, the aggregate consideration in respect of the Proposed Acquisition is S\$157,500,000 (**"Purchase Consideration"**) assuming the sale of 100% of the shares or interest in shares of Ayondo and entitlement to shares in Ayondo pursuant to conversion of convertible bonds, warrants and options previously issued by Ayondo (**"Ayondo Shares"**).
- 1.4 The Purchase Consideration shall be fully satisfied by the Company at completion of the Proposed Acquisition (**"Completion"**) by the issuance and allotment of such new fully paid-up ordinary shares in the share capital of the Company (**"Consideration Shares"**) to the Vendors (after the consolidation of such number of existing ordinary shares in the issued and paid up share capital of the Company (the **"Shares"**) into such number of new Shares to be determined by the Company in consultation with the Financial Adviser (as herein defined) to achieve a minimum issue price of S\$0.20 after such share consolidation (**"Proposed Share Consolidation"**)), at a pre-share consolidation issue price of S\$0.1877 per Share (**"Issue Price"**).
- 1.5 The Proposed Acquisition, if undertaken and completed, is expected to result in a "Reverse Take-over" of the Company as defined under Chapter 10 of Listing Manual Section B: Rules of Catalist (the **"Catalist Rules"**) of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) and is subject to, *inter alia*, the approval of shareholders of the Company (the **"Shareholders"**) at an extraordinary general meeting (**"EGM"**) to be convened, the approval of shareholders of GRP Limited, being the ultimate holding company of the Company, at an EGM to be convened (if required) and the approval of the SGX-ST.

2. INFORMATION ON AYONDO AND THE VENDORS

2.1 Information on Ayondo

Ayondo is a financial technology (**"FinTech"**) group that is a global leading provider of social trading services and brokerage services for both business-to-consumer (B2C) and business-to-business (B2B) for Contracts for Differences (**"CFDs"**). Ayondo is licensed and regulated by the Financial Conduct Authority (FCA) in the United Kingdom (**"UK"**) and the Federal Financial Supervisory Authority (BaFin) in Germany.

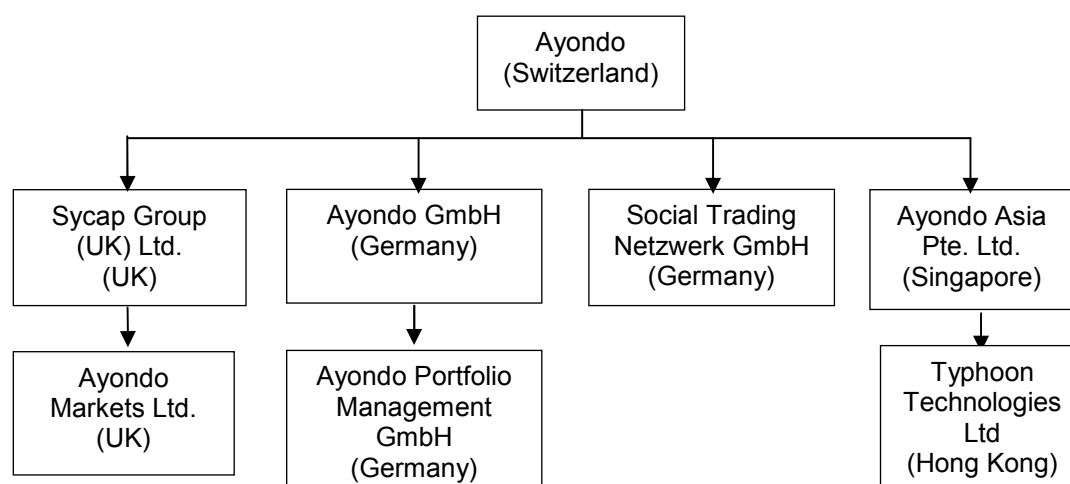
Through its platform, users can trade CFDs (self-directed) and/or engage in social trading. Ayondo's Next Generation Social Trading technology allows everyone to "create their own dream team" by replicating the performances of top traders onto their own portfolios automatically and in real time, with a few taps on their electronic devices. Anyone can also become a top trader and earn from trading as well as from having followers. The system is transparent and followers are able to view top traders' track records on the platform (for more

information, please visit Ayondo's website at <http://www.ayondo.com>.

