
PROPOSED ACQUISITION OF 95.95% OF THE ISSUED SHARE CAPITAL OF BARITO PTE. LTD.

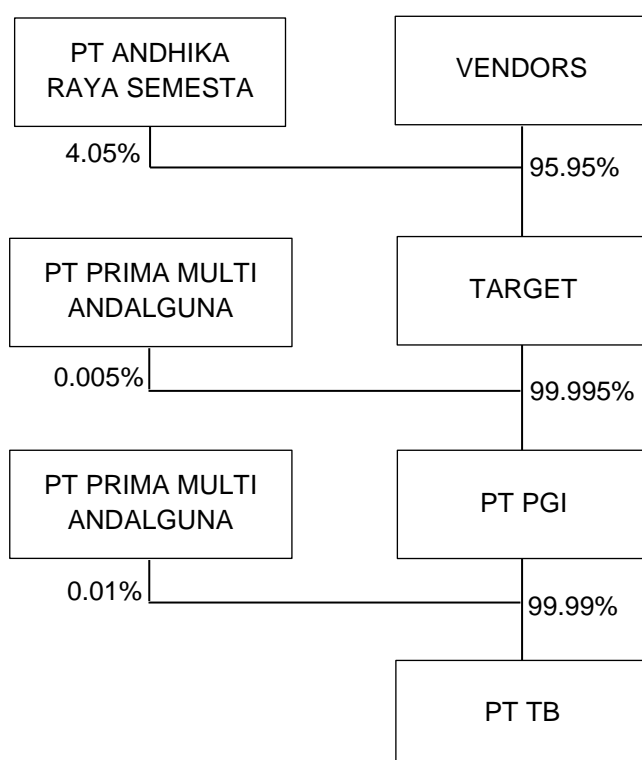
1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of P99 Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 27 May 2015, 24 July 2015 and 26 August 2015 in relation to the non-binding term sheet (the “**Term Sheet**”) with David Pang acting for and on behalf of the vendors (as listed in paragraph 2.4 below) (the “**Vendors**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire issued and paid-up share capital of Barito Pte. Ltd. (the “**Target**”, and together with its subsidiaries, the “**Target Group**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”).
- 1.2 Further to the Term Sheet, the Board wishes to announce that the Company has on 31 August 2015 entered into a conditional sale and purchase agreement (the “**SPA**”) with the Vendors in relation to the Proposed Acquisition, pursuant to which the Company has agreed to purchase of 95.95% the issued and paid-up share capital of the Target (the “**Sale Shares**”) from the Vendors for a purchase consideration of US\$163,115,000 (equivalent to S\$228,654,607 based on the agreed exchange rate of US\$1 : S\$1.4018 as at 28 August 2015 (“**Agreed Exchange Rate**”)) (the “**Purchase Consideration**”). The Purchase Consideration shall be fully satisfied by way of the allotment and issuance of an aggregate of 970,520,403 new Consolidated Shares (as defined in paragraph 3.6) in the issued and paid-up share capital of the Company (the “**Consideration Shares**”) at the issue price of S\$0.2356 (on a post share consolidation basis) (the “**Issue Price**”) for each Consideration Share to the Vendors, subject to any adjustments to the Purchase Consideration based on the terms and conditions of the SPA.
- 1.3 The Proposed Acquisition, if it proceeds to completion, is expected to result in a Reverse Takeover of the Company as defined in Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and is subject to, amongst other things, the approval of the SGX-ST and the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (the “**EGM**”) to be convened. Further information on, *inter alia*, the Proposed Acquisition will be provided in the circular (the “**Circular**”) to be despatched to Shareholders in due course.

2. INFORMATION ON THE TARGET GROUP AND VENDORS

The Target

- 2.1 The Target is an investment holding company incorporated in Singapore on 4 December 2014. As at the date of this announcement, the Target has an issued and paid-up share capital of S\$20,250 comprising 20,250 shares. The Target holds the legal and beneficial ownership of a 99.995% equity interest in PT Pratama Guna Inti (“**PT PGI**”), an investment holding company incorporated in Indonesia. In turn, PT PGI holds the legal and beneficial ownership of a 99.99% equity interest in PT Talenta Bumi (“**PT TB**”), a private company incorporated in Indonesia. The Target, PT PGI and PT TB shall be collectively referred to as the “**Target Group**”. The organisational structure of the Target Group is as follows:



