IMPERIUM CROWN LIMITED
(Company Registration No.: 199505053Z)
(Incorporated in Singapore)

GENERAL MANDATE FOR THE POTENTIAL DIVESTMENT OF ALL JAPANESE PROPERTIES

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1. INTRODUCTION

1.1 On 23 December 2014, Imperium Crown Limited (the "**Company**") obtained approval from shareholders of the Company ("**Shareholders**") for the diversification by the Company and its subsidiaries (the "**Group**") of its then existing business to include property development and property investment in the Asia-Pacific region and the acquisition by the Company of the entire issued and paid-up share capital of Richwood Asia I Investments Limited and One Room Mansion Limited which own certain properties in Japan namely, (i) Green Forest Itabashi located at 10-2 and part of 10-1, Honcho, Itabashi-ku, Tokyo ("**Green Forest Itabashi**"); (ii) Green Forest Kuramae located at 13-3, Misuji 1-chome, Taito-ku, Tokyo ("**Green Forest Kuramae**"); and (iii) Hatchobori Place located at 9-1 Irifune 1-chome, Chuo-ku, Tokyo ("**Hatchobori Place**").

1.2 On 27 July 2015, the Company announced a further acquisition of two additional properties in Japan namely, (i) New City Apartment Kuramae located at Kuramae 2-chome, Taito-ku, Tokyo ("**New City Apartment Kuramae**"); and (ii) New City Apartment Minowa located at Higashi-Nippori 2-chome, Arakawa-ku, Tokyo ("**New City Apartment Minowa**") (together with, Green Forest Itabashi, Green Forest Kuramae and Hatchobori Place, the "**Japanese Properties**") in line with the Group's new core business of property development and property investment and its strategic plans to expand into the property sector in Japan with a view to establishing a portfolio of property-holding assets within urban and high density population areas in Tokyo which will provide the Group with a portfolio of income generating property assets.

1.3 On 12 December 2016, the Company announced that following review by the Management in connection with the financial performance of the Company's core business operations in the Japanese property market and the current economic climate in Japan that is expected to remain subdued into 2017, the Company has initiated an ongoing business review plan which may involve the disposal of the Japanese Properties and to concurrently explore investment opportunities into other sources of potential revenue.

1.4 The board of directors (the "**Board**") of the Company now wishes to announce that it intends to dispose of all of the Japanese Properties (the "**Potential Divestment**") and in connection thereto, the Company wishes to seek Shareholders' approval on the terms of a general mandate ("**General Mandate**") to be set out in a circular to Shareholders ("**Circular**") to be despatched in due course together with the notice of an extraordinary general meeting ("**EGM**") to be convened for such purpose. The purpose of the Circular is to explain the reasons for and to provide Shareholders with information pertaining to the Potential Divestment and the General Mandate.

2. DETAILS OF THE JAPANESE PROPERTIES

2.1 Green Forest Itabashi

Green Forest Itabashi comprises the leasehold land and building located at 10-1 and 10-2, Honcho, Itabashi-Ku, Tokyo. The land and building is used for retail units and apartments. The land is approximately 1,221.67 square metres and the building has an area of approximately 4,074.62 square metres. Green Forest Itabashi consists of an 11-storey retail cum apartment building which was constructed in 1994. As at 30 November 2016, the occupancy rate for the rented floor was approximately 97.1%.

2.2 **Green Forest Kuramae**

Green Forest Kuramae comprises ownership of the land and building located at 13-3 and other lots, Misuji 1-chome, Taito-ku, Tokyo with a total land area of approximately 707.61 square metres. The building has an area of approximately 3,297.33 square metres. Green Forest Kuramae consists of a 9-storey apartment building and was constructed in 1987. As at 30 November 2016, the occupancy rate for the rented floor was approximately 99.2%.