Ayondo was formerly listed on the Berne Stock Exchange under the name of Next Generation Finance Invest AG as an investment holding company. Following Ayondo's inclusion in FinTech50's 2013 list of the top 50 hottest FinTech businesses in Europe, the Switzerland-headquartered company became an operating company in April 2014 to focus on expanding its social trading and brokerage business.

In a span of two years, Ayondo has grown significantly and has been the recipient of numerous awards. Ayondo was awarded the Best Social Trading Platform for two consecutive years in 2015 and 2016 by ADVFN, a leading UK financial market site listed on London's Alternative Investment Market. Ayondo was also recognised as the second best CFD brokerage in Germany by BrokerWahl, beating out heavyweights such as CMC Markets and FXCM (both are amongst the top five CFD players in the world). Most recently, Ayondo announced partnerships with TradeHero (a top finance application with millions of users) and KGI Fraser Securities Singapore, thus demonstrating Ayondo's status as a trusted provider of CFD services.

The corporate structure of Ayondo and its subsidiaries (collectively, the “**Ayondo Group**”) as at the date of this announcement is set out below.



2.2. Information on the Vendors

The Vendors include the management of Ayondo Group. Save for Mr Kwan Chee Seng, Luminor Pacific Fund 1 Ltd and Luminor Pacific Fund 2 Ltd who are considered interested persons as further described in paragraph 8 of this announcement, the rest of the Vendors are independent of the Company and Mr Kwan Chee Seng who is a non-executive Director of the Company.

2.3 Historical Financial Information of Ayondo

The audited financial summary of Ayondo for the financial year ended 31 December (“FY”) 2014 covering the period from 1 April 2014 to 31 December 2014 and the audited financial summary of Ayondo for FY2015 covering the period from 1 January 2015 to 31 December 2015 were prepared in accordance with Swiss GAAP FER.

The financial summary below is presented in the Company's reporting currency, Renminbi (RMB), while the financial statements of Ayondo for FY2014 and FY2015 were prepared in Swiss Francs (CHF). The exchange rates used for such conversion in the financial summary below are as follows:

CHF to RMB	FY2014	FY2015
For purpose of Income Statement ⁽¹⁾	CHF1 : RMB6.76	CHF1 : RMB6.51
For purpose of Balance Sheet ⁽²⁾	CHF1 : RMB6.40	CHF1 : RMB6.52

Notes:

- (1) The exchange rates applied are the average rates for the respective financial year.
- (2) The exchange rates applied are the rates as at the end of the respective financial year.

Income Statement

	Audited FY2014 (RMB'000)	Audited FY2015 (RMB'000)
Revenue	28,909.1	83,538.9
Gross profit	12,809.5	30,960.3
Profit / (Loss) before tax	(39,689.3)	(77,926.0)
Income tax (expense) / credit	1,548.7	2,898.9
Profit / (Loss) for the year	(38,140.6)	(75,027.1)

Balance Sheet

	Audited As at 31 December 2014 (RMB'000)	Audited As at 31 December 2015 (RMB'000)
Current assets	83,817.0	154,812.2
Non-current assets	210,694.4	204,940.6
Total assets	294,511.4	359,752.8
Current liabilities	79,265.3	149,395.4
Non-current liabilities	64,244.5	63,162.5
Total liabilities	143,509.8	212,557.9
Shareholders' equity	151,001.6	147,194.9

3. PRO FORMA FINANCIAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES (INCLUDING AYONDO GROUP) ("ENLARGED GROUP") UPON COMPLETION

A summary of the unaudited combined pro forma financial information of the Enlarged Group for the latest financial year ended 30 September 2015 had been prepared based on the audited financial statements of the Company for the financial year ended 30 September 2015 and the audited financial statements of Ayondo for the financial year ended 31 December 2015, without any adjustment to align the financial year end and the accounting standards of the Company with that of Ayondo. Please refer to **Appendix B** to this announcement for the bases and assumptions used in the preparation of the pro forma financial information of the Enlarged Group.