2.2 The key details of the Target Group are as follows:

No.	Name of Company (with registration number)	Date and Place of Incorporation	Issued and Paid-Up Capital	Proportion Owned by Vendors / Target / Relevant Subsidiary	Principal Activity
1.	Barito Pte. Ltd. (Company Registration No. 201436104H)	4 December 2014, Singapore	S\$20,250 comprising 20,250 issued shares	95.95% held by the Vendors	Investment Holding Company
2.	PT Pratama Guna Inti (Company Registration No. (09054.2015)	3 December 2014, Indonesia	IDR202,500,000,000 comprising 20,250 issued shares	99.995% held by the Target	Investment Holding Company
3.	PT Talenta Bumi (Company Registration No. 09031464884)	21 October 2004, Indonesia	IDR200,000,000,000 comprising 400,000,000 issued shares	99.99% held by PT Pratama Guna Inti	Owns and operates a coal hauling road and a coal load-out port in Kalimantan, Indonesia

The Target Group

- 2.3 The Target Group owns (i) the 46-kilometre (“**km**”) dedicated commodities hauling road (“**Hauling Road**”) in Kalimantan, Indonesia which commences 71 km north of Banjarmasin, Indonesia; and (ii) the Target Group’s licenced public port where the Hauling Road ends (collectively, the “**Target Group Assets**”). The Target Group Assets cater to the infrastructural and logistics needs of several operational coal mines located north of Banjarmasin in South Kalimantan, Indonesia.

Vendors

- 2.4 As at the date of this announcement, the Vendors stated below are the legal and beneficial owners of the 95.95% equity interest in the issued and paid-up share capital of the Target, and their respective shareholdings in the Target are set out as follows:

No.	Name	No. of shares of the Target	Proportion of shareholding in the Target (%)
1.	HOCH Ventures Pte. Ltd.	9,921	48.99%
2.	Power Ridge Holdings Limited	5,579	27.55%
3.	Pearl Bridge Holdings Limited	1,043	5.15%
4.	Stream Field Holdings Limited	936	4.62%
5.	Quest Field Investments Limited	802	3.96%
6.	Ceri Wibisono	230	1.14%
7.	Hendy Narindra	171	0.84%
8.	PT Trans Coalindo	574	2.84%
9.	Cove Knight Limited	174	0.86%
	Total	19,430	95.95%

- 2.5 As at the date of this announcement, the sole director of the Target is Dr. Ho Choon Hou.
- 2.6 North Star Investments Holdings Limited (“**North Star**”) holds a 59% equity interest in HOCH Ventures Pte. Ltd. (“**HOCH Ventures**”). Dr. Ho Choon Hou is the sole director and shareholder of North Star. Accordingly, Dr Ho Choon Hou is deemed to be interested in the Sale Shares held by HOCH Ventures pursuant to Section 7 of the Companies Act.
- 2.7 PT Andhika Raya Semesta, an unrelated third party to the Company, its Directors and/or controlling shareholders, holds the remaining 820 shares of the Target, representing 4.05% equity interest of the issued and paid-up share capital of the Target. Further details about PT Andhika Raya Semesta and PT Prima Multi Andalguna will be provided in the Circular.
- 2.8 Each of the Vendors is holding the shares of the Target for their own benefit and not in trust or benefits for any other party. Further details and background information of the Target Group, the Vendors and their directors will be included in the Circular.

- 2.9 The Vendors and David Pang were introduced to the Company by Mr. Tan Kim Seng (the “**Arranger**”), who is a substantial Shareholder of the Company holding 17,200,000 ordinary shares representing 7.95% of the issued and paid-up share capital of the Company (“**Shares**”). In consideration of his introduction to the Vendors and David Pang, the Company will be paying to the Arranger an arranger fee (“**Arranger Fee**”) which shall be satisfied by (i) cash payment equivalent to 0.5% of the Appraised Value (as defined in paragraph 3.2 below); and (ii) the allotment and issuance of such number of new Consolidated Shares in the capital of the Company that is equivalent to 4.5% of the Appraised Value, credited as fully-paid, as share-based payment of the Arranger Fee (the “**Arranger Fee Shares**”). Based on the Purchase Consideration of US\$163,115,000, the Arranger Fee will be satisfied by (i) cash payment of US\$815,575 (equivalent to S\$1,143,273 based on the Agreed Exchange Rate); and (ii) the allotment and issuance of 43,673,418 Arranger Fee Shares.
- 2.10 Save as disclosed, none of the Vendors is related to any of the Company’s Directors, controlling Shareholders, chief executive officer or their respective associates. As at the date of this announcement, none of the Vendors holds Shares in the Company.

3. **KEY TERMS OF THE PROPOSED ACQUISITION**

Purchase Consideration

- 3.1 The Purchase Consideration was determined between the Parties at arm’s length, on a willing-buyer willing-seller basis, based on the estimated Appraised Value of the Target Group, taking into account, *inter alia*, the net tangible assets, earnings and business prospects of the Target Group.

The Purchase Consideration shall be fully satisfied by the Consideration Shares being allotted and issued to the Vendors and/or their designated holders. The Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares of the Company. For the avoidance of doubt, the Proposed Share Consolidation (as defined in paragraph 3.6) shall take place before the allotment and issuance of the Consideration Shares to the Vendors.