2.3 **Hatchobori Place**

Hatchobori Place comprises ownership of the land and building located at 9-1, Irifune 1-chome, Chuo-ku, Tokyo with a total land area of approximately 579.98 square metres. The building has an area of approximately 2,923.99 square metres. Hatchobori Place consists of a 6-storey retail cum office building which was constructed in 1988. As at 30 November 2016, the occupancy rate for the rented floor was approximately 100.0%.

2.4 **New City Apartment Kuramae**

New City Apartment Kuramae comprises ownership of the land and building located at 12-8 and 5 other parcels, 2-chome, Kuramae, Taito-ku, Tokyo. The land size is approximately 322.24 square metres and the building has an area of approximately 1,779.91 square metres. New City Apartment Kuramae consists of a 10-storey apartment building and was constructed in 2006. As at 30 November 2016, the occupancy rate for the rented floor was approximately 93.5%.

2.5 **New City Apartment Minowa**

New City Apartment Minowa comprises ownership of the land and building located at 1834-2 and 1835-5, 2 chome, Higashi-nippori, Arakawa-ku, Tokyo. The land size is approximately 365.86 square metres and the building has an area of approximately 1,377.63 square metres. New City Apartment Minowa consists of an 8-storey apartment building and was constructed in 2006. As at 30 November 2016, the occupancy rate for the rented floor was approximately 95.8%.

2.6 **Loss on the Japanese Properties**

The net fair value loss on the Japanese Properties in financial year ended 30 June 2016 ("**FY2016**") after recognising the Japanese Properties at their valuation amounts as at 30 June 2016 amounted to Singapore Dollars ("**S$**") 16.50 million. The fair value loss was mainly contributed by the initial three Japanese Properties, namely Green Forest Itabashi, Green Forest Kuramae and Hatchobori Place, that were acquired in financial year ended 30 June 2015 ("**FY2015**") and the reasons for the change included amongst others, the softening of rental rates. Economic sentiment has also met with headwinds in FY2016 as global industry and economic outlook has presented the global real estate industry with challenging times. Taken together, the Group recorded a net loss of S$12.38 million for FY2016, compared to a profit of S$11.98 million for FY2015.

2.7 **Valuation on the Japanese Properties**

In connection with the Potential Divestment, the Company had commissioned Jones Lang LaSalle K.K. ("**Jones Lang**") to conduct a valuation on the Japanese Properties ("**Valuation**"). The aggregate Valuation of the Japanese Properties was determined to be Japanese Yen ("**JPY**") 7,114,000,000 (equivalent to approximately S$88.00 million, based on the exchange rate of JPY1:S$0.01237) as at 15 December 2016, being the date of Valuation.

The Valuation was carried out using both cost approach and income approach (direct capitalisation method and discounted cash flow method ("**DCF**")).

The cost approach value is obtained by focusing on the real estate cost aspect. The land value is concluded based on actual sales comparables after considering balance between the obtained value and the published land price. The building value is estimated by deducting the accrued depreciation assessed appropriately from the building replacement cost. However, the indicated value by cost approach does not take into account various conditions surrounding the subject property lease(s), such as lease terms and conditions, and thus fails to fully portrait the marketability of the land and building as one whole property.

The income approach value mainly focuses on the profitability of properties. In the analysis, both the direct capitalisation method and DCF method are used to estimate the value. The valuation derived by the direct capitalisation method uses a net cash flow ("**NCF**") based on the mid- to long-term income producing capability, and is considered objective and realistic. In the DCF method, a NCF for each year is estimated by using the cash flow table which reflects changes in income and expenses in the future. Thus, the income approach value by DCF method accurately reflects the investment returns of the subject property.

Based on the above analysis and examination, Jones Lang concluded that the income approach value reflects the actual state of the market more accurately and is more convincing based on the area analysis and property-specific factors of the subject property and the relative reliability of material used in each valuation approach application and judgement regarding this process. Therefore, the income approach value has been given the most weight by confirming the verification with the income approach value by direct capitalisation method. Accordingly, the market value of each of the Japanese Properties were based on that of the income approach value by direct capitalisation method.