A summary of the unaudited combined pro forma income statement and balance sheet of the Enlarged Group for the latest financial year ended 30 September 2015 is as follows:

Pro forma Income Statement

	Unaudited for the financial year ended 30 September 2015 (RMB'000)
Revenue	420,589.9
Gross profit	134,661.3
Profit / (Loss) before tax	13,917.0
Income tax expense	23,328.1
Profit / (Loss) for the year	(9,411.1)

Pro forma Balance Sheet

	Unaudited as at 30 September 2015 (RMB'000)
Current assets	447,903.2
Non-current assets	206,715.6
Total assets	654,618.8
Current liabilities	232,734.4
Non-current liabilities	92,191.5
Total liabilities	324,925.9
Shareholders' equity	329,692.9

4. RATIONALE

The Board is of the view that the Proposed Acquisition presents an opportunity for the Company to acquire an operating business in the FinTech sector with a track record and growth potential. The Proposed Acquisition would present the Group with an opportunity to expand its business in line with its diversification strategy into the FinTech business, which will allow it to achieve a more consistent and sustainable financial growth. In addition, the Proposed Acquisition would have the potential to significantly increase the market capitalisation of the Company and potentially widen the investor base for the Shares, thereby enabling the Company to attract more extensive analyst coverage, leading to an overall increase in investor interest and trading. Given the foregoing, the Board believes that the Proposed Acquisition will enhance shareholders value for the Company.

5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1 Sale and Purchase

- 5.1.1 Subject to the terms and conditions of the SPA, the Company shall purchase from the Vendors and the Vendors shall, as legal and beneficial owners, sell to the Company the Ayondo Shares free from all claims, liens, charges, pledges, mortgages, trusts, equities and other encumbrances, and with the benefit of all rights, benefits and entitlements now or hereafter attaching thereto, with effect from the date of Completion, including the right to receive all dividends and other distributions declared, paid or made thereon thereafter, at the Purchase Consideration.
- 5.1.2 The Vendors shall use their best endeavours to procure other shareholders and investors of Ayondo who own Ayondo Shares to sell their Ayondo Shares to the Company on the same terms and conditions set out in the SPA and to execute a deed of ratification and accession within three (3) months from the date of the SPA or such later date as are mutually agreed between the Company and the Vendors (collectively, the "**Parties**" and each a "**Party**").

5.2 Purchase Consideration

- 5.2.1 The Purchase Consideration was arrived at after arm's length negotiations between the Parties, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, business prospects and the estimated market valuation of Ayondo Group. The book value and net tangible liabilities of Ayondo Group as at 31 December 2015 were RMB147.2 million and RMB52.6 million respectively.
- 5.2.2 The Parties agree that upon the signing of the SPA, the Parties will appoint an independent valuer to provide a valuation of the Ayondo Group based on such market acceptable valuation principles for similar business operating in similar industry. It is a condition precedent to the Proposed Acquisition that the valuation of Ayondo Group as reported by the independent valuer being not less than S\$157,500,000. Please refer to **Appendix A** to this announcement for the list of conditions precedent to the Proposed Acquisition.