- 3.2 The Purchase Consideration payable for the Proposed Acquisition shall be US\$163,115,000 which will be subject to adjustments, based on 95.95% of the value of the Group Assets as appraised by an independent valuation firm (the “**Appraised Value**”) (“**Independent Valuation**”) to be appointed by the Company as soon as practicable after the signing of the SPA. As at the date of this announcement, the estimated appraised value of the Target Group is expected to be US\$170,000,000.
- 3.3 Following the Independent Valuation, if the Appraised Value is between US\$146,803,500 and US\$179,426,500, there will be no adjustment to number of the Consideration Shares to be allotted and issued to the Vendors as Purchase Consideration.
- 3.4 Following the Independent Valuation, if the Appraised Value is less than US\$146,803,500, the Purchase Consideration shall be reduced by such amount equal to the deficit of the Appraised Value below US\$163,115,000 expressed as a percentage and the number of Consideration Shares to be allotted and issued to each of the Vendors in satisfaction of the Purchase Consideration shall be reduced on a pro-rated basis.

- 3.5 Following the Independent Valuation, if the Appraised Value exceeds US\$179,426,500, the Purchase Consideration shall be increased by such amount equal to the excess of the Appraised Value over US\$163,115,000 expressed as a percentage and the number of Consideration Shares to be allotted and issued to each of the Vendors in satisfaction of the Purchase Consideration shall be increased on a pro-rated basis.

The Proposed Share Consolidation

- 3.6 It is envisaged that the Company will, on or prior to Completion (as defined in paragraph 3.7 below), undertake a share consolidation exercise to ensure that the Issue Price complies with Rule 1015(3)(c) of the Catalist Rules, which provides that where the consideration for the acquisition of assets by the issuer is to be satisfied by allotment and issuance of shares, the price per share of the issuer after adjusting for any share consolidation must not be lower than S\$0.20. Accordingly, the Company will undertake a proposed share consolidation exercise of every two (2) existing ordinary Shares of the Company into one (1) consolidated ordinary share ("**Consolidated Share**") of the Company ("**Proposed Share Consolidation**"), subject to approval of the Shareholders at the EGM to be convened. The 970,520,403 Consideration Shares shall be allotted and issued on a post-Share Consolidation basis.

Conditions Precedent

- 3.7 The completion of the Proposed Acquisition (the "**Completion**") under the SPA shall be conditional upon the fulfilment by the Parties on or prior to the Completion Date (as defined in paragraph 3.8 below) of, certain conditions (the "**Conditions Precedent**"), including the following:

(a) Satisfactory Due Diligence

- (i) The results of such legal, technical and financial due diligence investigations on the Vendors and the Target Group conducted by the Company and its advisers reveal no breach of any of the fundamental warranties, as stipulated in the SPA, which the Vendors and the Target Group have failed to remedy within the time stipulated in the SPA or such event is incapable of remedy by the Vendors and the Target Group, and which results or is likely to result in a material adverse effect on the condition (financial or otherwise), business, assets, or results of the Target Group.
- (ii) The issue of legal opinions from the Indonesian legal counsels of the Company and the Vendors respectively, satisfactory to the Company and its financial adviser and sponsor, amongst other conditions, that (a) the Target Group satisfies and is in compliance with all relevant legal and regulatory requirements; (b) the current licensing framework allows the Target Group to operate its existing logistics business which will include the operations of the Haul Road and port for public use; (c) there is no material, real or immediate risk of the revocation or non-renewal of the Target Group's Licences (as defined in paragraph 3.7(c)) due to non-compliance with certain regulatory requirements in relation to some of the Target's shares transfers and issuances since its incorporation; and (d) no other matters which affect or will reasonably be expected to affect PT TB's ability to operate as a going concern.
- (iii) The Company's financial adviser and sponsor being satisfied with (i) the results of the legal, technical and financial due diligence on the Target Group and the results of checks and investigations on the controlling shareholders and their associates, and executive directors with an interest in five percent (5%) or more of the issued

share capital of the Company after Completion; and (ii) any material issues highlighted during the course of the due diligence having been satisfactorily resolved.

- (iv) The results of such legal and financial due diligence investigations on the Group conducted by the Vendors and their advisers reveal no cause to give rise to an event where, among others, the SGX-ST requires the Company to delist, or the SGX-ST proceeds to remove the Company from the Official List of the SGX-ST, pursuant to Rule 1017(2) of the Catalist Rules.

