

ATTILAN GROUP LIMITED
(Incorporated in Singapore)
(Company Registration Number: 199906459N)

REPLY TO SGX QUERY

The Board of Directors ("**Board**") of Attilan Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement dated 17 January 2017 on the receipt of letter of demand (the "**Announcement**").

Unless otherwise specified, all capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Announcement.

In response to queries on the Announcement raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email dated 18 January 2017, the Company would like to provide the following disclosures:-

SGX's Query: It was disclosed in the Announcement that the Company has received a letter of demand from a creditor to claim for approximately US\$6,040,770 pursuant to a corporate guarantee provided by the Company in January 2014 in connection to its former investment in Dragonrider Opportunity Fund II L.P. ("**Corporate Guarantee**"). In this regard, please disclose:

SGX's Query (a): The identity of the creditor, the details of the transaction for which the debt was first owed to the creditor;

The Company's responses to Query (a) are as follows:

The creditor is Phillip Asia Pacific Opportunity Fund Ltd ("**Creditor**"), a company incorporated in Singapore. As mentioned in the Announcement, the debt relates to sums owing to the Creditor by Turf Group Holdings Limited ("**Turf Group**"), which was an entity wholly owned by a fund known as Dragonrider Opportunity Fund II L.P. ("**DOFIL**"). DOFIL was managed by Asiasons Management II Inc. ("**AM**"), which was a former subsidiary of the Company, and has been disposed in May 2014. In 2014, Turf Group entered into an agreement with Creditor in relation to subscription of redeemable secured notes of up to a sum of US\$5,000,000 ("**Subscription**"). In connection with the Subscription, the Company had provided a corporate guarantee to the Creditor in January 2014.

SGX's Query (b): How the amount of US\$6,040,770 is derived, when is the repayment date for the debt and the reason why the creditor is issuing the letter of demand to the Company and not to the purchaser of (Tremendous Asset Partners Ltd. ("**TAPL**"));

The Company's responses to Query (b) are as follows:

The amount of US\$6,040,770 consists of the principal amount of US\$5,000,000 pursuant to the Subscription and interest of US\$1,040,770. The repayment date for this sum is on 30 December 2016. The Creditor has issued letters of demand to Turf Group and other parties who have provided securities under the Subscription. AM was disposed by the Company after the completion of the Subscription, in May 2014. Following the sale of AM, the Company had agreed to continue to act as guarantor in relation to the Subscription and in return, TAPL provided the counter indemnity to the Company. Therefore, the Creditor did not issue the letter of demand to TAPL.

SGX's Query (c): Terms of the counter indemnity given by TAPL to the Company;

The Company's responses to Query (c) are as follows:

The counter indemnity was given by Tremendous Asia Management Inc. ("**TAMI**"), which is a wholly-owned subsidiary of TAPL. Under the terms of the counter indemnity, in consideration of the Company continuing to be the guarantor under the Corporate Guarantee, TAMI irrevocably and

unconditionally undertakes to indemnify the Company against all or any losses and/or damages that the Company may incur or suffer as a result of being a guarantor for the Corporate Guarantee.

SGX's Query (d): The financial position of TAPL and whether it is in a position to fulfill its obligations to the Company on its counter indemnity;

The Company's responses to Query (d) are as follows:

As set out in the Company's responses to query (c) above, the counter indemnity was given by TAMI. To the best of the Board's knowledge, TAMI has sufficient assets that would be able to fulfill its obligations. In addition, besides the Corporate Guarantee, there were tangible securities provided to the Creditor as securities in relation to the Subscription.

SGX's Query (e): Whether the Company has sought financial security for the counter indemnity given by the purchaser to cover the Company from any liability in this situation;

The Company's responses to Query (e) are as follows:

The Company has not sought financial security for the counter indemnity given by the purchaser to cover the Company from any liability in this situation because the Company has been informed by TAPL that they are in negotiation with the Creditor to reach a settlement. In addition, besides the Corporate Guarantee, there were tangible securities provided to the Creditor as securities in relation to the Subscription.

SGX's Query (f): The steps the Company will be taking to pursue the counter indemnity and with respect to the letter of demand;

The Company's responses to Query (f) are as follows:

The Company has been informed by TAPL that they are in negotiation with the Creditor to reach a settlement. Nevertheless, the Company intends to pursue its rights against TAPL under the relevant counter indemnity.

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
19 January 2017