- 5.2.3 The Purchase Consideration shall be satisfied in full on Completion by the issue and allotment of Consideration Shares to the Vendors (subsequent to the Proposed Share Consolidation). The Consideration Shares when issued and allotted to the Vendors shall comprise approximately 75% of the enlarged issued share capital of the Company subsequent to Completion and the Proposed Share Placement (as defined below) but before the exercise of the share options ("**Options**") granted pursuant to the Proposed Share Placement assuming the sale of 100% of Ayondo Shares by the Vendors to the Company, and shall be adjusted downwards proportionately according to the actual number of Ayondo Shares to be transferred on Completion.
- 5.2.4 The sale of such number of Ayondo Shares ("**Sale Shares**") shall be subject to and based on the following premises:
- (i) The Company shall enter into a binding sale and purchase agreement to dispose of all its assets to its holding company at such price to be agreed between them ("**Proposed Disposal**"), to be completed prior to Completion;
 - (ii) The Company shall distribute all its available cash and cash equivalents (including the sale proceeds from the Proposed Disposal) to the Shareholders prior to Completion except for a sum of S\$4.0 million, which shall be utilised for: (a) payment of all the RTO Expenses (as defined in the SPA) when due at any time before or after Completion; and (b) repayment of any loans or advances granted by the Company's holding company (if any) to fund any portion of the RTO Expenses ("**Proposed Distribution**"); and
 - (iii) The Company shall carry out a placement of such number of new Shares (the "**Placement Shares**") at an issue price of S\$0.1408 per Placement Share (to be adjusted after taking into effects of the Proposed Share Consolidation) to raise total gross placement proceeds (before deducting costs and expenses to be incurred in connection with the placement exercise) of S\$19.0 million ("**Proposed Share Placement**"). The subscribers of the Placement Shares shall be entitled to an option to subscribe for up to 101,225,360 new Shares (to be adjusted after taking into effects of the Proposed Share Consolidation) at an exercise price equivalent to the Issue Price for each new Share, and expiring on the date falling two (2) years from the date on which they were granted.

5.3 Adjustments to the Consideration Shares where the Sale Shares do not constitute 100% of Ayondo Shares

In the event that the Sale Shares represent lower than 100% of the total issued shares of Ayondo, the Purchase Consideration shall be revised based on the formula below (with corresponding adjustment to the number of Consideration Shares to be issued to the Vendors):

$$\text{Revised Purchase Consideration} = \frac{\text{S\$157,500,000}}{100\%} \times \text{Shareholding percentage of the Vendors in the total issued shares of Ayondo}$$

For holders of equity interest in Ayondo who do not wish to sell their equity interest to the Company, they will remain as shareholders of Ayondo after the Completion.

5.4 Effect of the Legacy Options on the Purchase Consideration

In connection with the capital increase of Ayondo, effected on 24 March 2015, a total of 6,705 options ("**Legacy Options**") were granted to such shareholders of Ayondo who participated in the capital increase. One Legacy Option entitles the holder to subscribe for one share in Ayondo at an exercise price of CHF97. The Legacy Options are exercisable until 30 September 2017. The following shall apply in relation to the exercise and/or non-exercise of the Legacy Options by the shareholders of Ayondo:

- (i) Where Legacy Options are exercised on or before the date of Completion, the new shares issued pursuant to the exercise of the Legacy Options shall form part of the total

issued shares in Ayondo in which such shareholders of Ayondo may choose to accede and ratify the terms of the SPA by way of entering into a deed of ratification and accession, and there is no impact to the Purchase Consideration; or

- (ii) Where there are any Legacy Options which remain valid and exercisable and are not exercised on the date of Completion, the Purchase Consideration shall be revised based on the formula below (with corresponding adjustment to the number of Consideration Shares to be issued to the Vendors):

$$\text{Revised Purchase Consideration} = \frac{\text{S\$157,500,000}}{100\%} \times \frac{\text{Shareholding percentage of the Vendors in the total issued shares of Ayondo}}{\text{Less A}}$$

Where:

“**A**” means the maximum potential shareholding percentage arising from the issue of shares in Ayondo following the exercise of the remaining valid and subsisting Legacy Options which have not been exercised at Completion.

5.5 Conditions Precedent

Completion is conditional upon, *inter alia*, the conditions precedent set out in **Appendix A** to this announcement having been satisfied or waived in accordance with the terms of the SPA. The long stop date for the satisfaction of the conditions precedent shall be 20 June 2017 or such further date as the Parties may agree in writing (the “**Long Stop Date**”).

5.6 Completion

Subject to the conditions precedent of the Proposed Acquisition being satisfied or waived (as the case may be), the Proposed Acquisition will be completed on the business day falling seven (7) days after the fulfillment of the conditions precedent, unless they are waived by mutual consent of the Parties.