(b) Required Consents

- (i) All required consents shall have been obtained on terms reasonably acceptable to the Company, and be in full force and effect, and the Company shall have been furnished with evidence reasonably satisfactory to it of the granting of such required consents, including but not limited to the Whitewash Waiver (as defined in paragraph 3.16).
- (ii) All required consents shall have been obtained on terms reasonably satisfactory to the Vendors, and be in full force and effect, and the Vendors shall have been furnished with evidence reasonably satisfactory to it of the granting of such required consents, including but not limited to the receipt and non-withdrawal of the approval of the SGX-ST for the Proposed Acquisition including, *inter alia*, the listing and quotation of the Consideration Shares on the Catalist Board of the SGX-ST.

(c) Compliance with Licences

Such licences, permits, approvals, registrations, permissions, authorisations, or consents required for the operations, businesses, the Target Group's assets and properties in Singapore, Indonesia and other foreign jurisdictions in which the Target Group has operations and businesses ("**Licences**") as are necessary for the Target Group's operations having been obtained and remaining valid and subsisting, and each of the Target Group Company is not in breach of the material terms and conditions of such Licence(s) which may reasonably be expected to result in such Licence(s) being revoked or not renewed.

(d) The Target Group's Assets and Properties

Save for the permitted encumbrances as provided in the SPA, all the Target Group's assets, properties, fixed assets, plant, machinery, equipment and employees that are necessary for the business and operations of the Target Group and currently owned or to be acquired by the Vendors, being transferred at no extra cost and free of encumbrances to the Target Group.

(e) Completion of Restructuring

The completion of the restructuring of the Target Group, namely: (i) the Target being registered and recognised under the laws of Indonesia as the 99.995% shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT PGI, and (ii) PT PGI being registered and recognised under the laws of Indonesia as the 99.99% shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT TB.

(f) Approvals by the Company's Shareholders

All other necessary approvals for the contemplated transactions under the SPA having been obtained, including approval of the required majority of the Company's Shareholders at the EGM in respect of, *inter alia*,:

- (i) the Proposed Acquisition;
- (ii) the Proposed Whitewash Resolution (as defined in paragraph 3.17);
- (iii) the Proposed Share Consolidation;
- (iv) the resignation of the existing directors of the Company and the appointment of proposed new directors by the Vendors in their place;
- (v) the allotment and issuance of the Consideration Shares to the Vendors and/or the Vendors' designated holders in satisfaction of the Purchase Consideration;
- (vi) the allotment and issuance of such number of Arranger Fee Shares to the Arranger;
- (vii) the allotment and issuance of the Compliance Placement Shares (as defined in paragraph 3.12);
- (viii) the adoption of general mandate for ongoing interested persons transaction, if any;
- (ix) the adoption of a general mandate for the directors of the Company to allot and issue new Shares;
- (x) the change in the core business of the Company; and
- (xi) the change of name of the Company.

(g) Voting Undertakings

The Company shall procure and deliver written undertakings by way of deed in the form agreed in the SPA, from some of the Company's substantial Shareholders (as elaborated in paragraph 9.1), to vote in favour of the contemplated transactions including the resolutions set out in paragraph 3.7(f), and not to dispose of their shareholdings in the Company until the conclusion of the EGM, provided that the Arranger shall not be required to vote in respect of the allotment and issuance of the Arranger Fee Shares.

(h) The Company remaining listed on SGX-ST

The Company shall remain listed on the Catalist of the SGX-ST from the date of the SPA until Completion and for this purpose shall, if necessary, obtain the receipt and non-withdrawal of the approval of the SGX-ST for an extension to the 12-month period (commencing on the date the Company became a cash company) to meet the requirements for a new listing in accordance with Rule 1017(2) of the Catalist Rules. The trading of the Company's Shares on the SGX-ST shall not be suspended for longer than three (3) business days (which shall not include any trading halts of Shares on the SGX-ST made at the request of the Company).

(i) Share Consolidation

The Company having completed the Proposed Share Consolidation following, amongst other things, the approval from its Shareholders at the EGM.

(j) Cash Balance of the Company

The Company shall have a net cash position of not less than S\$10,350,000 at Completion Date (as defined in paragraph 3.8) if the Completion Date is not later than 30 November 2015; or if Completion does not take place by 30 November 2015 and the Parties mutually agree in writing to extend the Completion Date, the Company's net cash position is not less than S\$9,300,000 at the Longstop Date (as defined in paragraph 3.8 below).

Completion Date

- 3.8 The completion date for the Proposed Acquisition is 30 November 2015 or such other date as mutually agreed in writing by the Parties ("**Completion Date**"), but shall in any case not be later than 31 May 2016 (the "**Longstop Date**").

Costs and Expenses

- 3.9 Where Completion takes place, the Company shall bear all costs and expenses in relation to the Proposed Acquisition.
- 3.10 Where Completion does not take place and the SPA is terminated or rescinded by reason of any of the Conditions Precedent not being fulfilled or waived, or there is a breach of Completion obligations or warranties, the Party in default shall bear all costs and expenses incurred by the other Party in relation to the Proposed Acquisition up to the date that the SPA is terminated or rescinded.
- 3.11 Where Completion does not take place and the SPA is terminated by reason of any of the Conditions Precedent not being fulfilled or waived, but through no default of either Party, the Company and the Vendors shall either share the costs and expenses until the date of termination of the SPA in equal shares or bear their own costs in relation to the Proposed Acquisition.