The details and market value of each of the Japanese Properties are set out in the valuation certificates in respect of the Valuation of each of the Japanese Properties (the "**Valuation Certificates**"). The Valuation Certificates will be set out in the Circular to be despatched to Shareholders in due course and Shareholders are advised to read the Valuation Certificates carefully in its entirety. Copies of the Valuation Certificates and the respective valuation reports in respect of the Valuation of each of the Japanese properties ("**Valuation Reports**") are made available to Shareholders for inspection as set out in paragraph 10 of this announcement.

For ease of reference, the following information on the land area, building area and market values (in JPY) have been extracted from the Valuation Certificates. The book values and Acquisition Costs shown below have been extracted from the Company's audited accounts for FY2016.

Japanese Property	**Land Area (sq. m)**	**Building Area (sq. m)**	**Market value (JPY'000)**[(1)]	**Market value (S$'000)**[(2)]	**Book value (as at 30 June 2016) (S$'000)**[(3)]	**Acquisition Cost (S$'000)**[(4)]
Green Forest Itabashi	1,221.67	4,074.62	1,610,000	19,916	21,188	15,897
Green Forest Kuramae	707.61	3,297.33	1,710,000	21,153	22,503	20,495
Hatchobori Place	579.98	2,923.99	2,030,000	25,111	26,320	16,721
New City Apartment Kuramae	322.24	1,779.91	1,050,000	12,989	13,819	12,338

New City Apartment Minowa	365.86	1,377.63	714,000	8,832	9,356	7,898
Total	**3,197.36**	**13,453.48**	**7,114,000**	**88,001**	**93,186**	**73,349**

Notes:

(1) Market value as at 15 December 2016, being the date of Valuation.
(2) Based on the exchange rate of JPY1:S$0.01237 as at 15 December 2016, being the date of Valuation.
(3) Based on the exchange rate of JPY1:S$0.01316 as at 30 June 2016. The loss of approximately S$5,185,000 in the current market value as compared to the book value as at 30 June 2016 is mainly due to exchange rate fluctuations.
(4) "**Acquisition Cost**" refers to the cost incurred by the Company in acquiring each Japanese Property, namely the purchase price of each Japanese Property (excluding applicable goods and services tax), stamp duty, legal fees and valuation fees, as apportioned by the Company where applicable.

3. RATIONALE FOR THE POTENTIAL DIVESTMENT, FUTURE PLANS AND RATIONALE FOR THE GENERAL MANDATE

3.1 Rationale for the Potential Divestment

Since the acquisition of the last two Japanese Properties in July 2015, there has been several significant developments in the Group’s operating environment in the Japanese property market including, the subdued economic climate and the softening of the rental rates in Japan.

The acquisitions of the Japanese Properties were viewed by the Company as an extension of the Group's core business of property development and property investment at that time. The Group's expansion into the property sector in Japan was taken with a view of establishing a portfolio of property-holding assets within urban and high density population areas in Tokyo, to provide the Group with a portfolio of income generating property assets. However, the return on capital on the Japanese Properties is not commensurate with the capital investment made by the Company. As a small cap real estate developer, the Board is of the view that the Company is limited by its size in seeking long-term yield return compared with a larger-sized real estate investment trust, and that the Company is constrained by the free cash available for further investment. The Board is of the view that such factors will consequently have a negative bearing on the Group's future and continued growth.

Accordingly, following review by the Management in connection with the financial performance of the Company's core business operations in the Japanese property market and the current economic climate in Japan that is expected to remain subdued into 2017, the Company has initiated an ongoing business review plan which may involve the disposal of the Japanese Properties and to concurrently explore investment opportunities into other sources of potential revenue.

The Board will look to re-channel the net sales proceeds from the Potential Divestment into other sources of potential revenue, which might entail the acquisition of properties situated in the Asia-Pacific region.