6. REVERSE TAKEOVER

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
(b)	Net losses attributable to the assets acquired or disposed of, compared with the group's net losses	405.5% ⁽¹⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation as at 5 February 2016, being the last market day preceding the date of the SPA.	598.1% ⁽²⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	579.8% ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the groups' proved and probable reserves.	Not applicable

Notes:

- (1) Based on the Group's unaudited net loss before tax of RMB11.57 million for the half year ended 31 March 2016 and Ayondo Group's unaudited net loss before tax of RMB46.92 million for the half year ended 31 December 2015.
- (2) Based on the net asset value of the Consideration Shares of S\$0.242 each, and the Company's market capitalisation of approximately S\$34.0 million (being its issued ordinary share capital of 144,733,000 Shares and the volume weighted average price of the Shares of S\$0.235 on 5 February 2016, which is the last full market day on which the Shares were traded on Catalist prior to the suspension of trading of the Shares).
- (3) Based on 839,104,954 Consideration Shares (assuming the Sale Shares constitute 100% of Ayondo Shares) and the Company's issued ordinary share capital of 144,733,000 Shares.

As the relative figures computed on the bases set out in paragraphs (b), (c) and (d) above exceed 100%, the Proposed Acquisition constitutes a "very substantial acquisition" or "reverse takeover" for the purposes of the Catalist Rules. In addition, the Vendors will hold approximately 75% of the enlarged issued share capital of the Company pursuant to the Proposed Acquisition assuming the sale of 100% of Ayondo Shares by the Vendors to the Company, a change in control of the Company will arise immediately upon completion of the Proposed Acquisition. Accordingly, the Proposed Acquisition is subject to the approval of the SGX-ST and the Shareholders under Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS

Please refer to **Appendix B** of this announcement for the financial effects of the Proposed Acquisition.

8. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

Mr Kwan Chee Seng is a non-executive Director and has a deemed interest in the shares of the Company by virtue of his shareholding in GRP Limited. He is also a shareholder and convertible bond holder of Ayondo, and a director of Luminor Capital Pte. Ltd., the fund manager for Luminor Pacific Fund 1 Ltd and Luminor Pacific Fund 2 Ltd, which are convertible bond holders of Ayondo. As such, he is considered to be an "interested person" within the meaning defined in Chapter 9 of the Catalist Rules. Accordingly, the Proposed Acquisition is an interested person transaction.

Under Chapter 9 of the Catalist Rules, (i) an immediate announcement is required in respect of a transaction between the Group and its interested persons if the value of that transaction equals to or exceeds 3% of the latest audited net tangible assets ("**NTA**") of the Group; and (ii) Shareholders' approval is required in respect of a transaction between the Group and its interested persons if the value of that transaction equals to or exceeds 5% of the latest audited NTA of the Group.

Based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2015, the NTA of the Group is approximately RMB182.5 million (or approximately S\$40.92 million at an exchange rate of S\$1 to RMB4.46 as at 30 September 2015).

The Purchase Consideration of S\$157,500,000 represents approximately 385% of the NTA of the Group for the financial year ended 30 September 2015. As such, the Proposed Acquisition is an interested person transaction that requires the Company to seek the approval of the Shareholders at an EGM of the Company to be convened under Rule 906 of the Catalist Rules.

Save for the Proposed Acquisition, there was no other interested person transaction (excluding transactions less than S\$100,000) entered into by the Group with interested persons for the current financial year ending 30 September 2016 up to the date of this announcement.

Mr Kwan Chee Seng will abstain, and ensure that his respective associates will abstain, from voting on the Proposed Acquisition at the EGM to be convened.

Mr Kwan Chee Seng had abstained and will abstain from voting on the Proposed Acquisition at meetings of the Board. He will also abstain from making a recommendation to Shareholders on the Proposed Acquisition at the EGM to be convened.

9. APPLICATION FOR WAIVER FROM RULE 14 OF THE SINGAPORE CODE ON TAKEOVERS AND MERGERS (THE “CODE”)

Subject to and on Completion, the relevant Vendors and their concert parties who will acquire more than 30% of the voting rights in the Company would be required to make a mandatory general offer for the remaining Shares not owned or controlled by such Vendors and their concert parties at the highest price paid or agreed to be paid by them for the Shares in the preceding six (6) months pursuant to Rule 14 of the Code. This will be the case unless the Securities Industry Council (“SIC”) grants the relevant Vendors and their concert parties a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code (the “Whitewash Waiver”).