Proposed Compliance Placement

- 3.12 On Completion, following the allotment and issuance of (i) the Consideration Shares to the Vendors and/or their designated holders of such Shares; and (ii) the Arranger Fee Shares, it is expected that the Vendors will collectively hold 970,520,403 Consideration Shares, representing approximately 86.47% of the enlarged issued share capital of the Company ("**Enlarged Share Capital**"). In such event, the percentage of the Shares of the Company that are held in public hands is expected to fall below the minimum distribution and shareholding spread requirements of 15% under the Catalist Rules. Accordingly, the Company shall allot and issue new Consolidated Shares of the Company to public investors (the "**Compliance Placement Shares**") to enable the Company to comply with the shareholding spread and distribution requirements set out in Rule 406 of the Catalist Rules (the "**Compliance Shares Placement**") and the issue price of each Compliance Placement Share shall not be less than S\$0.20.
- 3.13 Subject to paragraph 3.12, the terms of the Compliance Shares Placement including the issue price and number of Shares may be determined and mutually agreed between the Company and the placement agents, namely Haitong International Securities (Singapore) Pte Ltd and UOB Kay Hian Pte Ltd ("**Joint Placement Agents**") are expected to be appointed after the signing of the SPA, and will be subject to the placement agreement(s) to be entered into by the Company and the public investors.

Moratorium

- 3.14 The Vendors shall provide a written undertaking and, if necessary, shall procure their respective designated holders to undertake in writing, upon the allotment and issuance of the Consideration Shares, not to sell, realise, transfer or otherwise dispose of and to maintain its equity interest in the Company upon Completion (i) for one (1) year, or (ii) for such period until PT TB successfully renews its Initial Mining Business Permit and Extension of Mining Business Permit ("**IUPOP**") upon the expiry of the current licence on 22 April 2018 or the Target Group obtaining the licence, *Izin Usaha Operasi Produksi Khusus Pengangkutan dan Penjualan* ("**IUP-OPK**"), for the purpose of transporting and selling mine commodities pursuant to Article

23 of the Ministry of Energy and Mineral Resources Regulation No. 32 of 2013, whichever is longer, unless the Company's sponsor and financial adviser agrees to a shorter period, and (iii) in accordance with Rules 422 and 1015(3)(b) of the Catalist Rules, as well as such other conditions as may be imposed by the SGX-ST (the "**Moratorium**"). Each of the Vendors shall undertake and shall procure its designated holders to undertake that it shall abide by the Moratorium and such other conditions as may be imposed by the SGX-ST and/or the sponsor and financial adviser.

Whitewash Waiver

- 3.15 Upon the allotment and issuance of the Consideration Shares and Arranger Fee Shares pursuant to the Proposed Acquisition, the Vendors will hold 970,520,403 shares in the Company, representing approximately 86.47% of the Enlarged Share Capital.
- 3.16 Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Vendors and their respective concert parties will be required to make a mandatory general offer for all the remaining issued Shares in the Company not already owned, controlled or agreed to be acquired by them except where the Securities Industry Council of Singapore (the "**SIC**") grants them a waiver of their obligation to make a mandatory general offer under Rule 14 of the Code (the "**Whitewash Waiver**").
- 3.17 Accordingly, the Conditions Precedent of the Proposed Acquisition include (i) the receipt and non-withdrawal of the approval of the SIC for the Whitewash Waiver, subject to the conditions as set out in such approval; and (ii) the approval at the EGM by Shareholders who are independent of the Vendors of the proposed resolution to waive their rights to receive a mandatory general offer for the Company from the Vendors and their respective concert parties under Rule 14 of the Code and the Whitewash Waiver (the "**Proposed Whitewash Resolution**").

Undertakings, Representations and Warranties

- 3.18 The Proposed Acquisition is subject to such further undertakings, representations and warranties from the Company and each of the Vendors as are customary for transactions of similar nature and as provided in the SPA.

4. RATIONALE FOR THE PROPOSED ACQUISITION

- 4.1 Following the announcement dated 1 December 2014 in relation to the Consent Final Award (as defined therein) issued on 27 November 2014, the Company became a cash company under Rule 1017 of the Catalist Rules with effect from 1 December 2014. Under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove an issuer 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, which, in the case of the Company, will fall on 30 November 2015 ("**Cash Company Delisting Date**").
- 4.2 In the event that the Proposed Acquisition is still not completed on or prior to the Completion Date, the Company will be applying to the SGX-ST for an extension to the Cash Company Delisting Date, and will make the appropriate announcements on the status of such application in due course.