3.2 Future Plans

The Board is currently exploring investment opportunities to build up a diversified portfolio of properties which are able to generate stable recurrent income and in turn, enhance the value and growth of the Company's portfolio over the longer term.

On 1 November 2016, the Company announced ("**November Announcement**") that it entered into two (2) conditional share purchase agreements with Shandong Yinguang Wen Chuang Yuan Co., Ltd to acquire a 30% stake in Linyi Yinguang Cineplex Management Co., Ltd. ("**Linyi Cineplex**") and Zaozhuang Yinguang Cineplex Co., Ltd ("**Zaozhuang Cineplex**") for an aggregate purchase consideration of S$5 million (the "**Proposed Acquisition**"). Linyi Cineplex is in the business of property investment and development of a cineplex in the main shopping business district in Feixian county, Linyi city, Shandong province, the People's Republic of China ("**PRC**") while Zaozhuang Cineplex is in the business of property investment and property development of a property development project in the central shopping district of Shanting district, Zaozhuang city, Shangdong province, the PRC. Please refer to the November Announcement for further details. As at the date of this announcement, there are no material updates to the Proposed Acquisition. The Company will provide updates to Shareholders as and when there are any material developments in respect of the Proposed Acquisition.

Going forward, the Board will consider all options available to the Company, including identifying potential acquisition opportunities which demonstrate growth potential and profitable track record, and have prospects of generating future income or dividend yield for Shareholders. The Board will review the financial position of the Company vis-à-vis such potential acquisition opportunities and Shareholders will be informed in due course once a definitive decision has been made. Shareholders' approval will be sought if required under the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") or any other regulatory authorities.

The Board will manage the process and timing of the Potential Divestment, the Proposed Acquisition as well as any other potential acquisition opportunities in order to reduce the likelihood of the Company being deemed a cash company (that is, the Group's assets consisting wholly or substantially of cash or short-dated securities) as a result of the Potential Divestment.

Notwithstanding the aforementioned, if for any reason the Company does not acquire any property and/or assets for its property development and property investment business upon completion of the sale of all or substantially all of the Japanese Properties, the Company will cease to have any operating business and its assets would substantially be comprised of cash. Accordingly, the Company will be deemed as a cash company under Rule 1017 of the Catalist Rules.

Shareholders should, therefore, take note that in the event the Company becomes or is deemed a cash company under the Rule 1017 Catalist Rules, the shares of a cash company would normally be suspended from trading until the Company has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced.

Further, under Rule 1017(1) of the Catalist Rules, 90% of the Company's cash and short-dated securities will be placed in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore and the remaining 10% of the Company's cash and short-dated securities may be retained by the Company for its daily operating expenses. In addition, under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove the Company from the Catalist if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company.

The Company will update Shareholders accordingly if and when the Company is/will be deemed a cash company as a result of the Potential Divestment.

3.3 Rationale for the General Mandate

While the Board will manage the process and timing of the Potential Divestment, depending on when the options to be granted to or made by a buyer for the purchase of any Japanese Property ("**Options**") are actually granted and exercised in respect of each of the Japanese Properties, and when the sales are completed, the actual divestment could take place under circumstances resulting in the disposal of all or substantially all of the Company's undertaking or property, which under Section 160 of the Companies Act (Chapter 50) of Singapore requires the approval of the Shareholders in a general meeting.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds, for a disposal, 50% ("**Major Transaction**"). A Major Transaction must be made conditional upon approval by Shareholders unless the disposal is in, or in connection with, the ordinary course of an issuer's business. Notwithstanding that the disposal is in, or in connection with, the ordinary course of the Company's business of property development and property investment, paragraph 8(a) of Practice Note 10A of the Catalist Rules states that a disposal of an issuer's core business (or a substantial part of its core business) will usually result in a material change to the nature of the issuer's business and thus, Shareholders should have an opportunity to consider the future direction of the issuer, and Rule 1014 of the Catalist Rules will be applied.