It is a condition precedent to the Proposed Acquisition that the SIC having granted the relevant Vendors and their concert parties (and not having revoked or repealed such grant) the Whitewash Waiver subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the relevant Vendors and the Company; and (ii) the independent Shareholders to the relevant Vendors and their concert parties approving at an EGM of the Company to be convened a whitewash resolution for the waiver of their rights to receive such a mandatory general offer from the relevant Vendors and their concert parties (the “Proposed Whitewash Resolution”).

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Kwan Chee Seng is a non-executive Director and has a deemed interest in the Shares by virtue of his shareholding in GRP Limited. He is also a shareholder and convertible bond holder of Ayondo, and a director of Luminor Capital Pte. Ltd., the fund manager for Luminor Pacific Fund 1 Ltd and Luminor Pacific Fund 2 Ltd, which are convertible bond holders of Ayondo.

Save as disclosed above, none of the Directors or, as far as the Directors are aware, controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Acquisition (other than in his capacity as a director or shareholder of the Company).

11. DIRECTORS’ SERVICE CONTRACTS

It is envisaged that the Company will, upon Completion, enter into service contracts with nominees of the Vendors to be appointed to the board of directors of the Company. As such arrangements have not been firmed up as at the date of this announcement, the details of such arrangements will be disclosed in the Circular.

12. FINANCIAL ADVISER

The Company has appointed UOB Kay Hian Private Limited as its financial adviser and full sponsor to advise on, *inter alia*, the Proposed Acquisition, the Proposed Share Consolidation, the Proposed Share Placement, the Proposed Distribution and the Proposed Disposal (the “Financial Adviser”).

13. INDEPENDENT FINANCIAL ADVISER

The Company will be appointing an independent financial adviser to advise the Directors who are considered independent on the Proposed Whitewash Resolution and whether the terms of Proposed Acquisition (being an interested person transaction) are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The advice of the independent financial adviser will be set out in the circular to be despatched to the Shareholders in due course.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee will form its views on the Proposed Acquisition after taking into account the opinion of the independent financial adviser.

15. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

- 15.1 A circular containing further information on, *inter alia*, the Proposed Acquisition ("**Circular**") and enclosing the notice of EGM will be dispatched by the Company to Shareholders in due course.
- 15.2 A copy of the SPA will be made available for inspection by the Shareholders during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

16. 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 (including information relating to the Ayondo Group and the Vendors) 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.

17. TRADING CAUTION

Shareholders are advised to exercise caution in trading the Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. 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

Peng Peck Yen
Executive Director
20 June 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the 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 Alvin Soh, Head of Catalist Operations, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

APPENDIX A

CONDITIONS PRECEDENT IN RELATION TO THE PROPOSED ACQUISITION

Unless otherwise defined, terms referred to in this Appendix A shall have the meaning ascribed to them in the SPA.

Completion shall be condition upon the following being fulfilled on or before the Long Stop Date:

- (i) The Sale Shares shall represent no less than 75% of the enlarged total issued shares of Ayondo after conversion or exercise of all outstanding convertible bonds, warrants, options and any other convertible securities issued by Ayondo as at the date of SPA ("**Ayondo Convertibles**");
- (ii) There being no outstanding Ayondo Convertibles under the Singapore Investment Agreements and the master employee share option plan of Ayondo ("**Ayondo ESOP**") which have not been converted, exercised or waived as at Completion. For the avoidance of doubt, this excludes the Legacy Options;
- (iii) The Company having adopted a new employee share option plan ("**Starland ESOP**") on terms satisfactory to the Vendors to the extent permitted under the Catalist Rules, and the Board having approved the grant of such options under the Starland ESOP to the Ayondo employees listed in the SPA (subject to Completion taking place) as consideration for the waiver of their options under the Ayondo ESOP prior to Completion, which options to be granted shall be agreed between the Company and the Vendors based on similar rights of subscription granted to each of such Ayondo employees (as close as practicable to their original entitlement of subscription) for so long as the grant of such options is permitted under the applicable Catalist Rules;
- (iv) The Company being satisfied with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) (the "**Due Diligence Investigations**") to be carried out by the Company and/or its advisers on the Ayondo 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 any other information disclosed to the Company;
- (v) The Vendors being satisfied with the Due Diligence Investigations to be carried out by the Vendors and/or their advisers on the Company, 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 any other information disclosed to the Vendors;
- (vi) The rectification, or the procurement of such rectification, to the satisfaction of the Company by the Ayondo Group, of all issues or irregularities uncovered by the Company during the Due Diligence Investigations on the Ayondo Group;
- (vii) The rectification, or the procurement of such rectification, to the satisfaction of the Vendors by the Company, of all issues or irregularities uncovered by the Vendors during the Due Diligence Investigations on the Company;
- (viii) All consents, approvals and authorisation of bankers, financial institutions, landlord of leases, relevant third parties, government, statutory or regulatory authorities in Singapore and any other jurisdiction which a member of the Ayondo Group has operations in (including but not limited to any approval(s) from the Financial Conduct Authority of the United Kingdom) which are necessary or desirable in connection with the transfer of the Sale Shares from the Vendors to the Company, and such other corporate action(s) as may be necessary having been obtained, and such consents, approvals and waivers not having been amended or revoked before the date of Completion, and if subject to conditions, on such conditions acceptable to the Company, prior to the date of Completion;

- (ix) The listing and quotation notice being received from the SGX-ST for the dealing in and quotation for the Consideration Shares, such approval not being revoked, rescinded or cancelled prior to Completion and, where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to the Vendors and the Company as confirmed by the Parties;
- (x) If applicable, the SIC having granted the relevant Vendors and their concert parties (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code for the Shares not held by them and their concert parties and from having to comply with the requirements of Rule 14 of the Code subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the relevant Vendors and the Company; and (ii) the independent Shareholders approving at an EGM of the Company the Proposed Whitewash Resolution;
- (xi) The Company receiving the following approvals from the Shareholders at an EGM for:
 - (a) the Proposed Acquisition;
 - (b) the issuance of the Consideration Shares;
 - (c) the Proposed Share Consolidation;
 - (d) the Proposed Whitewash Resolution;
 - (e) the adoption of the Starland ESOP in accordance with the rules permitted by the applicable Catalist Rules;
 - (f) the change of name of the Company; and
 - (g) such other corporate action(s) in connection with the Proposed Acquisition, as may be necessary;
- (xii) If required, the holding company of the Company receiving the following approvals from its shareholders at an EGM for:-
 - (a) the Proposed Acquisition;
 - (b) the Proposed Disposal; and
 - (c) such other corporate action(s) in connection with the Proposed Acquisition, as may be necessary;
- (xiii) The completion of the Proposed Disposal and the distribution of cash to the Shareholders referred to in paragraphs 5.2.3(i) and 5.2.3(ii) of this announcement, respectively;
- (xiv) The completion of the Proposed Share Placement;
- (xv) The valuation of Ayondo Group as reported by the independent valuer being not less than S\$157,500,000;
- (xvi) There being no material breach by any of the Vendors or the Company of the representations, warranties, covenants and indemnities given by them in the SPA and all representations, undertakings and warranties of the Parties under the SPA being complied with, true and accurate and not misleading in all material respects as at the date of SPA and as at the date of Completion;
- (xvii) The Company being satisfied in its sole and absolute discretion that there has been no material adverse change, or events, acts or omissions likely to lead to such a material change, in the business, assets, prospects, performance, financial position or results of operations of Ayondo from the period commencing from the date of SPA until Completion;

- (xviii) The Vendors being satisfied in their sole and absolute discretion that there has been no material adverse change, or events, acts or omissions likely to lead to such a material change, in the business, assets, prospects, performance, financial position or results of operations of the Company (excluding its subsidiaries and other assets which will form the subject matter of the Proposed Disposal) from the period commencing from the date of SPA until Completion;
- (xix) There being no delisting of the Shares from the Catalist prior to the date of Completion;
- (xx) Any of the Vendors and the Company shall not be subject to any ongoing investigations by any regulatory authority (including the SGX-ST or Monetary Authority of Singapore) in Singapore or elsewhere or is the subject of any criminal charges or proceedings which have not been concluded;
- (xxi) Any of the Vendors and the Company not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;
- (xxii) The receipt of the listing and quotation notice from the SGX-ST;
- (xxiii) The receipt of a notification by the Company's sponsor confirming that it has no further comments to the Company's draft Circular prepared in relation to the Company's acquisition of the Sale Shares; and
- (xxiv) The allotment, issue and subscription of the Consideration Shares, the Proposed Share Consolidation, and change of name of the Company (where applicable) not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to Ayondo and/or the Company.