- 4.3 Subject to satisfactory due diligence by the Company, the Board believes that the Target Group is able to satisfy the SGX-ST's requirements for a new listing and the Company should undertake the Proposed Acquisition for the following reasons:-

(a) Potentially profitable business

The Board intends to revitalise the Company by participating in and venturing into the infrastructure and logistics sector, which it believes has the potential to complement the growth of the coal mining industry in Indonesia. The Company could potentially enjoy contributions from the income stream generated by of the hauling road and port business of the Target Group.

(b) Opportunity to rejuvenate its business and enhance shareholder value

The Board is of the view that the Proposed Acquisition presents the Company with an opportunity to acquire a viable business with a profitable track record, which will enable the Company to enhance shareholder's value and generate renewed investor interest in the Shares of the Company.

5. THE PROPOSED ACQUISITION AS A VERY SUBSTANTIAL ACQUISITION OR REVERSE TAKEOVER

- 5.1 For the purposes of Chapter 10 of the Catalist Rules, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules are as follows:

Rule	Basis of Calculation	Relative Figure
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits ⁽¹⁾	Not meaningful ⁽²⁾
Rule 1006(c)	Aggregate value of Purchase Consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	1509.41% ⁽³⁾
Rule 1006(d)	Number of equity securities issued by the Company as the Purchase Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	896.93% ⁽⁴⁾
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Not meaningful as the Company was in a net loss position for the half year ended 30 June 2015.
- (3) The market capitalisation of the Company, determined by multiplying the 216,408,402 Shares in issue as at the date of this announcement by the weighted average price of the Company's Shares of S\$0.07 based on trades done on the SGX-ST on 26 August 2015, being the last traded day preceding the date of the SPA as there

were no trading on the market day preceding the date of the SPA.

- (4) Based on 108,204,201 Consolidated Shares in issue after the Proposed Share Consolidation but prior to Completion.

- 5.2 The Board notes that the relative figures under Rules 1006(c) and (d) of the Catalist Rules exceed 100% and in view that the Consideration Shares to be allotted and issued to the Vendors will represent approximately 86.47% of the Enlarged Share Capital upon Completion, the Proposed Acquisition will also result in a change of control of the Company. Pursuant to Rule 1015(1) of the Catalist Rules, the Proposed Acquisition constitutes a "Reverse Takeover". Accordingly, the Proposed Acquisition is subject to, *inter alia*, the approval of the Shareholders at the EGM and the issue of the listing and quotation notice by the SGX-ST.

6. FINANCIAL INFORMATION OF THE TARGET GROUP

- 6.1 As the Target Company and PT PGI are incorporated on 4 December 2014 and 3 December 2013 respectively with no other business interest save for their respective interest in PT TB, the latest two (2) years historical financial information of the Target Group, assuming that PT TB was part of the Target Group since the beginning of 1 January 2013, will comprise solely of PT TB. Accordingly for illustrative purposes only, based on the audited financial statements of PT TB for the financial year ended 31 December 2013 ("FY2013") and 31 December 2014 ("FY2014") audited by PricewaterhouseCoopers LLP which were prepared in accordance with International Financial Reporting Standards (IFRS), a summary of the financial statements of the Target Group for FY2013 and FY2014 is set out below:

Income Statement

S\$'000	Audited FY2013 ^{(1) (5)}	Audited FY2014 ^{(2) (5)}
Revenue	9,208	19,471
Gross profit	4,296	8,226
Profit before tax	710	1,754
Income tax expense	397	524
Net profit after tax	313	1,230

Balance Sheet

S\$'000	Audited as at 31 December 2013 ^{(3) (5)}	Audited as at 31 December 2014 ^{(4) (5)}
Current assets	3,485	4,413
Non-current assets	74,810	69,073
Total assets	78,295	73,486
Current liabilities	9,892	5,185
Non-current liabilities	40,091	38,529
Total liabilities	49,983	43,714
Shareholders' equity	28,312	29,772

Notes:

1. Based on the exchange rate used for FY2013 Income Statement of IDR 1 = S\$ 0.000120659
2. Based on the exchange rate used for FY2014 Income Statement of IDR 1 = S\$ 0.000106957
3. Based on the exchange rate used for FY2013 Balance Sheet of IDR 1 = S\$0.0001049
4. Based on the exchange rate used for FY2014 Balance Sheet of IDR1 = S\$0.0001058

5. Assumed that the Target Group comprises solely of PT TB.

6.2 Based on the foregoing, the book value and the net tangible asset value of the Target Group as at 31 December 2014 was approximately S\$29,772,000 and S\$29,772,000 respectively.