Given that the Company will, going forward, consider all options available to the Company, including identifying potential acquisition opportunities in the property sector, the Board is of the view that the Potential Divestment will not change the Company's core business of property development and property investment and accordingly, will not materially change the risk profile of the Company. However, if the Company has not acquired any property and/or assets for its property development and property investment business before the completion of the sale of all or substantially all of its Japanese Properties and should the Potential Divestment result in a material change to the nature of the issuer's business, Shareholders' approval would need to be sought.

As such, in order to give the Company maximum flexibility in effecting the Potential Divestment, the directors of the Company ("**Directors**") wish to seek Shareholders' approval by way of the General Mandate. By having the General Mandate in place, the Company would be able to grant Options to buyers of the Japanese Properties without the need for any grant of Options to be made subject to Shareholders' approval, if the actual divestment takes place under circumstances resulting in Shareholders' approval being required whether under Section 160 of the Companies Act or Rule 1014 of the Catalist Rules read with paragraph 8(a) of Practice Note 10A of the Catalist Rules and in turn, this will substantially reduce the administrative time and expenses needed for completing the Potential Divestment.

Accordingly, the Company will seek Shareholders' approval by way of the General Mandate on terms to be set out in the Circular, to be despatched to Shareholders in due course.

4. THE GENERAL MANDATE

The terms of the proposed General Mandate are as follows:

4.1 Type of Buyers

Buyers must be persons who are not directors, the chief executive officer, substantial shareholders or controlling shareholders of the Company, or an associate of any of the foregoing persons. The General Mandate will not allow interested person transactions within the ambit of Chapter 9 of the Catalist Rules or transactions with substantial shareholders or their associates.

4.2 Individual, group or collective sale

The Japanese Properties may be sold individually or collectively, or in any one or more groupings, to one or more buyers as described in paragraph 4.1 above.

4.3 Sale Price and Sale Conditions

The Directors, acting in the best interests of the Company, will negotiate with each buyer on a “willing buyer-willing seller” basis to secure for the Company, in their view, the most favourable sale price for the Japanese Properties ("**Sale Price**") and conditions of the sale of the Japanese Properties to be set out in the terms of the Option ("**Sale Conditions**"), on arms-length commercial terms, taking into consideration, among others:

(1) the Valuations of the Japanese Property as set out in the Valuation Certificates from Jones Lang;

(2) the book value (or Acquisition Cost) of the Japanese Property;

(3) the prevailing property market conditions at the time of grant of the Option;

(4) terms and conditions customary in Japan for the sale and purchase of similar properties, or as advised by the Company's appointed real estate professionals; and

(5) the particular circumstances relevant to each such sale including the relative bargaining positions and commercial objectives of the respective parties, and the risk allocations which are negotiated between the parties in the Sale Conditions.

As a guide, the Directors will generally sell the Japanese Properties if the Sale Price (in JPY) of the Japanese Properties (after deducting transaction costs) is higher than the Acquisition Cost (in JPY) of the Japanese Properties. The Directors will take all reasonable steps to obtain the highest value available to the Company after taking into account all relevant considerations, in the best interest of the Company.

The Company will make announcements in respect of the Potential Divestment as and when the Options are actually granted and exercised in respect of each of the Japanese Properties, and when the sales are completed. In such announcement, the Company will, among others, set out the factors taken into account in arriving at the Sale Price, and will also describe any material conditions attaching to the transaction.

4.4 Term of the General Mandate

Unless revoked or varied by the Company in a general meeting, the authority granted under the General Mandate shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. The authority granted to the Directors in respect of any Option granted by the Company prior to the expiry of the General Mandate shall remain in force notwithstanding the expiry of the General Mandate. If the Company is not able to dispose of all or any of the Japanese Properties by the expiry of the General Mandate, the Company may seek Shareholders approval for an extension of the General Mandate at the next Annual General Meeting of the Company.