APPENDIX B

FINANCIAL EFFECTS

Bases and Assumptions

The pro forma financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Enlarged Group following Completion. The pro forma financial effects of the Proposed Acquisition on the share capital, earnings, NTA and gearing of the Enlarged Group have been prepared based on the audited financial results of the Company for the financial year ended 30 September 2015 and the audited financial statements of Ayondo for the financial year ended 31 December 2015, without any adjustment to align the financial year end and the accounting standards of the Company with that of Ayondo.

For the purposes of illustrating the financial effects of the Proposed Share Consolidation, Proposed Disposal, Proposed Distribution, issue of Placement Shares, exercise of Options and Proposed Acquisition ("**Proposed Transactions**"), the financial effects of the Proposed Transactions are computed based on, *inter alia*, the following assumptions:

- (i) the financial effects on the Company's earnings and earnings per Share are computed assuming that the Proposed Acquisition was completed on 1 October 2014 while the financial effects on the Company's NTA and gearing are computed assuming that the Proposed Acquisition was completed on 30 September 2015;
- (ii) the financial effects are computed assuming the Proposed Disposal and Proposed Distribution having been completed and the Company retaining only assets of the acquisition, and a cash balance of S\$23 million;
- (iii) the financial effects do not take into account any transactions completed by the Company subsequent to 30 September 2015 save for the Options to be exercised;
- (iv) the difference between the deemed consideration for the Proposed Acquisition and the fair value of the Company, if any, have not been considered and will be determined on the date of Completion when the relevant Vendors have effectively obtained control of the Company. The actual difference could be materially different from the aforementioned assumption;
- (v) the number of the Placement Shares to be issued is 134,943,182 Shares (before adjusting for the effects of the Proposed Share Consolidation);
- (vi) the Proposed Share Consolidation is on the basis of 2 existing Shares consolidated into 1 Share;
- (vii) the analysis does not take into account the transactional costs and expenses which are related to the Proposed Acquisition; and
- (viii) the financial effects do not take into account the financial effects of the non-controlling interests in the Company and the Legacy Options.

Share Capital

	Number of Shares (‘000)	Issued and paid-up share capital (RMB‘000)
As at 30 September 2015	144,733	24,471
Proposed Share Consolidation	72,366	-
Proposed Disposal and Proposed Distribution	-	(5,271)
Issue of Placement Shares	67,472	91,200

Proposed Acquisition	419,552	756,000
Exercise of Options	50,613	91,200
After the Proposed Transactions	610,003	957,600

NTA

	NTA (RMB'000)	NTA Per Share (RMB cents)
As at 30 September 2015	182,498	126.09
Proposed Disposal and Proposed Distribution	(163,298)	
Issue of Placement Shares	91,200	
NTA of Ayondo	(52,641)	
Exercise of Options	91,200	
Enlarged NTA	148,959	24.42

Earnings

	Earnings (RMB'000)	Earnings per Share (RMB cents)
For the financial year ended 30 September 2015	65,616	45.34
Effects of Proposed Transactions	(75,027.1)	
Enlarged earnings / (loss) for the year	(9,411.1)	(1.54)

Note:

(1) The Company is assumed not to have any earnings and losses after disposing its entire business.

Gearing

	Before the Proposed Transactions (RMB'000)	After the Proposed Transactions (RMB'000)
Total liabilities	112,368	212,557.9
Total shareholders' equity	182,498	329,692.9
Gearing ratio⁽¹⁾	0.62 times	0.64 times

Note:

(1) Gearing is determined based on total liabilities divided by shareholders' equity.