

# ATTILAN GROUP LIMITED

Registration Number 199906459N  
(Incorporated in the Republic of Singapore)

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## RESPONSE TO SGX QUERIES

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 2 October 2015 and 11 January 2016 respectively. .*

In response to the SGX's queries dated 26 January 2016 for clarification on the Proposed Issue of 1% Unsecured Equity Linked Redeemable Structured Convertible Notes Due 2018 in Aggregate Principal Amount of Up To S\$50,000,000 (the "Announcement" or the "Proposed Issue") of Attilan Group Limited (the "Company") on 11 January 2016, the Board of Directors (the "Board") of the Company wishes to announce the following:

### **Query 1:**

Attilan Group Limited (the "Company") announced that "the "Fulfillment Date" in relation to the Proposed Issue ... has been extended for a further 6 months from 2 January 2016 to 2 July 2016".

It was disclosed that the "Fulfillment Date" had been "defined in the Subscription Agreement dated 2 October 2015". However, no such disclosure of the "Fulfillment Date" was made on 2 October 2015. Please clarify what is the "fulfillment date" and disclose the reason for the delay in the finalization of the loan by a further 6 months.

### **Response 1:**

Pursuant to the Subscription Agreement dated 2 October 2015 ("Subscription Agreement") entered by the Company with Advance Opportunities Fund (the "Subscriber") and Advance Capital Partners Pte. Ltd. ("ACP") (collectively referred to as the "Parties"), "Fulfilment Date" is defined as the date falling three calendar months from the date of the Subscription Agreement or such other date as the Parties may agree in writing. The proposed extension of the "Fulfilment Date" to 2 July 2016 was mainly due to the delay in finalising the terms whereby the Parties are still in the midst of re-negotiating certain terms in the Subscription Agreement by taking into account of the present market conditions and other factors.

**Query 2:**

In an announcement by the Company on 30 April 2015, released under the Company's former name (Asiasons Capital Limited), the Company announced that "The Board of Directors is of opinion that the Company will be able to operate as a going concern after taking into consideration ... the issuance of unsecured equity linked redeemable structured convertible notes, with an aggregate principal amount of up to S\$25,000,000 in three tranches."

In view of the postponement of the fulfillment date of the Proposed Issue to July 2016, please address whether and how the going concern issue of the Company will be affected and provide further disclosure if the going concern assumption for the Company is still valid.

**Response 2:**

Based on the Independent Auditor's Emphasis of Matter provided in the audited financial statements of the Company for the financial year 31 December 2014 that there are conditions that "indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern and to realize its assets and discharge its liabilities in the ordinary course of business" and pursuant to the Rule 1303(c), the Company has disclosed the Board's statement in page 44 of the Annual Report 2014 that:-

"The Board of Directors is of opinion that the Company will be able to operate as a going concern after taking into consideration the following factors:

- (i) Management has prepared a cash flow and is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due;
- (ii) The Company is negotiating with a third party to dispose of a subsidiary company to improve its liquidity; and
- (iii) The Company has entered into a non-legally binding term sheet with a third party in connection with the issuance of unsecured equity linked redeemable structured convertible notes, with an aggregate principal amount of up to S\$25,000,000 in three tranches."

Further to the above disclosure, the Company had on 2 October 2015 entered into the Subscription Agreement with the Subscriber and ACP for the proposed issue of 1% Unsecured Equity Linked Redeemable Structured Convertible Notes Due 2018 In Aggregate Principal Amount of up to S\$50,000,000 ("Notes").

As disclosed in the 2 October 2015 Announcement, the rationale for issuing the Notes was mainly to facilitate the expansions of its existing business. As disclosed in Response 1, we are still in the midst of re-negotiating certain terms in the Subscription Agreement

The Group will make further announcements to update shareholders as and when appropriate.

In our announcement “Disposal of a subsidiary, Portwell Investments Limited” dated 30 October 2015, we have disclosed that the Disposal of the subsidiary (when completed) will allow the Company to reduce a significant portion of its interest-bearing loans due and owing to its creditors by Portwell, and the total amount of such interest-bearing loans is almost equivalent to the value of the long term assets recorded in Portwell’s balance sheet. The Disposal will free up the cash flow of the Group which would have been used for servicing the interest payment and principal repayment. In addition, though the cash flow from the Disposal is insignificant, the liquidity of the Group would be improved. The Disposal was completed on 17 November 2015.

The Management is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due. The Management is also in the process of reviewing potential areas where the Company can improve its cost structure without compromising its efficiency and effectiveness. The Management believe the deferment of the fulfillment date of the Proposed Issue to July 2016 will not materially affect the going concern assumption for the Group and remains valid.

#### **BY ORDER OF THE BOARD**

Datuk Jared Lim Chih Li  
Managing Director  
29 January 2016