5. FINANCIAL EFFECTS AND USE OF PROCEEDS

5.1 Financial Effects

For illustrative purposes only, the financial effects of the Potential Divestment on the net tangible assets ("**NTA**") and the earnings per Share ("**EPS**") of the Group, based on the audited consolidated financial statements of the Group for FY2016 are set out below.

NTA

Assuming that the Potential Divestment (in respect of all the Japanese Properties and at the Sale Price for each Japanese Property equal to the Valuation by Jones Lang for such Japanese Property) had been completed on 30 June 2016, the effect on the NTA of the Group is as follows:

	NTA as at 30 June 2016 (S$'000)	Number of issued shares as at 30 June 2016 (excluding treasury shares) ('000)	NTA per share (cents)
Before the Potential Divestment	53,547	489,000	10.95
After the Potential Divestment	48,362	489,000	9.89

EPS

Assuming that the Potential Divestment (in respect of all the Japanese Properties and at the Sale Price for each Japanese Property equal to the Valuation by Jones Lang for such Japanese Property) had been completed on 1 July 2015, the effect on the EPS of the Group is as follows:

	Group profit / (loss) after income tax for the financial year ended 30 June 2016 (S$'000)	Number of issued shares as at 30 June 2016 (excluding treasury shares) ('000)	Earnings/ (losses) per share (cents)
Before the Potential Divestment	(12,376)[(1)]	489,000	(2.53)
After the Potential Divestment	(21,602)[(2)]	489,000	(4.42)

Notes:

(1) The Group's loss of S$12,376,000 is based on the audited consolidated financial statements of the Group for FY2016.

(2) The increase in the Group's loss of S$9,226,000 is derived by deducting revenue from the Japanese Properties of S$4,688,000, other income of S$102,000, loss on disposal of S$5,185,000 and adding back finance costs of S$554,000 and other operating expenses of S$195,000.

5.2 **Accounting gain/(loss) on disposal**

Assuming that the Potential Divestment had been completed as at 30 June 2016 at the Sale Price for each Japanese Property equal to the Valuation by Jones Lang for such Japanese Property, the deficit of the proceeds over their respective book value and the accounting gain/(loss) on disposal would be as follows:

Japanese Property	Market value (JPY'000)	Market value (S$'000)[(1)]	Book value (as at 30 June 2016) (S$'000)[(2)]	Deficit of proceeds over book value (S$'000)[(3)]	Accounting gain/(loss) on disposal (S$'000)[(3)]
Green Forest Itabashi	1,610,000	19,916	21,188	(1,272)	(1,272)
Green Forest Kuramae	1,710,000	21,153	22,503	(1,350)	(1,350)

Hatchobori Place	2,030,000	25,111	26,320	(1,209)	(1,209)
New City Apartment Kuramae	1,050,000	12,989	13,819	(830)	(830)
New City Apartment Minowa	714,000	8,832	9,356	(524)	(524)
Total	**7,114,000**	**88,00**	**93,186**	**(5,185)**	**(5,185)**

Notes:

(1) Based on the exchange rate of JPY1:S$0.01237 as at 15 December 2016, being the date of Valuation.
(2) Based on the exchange rate of JPY1:S$0.01316 as at 30 June 2016.
(3) Mainly due to exchange rate fluctuations.

5.3 **Market value over Acquisition Cost**

Assuming that the Potential Divestment had been completed as at 30 June 2016 at the Sale Price for each Japanese Property equal to the Valuation by Jones Lang for such Japanese Property, the sale proceeds from the Potential Divestment over their respective Acquisition Costs would be as follows:

Japanese Property	**Market value (JPY'000)**	**Market value (S$'000)**[1]	**Acquisition Cost (S$'000)**	**Market value over Acquisition Cost (S$'000)**
Green Forest Itabashi	1,610,000	19,916	15,897	4,019
Green Forest Kuramae	1,710,000	21,153	20,495	658
Hatchobori Place	2,030,000	25,111	16,721	8,390
New City Apartment Kuramae	1,050,000	12,989	12,338	651
New City Apartment Minowa	714,000	8,832	7,898	934
Total	**7,114,000**	**88,001**	**73,349**	**14,652**

Note:

(1) Based on the exchange rate of JPY1:S$0.01237 as at 15 December 2016, being the date of Valuation.