7. **PRO FORMA FINANCIAL INFORMATION OF THE GROUP AND THE TARGET GROUP (THE “ENLARGED GROUP”)**

The unaudited pro forma financial information of the Enlarged Group is for illustrative purposes only and has been prepared based on the audited FY2014 financial statements of the Group and unaudited FY2014 financial statements of the Target Group.

Income Statement

S\$'000	Pro forma FY2014
Revenue	19,471
Other income	553
Gross profit	8,226
(Loss) before tax	(7,914)
Income tax expense	524
Net (Loss) after tax	(8,438)

Balance Sheet

S\$'000	Pro forma as at 31 December 2014
Current assets	16,362
Non-current assets	69,084
Total assets	85,446
Current liabilities	28,567
Non-current liabilities	38,529
Total liabilities	67,096
Equity attributable to owners of the company	17,998
Non-controlling interests	352

8. **PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

8.1 The pro forma financial effects of the Proposed Acquisition of the Group are set out below. The pro forma financial effects have been prepared based on the audited accounts of the Group and the unaudited accounts of the Target Group for FY2014. These 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 Group immediately following the Completion of the Proposed Acquisition.

8.2 For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) The financial effects of the Proposed Acquisition on the Group's earnings/(loss) per Share (“EPS”) are computed assuming that the Proposed Acquisition was completed on

1 January 2014;

- (b) The financial effects of the Proposed Acquisition on the consolidated net tangible assets (“NTA”) of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2014;
- (c) An aggregate of 970,520,403 Consideration Shares were allotted and issued at the Issue Price of S\$0.2356 per Consideration Share after taking into account the Proposed Share Consolidation;
- (d) Costs and expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects;
- (e) The fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on the Completion Date when the Vendors have effectively obtained control of the Company. As the goodwill will have to be determined at Completion of the Proposed Acquisition, the goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company;
- (f) There is no adjustment to the Purchase Consideration of US\$163,115,000 (equivalent to S\$228,654,607 based on the Agreed Exchange Rate);
- (g) The analysis does not take into account the financial effects of the Compliance Shares Placement;
- (h) That 43,673,418 Arranger Fee Shares were allotted and issued to the Arranger on or just immediately prior to Completion and the cash payment of S\$1,143,273 assumed unpaid and recognised under liabilities ; and
- (i) The number of Shares stated in this section has taken into account the Proposed Share Consolidation exercise.

8.3 Share Capital

	Number of Shares	Issued and paid-up share capital (S\$'000)
Before the Proposed Acquisition as at 31 December 2014	216,408,402	48,540
After Proposed Share Consolidation	108,204,201	-
Consideration Shares	970,520,403	228,655
Arranger Fee Shares	43,673,418	10,290
After Completion of Proposed Acquisition	1,122,398,022	287,485

8.4 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated net profit/(loss) attributable to Shareholders (S\$'000)	1,765	(8,438)
Weighted average number of issued Shares outstanding as at 31 December 2014 ⁽¹⁾	108,204,201	1,122,398,022
Consolidated earnings/(loss) per Consolidated Share (Singapore cents)	1.63	(0.75)

Note:

1. Assuming after the completion of the Proposed Share Consolidation.

8.5 NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Enlarged Group (S\$'000)	10,858	18,350
Number of issued Shares ⁽¹⁾	108,204,201	1,122,398,022
Consolidated NTA per Consolidated Share (Singapore cents)	10.03	1.63

Note:

1. Assuming after the completion of the Proposed Share Consolidation.

8.6 Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Net Debt (S\$'000)	N.M	54,389
Total Capital (S\$'000)	10,858	18,350
Gearing	N.M	2.96

9. SHAREHOLDERS' UNDERTAKINGS

- 9.1 The Company has procured written undertakings from three (3) of its substantial Shareholders ("**Voting Undertaking**"), namely Mr. Cheong Choong Kong, Mr. Tan Chong Huat and Mr. Lim Tze Jong (the "**Undertaking Shareholders**" and each, an "**Undertaking Shareholder**") who hold an aggregate of approximately 28.06% of the issued share capital of the Company as at the date hereof, which provides that, amongst other things, each Undertaking Shareholder shall vote and/or procure the exercise of the voting rights of, all of the Shares or securities in the capital of the Company which such Undertaking Shareholder may hold or control on or after the

date of the respective Voting Undertaking to approve the Proposed Acquisition, and any other matter necessary or proposed to implement the Proposed Acquisition at the EGM held to approve the Proposed Acquisition (or any adjournment thereof).

- 9.2 Mr. Tan Kim Seng, the Arranger and a substantial Shareholder of the Company, shall undertake to abstain from voting at the EGM on resolutions in relation to, *inter alia*, the Proposed Acquisition, the payment of the Arranger Fee and the allotment and issuance of the Arranger Fee Shares.

