

DISPOSAL OF ASSOCIATED COMPANY

1. Introduction

The Board of Directors (the “**Board**” or “**Directors**”) of Attilan Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), wishes to announce that its wholly-owned subsidiary, Vibrant Coast Management Ltd (the “**Vendor**”), had on 30 June 2015, entered into a sale and purchase agreement (the “**SPA**”) to dispose of 58,442,930 ordinary shares in the capital of ISR Capital Limited (“**ISR**”) (the “**Sale Shares**”) to First Continental Investment Ltd. (the “**Purchaser**”) (the “**Disposal**”).

2. Information on ISR and the Purchaser

ISR is an associated company of the Company and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). As at 31 December 2014, ISR had an issued and paid-up capital of S\$21,549,245 comprising 214,000,100 ordinary shares. ISR is an investment holding company and provides fund management, private equity investments, investment advisory, and business consultancy services. ISR makes direct and indirect investments in listed and unlisted companies and projects.

The Purchaser is an investment holding company incorporated in British Virgin Islands. None of the Directors or the controlling shareholders of the Company is related to the Purchaser.

3. Disposal Consideration and Material Terms of Disposal

3.1 Disposal Consideration

The consideration for the Sale Shares is approximately S\$0.0274 for each Sale Share, amounting to S\$1,600,000 in aggregate. The Purchaser is required to pay a deposit of S\$320,000 (the “**Deposit**”) by way of bank transfer upon the signing of the SPA and the balance S\$1,280,000 through the Vendor’s and the Purchaser’s respective brokers on the date of Completion (as defined below). The Deposit shall be retained by the Vendor in the event completion of the Disposal (“**Completion**”) does not take place within four months from the date of the SPA by reason other than the Vendor’s default.

The price of S\$0.0274 for each Sale Share was arrived at on a willing buyer and willing seller basis between the Vendor and the Purchaser after taking into account the volume weighted average price (“**VWAP**”) of ISR’s shares on 24 June 2015 (being the last market day where ISR’s shares were traded preceding the date of the SPA) of S\$0.024, hence representing a premium of approximately 14.17% over the VWAP. The net asset value attributable to the Sale Shares as at 31 December 2014 was S\$406,069.

3.2 Condition Precedents to Completion

The date of Completion of the Disposal shall be such date falling two months from the date of the SPA or such other date as the Vendor and the Purchaser may agree in writing, subject to *inter alia*:

- (a) the Vendor having obtained the approval of the shareholders of the Company (“**Shareholders**”), in an extraordinary general meeting for the Disposal (if required); and
- (b) the Vendor having obtained all consents and approvals (if required) of the necessary parties, including the existing chargee of the Sale Shares, government or regulatory

authorities or other third parties which are necessary in connection with the sale and transfer of the Sale Shares.

4. Gain on the Disposal and Use of Proceeds

The Board considers the Sale Shares as non-core assets, and is of the view that the Disposal enables the Company to realise returns on its investment in ISR.

The carrying value of the Sale Shares in the books of the Group is zero. Accordingly, after deducting expenses related to the Disposal, the Group expects to register a gain of S\$1.5 million on the Disposal.

The Company intends to utilise the proceeds as working capital.

5. Relative Figures under Rule 1006 of the SGX-ST Listing Manual

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the listing manual of the SGX-ST are set out below:

Rule 1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	5.45%
Rule 1006 (b)	The net loss before tax attributable to the assets disposed of, compared with the Group's net loss before tax ⁽¹⁾	3.75%
Rule 1006 (c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	9.11%
Rule 1006 (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	Not applicable
Rule 1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Note:

- (1) Based on the audited net loss before tax of S\$2,193,633 attributable to the Sale Shares for the financial year ended 31 December 2014 ("FY2014") and the Group's audited net loss before tax of S\$58,563,361 for FY2014.

Based on the above relative figures computed on the bases set out in Rule 1006, the Disposal is a discloseable transaction under Rule 1010 of the listing manual of the SGX-ST. Accordingly, Shareholders' approval is not required for the Disposal.

6. Financial Effects

For illustration purposes only, the financial effects of the Disposal are calculated based on the last audited consolidated financial statements of the Company and ISR for FY2014. Transaction costs are assumed to be at S\$100,000 for computational purposes.

6.1 Net Tangible Assets ("NTA")

Assuming that the Disposal had been effected as at 31 December 2014

As at 31 December 2014	Before Disposal	After Disposal
NTA (S\$)	(864,814)	635,186
Number of ordinary shares in the capital of the Company (" Shares ")	1,097,505,101	1,097,505,101
NTA per Share (cents)	(0.08)	0.06

6.2 Earnings per Share

Assuming that the Disposal had been effected on 1 January 2014

For FY2014	Before Disposal	After Disposal
Loss after tax and minority interests (S\$)	(57,772,284)	(56,272,284)
Number of Shares	1,097,505,101	1,097,505,101
Loss per Share (cents)	(5.26)	(5.13)

7. Completion

As set out above, Completion is subject to several condition precedents. The Company will make further announcement(s) relating to the Disposal at the appropriate juncture.

In the event that the Disposal is completed, the Group will no longer have any equity interest in ISR, and will cease to be a shareholder of ISR. ISR will also cease to be an associated company of the Company.

No director is proposed to be appointed to the Company in connection with the Disposal.

8. Interest of Directors and Controlling Shareholders

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

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
30 June 2015