5.4 **Use of proceeds**

It is the present intention of the Board to use the net sale proceeds from the Potential Divestment for investment opportunities into other sources of potential revenue, which might entail the acquisition of properties and property investments situated in the Asia-Pacific region.

6. RELATIVE FIGURES UNDER RULE 1006

6.1 Assuming that Options in respect of all the Japanese Properties comprised in the Potential Divestment had been granted by the Company at the Sale Price for each Japanese Property equal to the valuation by Jones Lang for such Japanese Property, and the Potential Divestment had been completed on 30 June 2016, the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest announced consolidated financial statements of the Group for FY2016 would have been as follows:

		Potential Divestment (S$'000)
Rule 1006(a)		
a)	The net asset value of the assets to be disposed of	43,515
b)	The Group's net asset value	48,362
c)	Ratio	90.0%
Rule 1006(b)[(1)]		
a)	The net profits (or loss) attributable to the assets disposed of	(15,805)
b)	The Group's net profits (or loss)	(17,561)
c)	Ratio	(90.0%)
Rule 1006(c)[(2)]		
a)	The aggregate value of consideration received	88,001
b)	The Company's market capitalisation based on the total number of shares excluding treasury shares (if any)	42,054
c)	Ratio[(2)]	209.3%
Rule 1006(d)		
The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.		Not applicable

Notes:

(1) Net loss attributable to the Japanese Properties in the Potential Divestment comprised the Group's loss from property development and property investment of S$10,674,000, less rental income of Singapore investment property of S$54,000 and adding back loss over book value of S$5,185,000.

(2) This figure was arrived at by dividing the Sale Prices (which is assumed to be equal to the Valuation by Jones Lang for the Japanese Properties) by the market capitalisation of the Company as at 29 June 2016, being the market day preceding 30 June 2016.

6.2 As the relative figures computed under Rules 1006(a), (b) and (c) of the Catalist Rules exceed 50%, the Potential Divestment, read with paragraph 8(a) of Practice Note 10A of the Catalist Rules, is subject to Shareholders' approval at the EGM. Shareholders' approval for the Potential Divestment is also required under Section 160 of the Companies Act.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests in the Company, if any, none of the Directors, substantial shareholders or their associates have any direct or indirect interest in the General Mandate or the Potential Divestment.

8. DIRECTORS' SERVICE CONTRACTS

There are no directors proposed to be appointed to the Company in connection with the General Mandate or the Potential Divestment. Accordingly, there is no service contract to be entered into.

9. CIRCULAR

A circular to Shareholders setting out reasons for and to provide Shareholders with information pertaining to the Potential Divestment and the General Mandate, together with the notice of EGM to be convened, will be dispatched to Shareholders in due course.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Valuation Certificates and the Valuation Reports dated 26 December 2016 issued by Jones Lang are available for inspection during normal business hours at 25 Bukit Batok Crescent #08-01 The Elitist Singapore 658066 for a period of three (3) months from the date of this announcement.

11. DIRECTORS' 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 Potential Divestment and the General Mandate, 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 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.

12. CAUTION IN TRADING

Shareholders are advised to exercise caution when dealing in the shares of the Company as there is no certainty or assurance that any transaction in connection with the Potential Divestment will take place. In the meantime, Shareholders should refrain from taking any action in respect of their shares which may be prejudicial to their interests. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Wan Jinn Woei
Executive Chairman and Chief Executive Officer
30 December 2016

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*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 Catalist. 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 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 Ms Jennifer Tan, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.