10. SHAREHOLDING EFFECTS

For illustrative purposes only, it is envisaged that upon Completion before the Compliance Shares Placement, the shareholding structure of the Company will be as follows:

Shareholder	Before the Proposed Acquisition and Proposed Share Consolidation		Before the Proposed Acquisition and After Proposed Share Consolidation		After the Proposed Acquisition and After Proposed Share Consolidation	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Cheong Choong Kong	23,600,000	10.90	11,800,000	10.90	11,800,000	1.05
Tan Chong Huat	22,200,000 ⁽¹⁾	10.26	11,100,000	10.26	11,100,000	0.99
Tan Kim Seng (Arranger)	17,200,000	7.95	8,600,000	7.95	52,273,418 ⁽³⁾	4.66
Lim Sze Jong	14,960,000	6.91	7,480,000	6.91	7,480,000	0.66
Existing Shareholders of the Company	138,448,402	63.98	69,224,201	63.98	69,224,201	6.17
Vendors ⁽²⁾	-	-	-	-	970,520,403	86.47
Total	216,408,402	100	108,204,201	100	1,122,398,022	100

Notes:

- (1) Mr. Tan Chong Huat is the beneficial owner of the 22,200,000 Shares held in custodial account with Citibank Nominees Singapore Pte. Ltd. Pursuant to Section 7 of the Companies Act (Cap. 50) of Singapore, Mr. Tan Chong Huat is deemed to be interested in the 22,200,000 Shares held in custodial account with Citibank Nominees Singapore Pte. Ltd.
- (2) The computations in this paragraph are based on the Purchase Consideration of US\$163,115,000 and the allotment and issuance of 970,520,403 Consideration Shares by the Company to the Vendors.
- (3) Include the 43,673,418 Arranger Shares to be allotted and issued to the Arranger based on the Purchase Consideration of US\$163,115,000.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or controlling Shareholders of the Company, and their respective associates, has any interest, direct or indirect, in the Proposed Acquisition other than through their direct or indirect shareholdings in the Company (if any).

12. ADVISERS

Following the signing of the SPA, the Company shall be formally appointing (i) RHTLaw Taylor Wessing LLP as the legal adviser to the Company; (ii) Makes & Partners Law Firm and Hanafiah Ponggawa & Partners as Indonesia legal advisers to the Company; (iii) Moore Stephens LLP as financial reporting accountants for performing financial due diligence on the Target Group; (iv) the Joint Placement Agents; and (v) PricewaterhouseCoopers LLP as the independent valuation firm for the purpose of conducting the valuation of the business of the Target Group in respect of the Proposed Acquisition. The Company will also be appointing (i) a financial adviser and full sponsor; and (ii) an independent financial adviser (“**IFA**”) following the execution of the SPA. The IFA shall advise the independent Directors for the purposes of making the recommendation to the independent Shareholders in respect of the Proposed Whitewash Resolution. The advice of the IFA will be set out in the Circular to be despatched to Shareholders in due course. The Company may appoint other advisers at a later date, as agreed by the Parties, for the purpose of, amongst other things, conducting relevant due diligence on the Target Group and such other professionals as may be required by the Sponsor to be appointed.

13. PROPOSED SERVICE CONTRACT

- 13.1 As at the date of this announcement, the Company has not entered into any service contract with any person proposed to be appointed as Director in connection with the Proposed Acquisition.
- 13.2 It is envisaged that the Company will, on or prior Completion, enter into service contracts with certain key executive officers of the Target Group and/or directors of the Target Group to be appointed to the Board of Directors of the Company. The details of such appointments and service contracts (if any) will be set out in the Circular to be despatched to Shareholders in due course.

14. CIRCULAR

Subject to the approval of the SGX-ST, the Circular containing further information on, *inter alia*, the Proposed Acquisition, the Proposed Share Consolidation and such other transactions as contemplated in the SPA, together with a notice of EGM of the Company, will be despatched by the Company to Shareholders in due course.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the registered address of the Company at 21 Bukit Batok Crescent, #22-77 WCEGA Tower, Singapore 658065, during normal business hours for a period of three (3) months commencing from the date of this announcement.

16. INDEPENDENT DIRECTORS' STATEMENT

The independent Directors of the Company will form its view on the Proposed Whitewash Resolution after taking into account the opinion of the IFA. The opinion of the IFA will be set out in the Circular to be despatched to Shareholders in due course.

17. RESPONSIBILITY STATEMENT

- 17.1 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 transactions contemplated in connection therewith and the Company, 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.
- 17.2 The Vendors collectively and individually accept full responsibility for the accuracy of the information given in this announcement in respect of information relating to the Vendors and the Target Group, 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 Vendors and the Target Group, and the Vendors 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 Vendors 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.

18. CAUTIONARY STATEMENT

- 18.1 Shareholders and potential investors should exercise caution when trading in the Shares of the Company. The Proposed Acquisition and the transactions contemplated herein are subject to Conditions Precedent to be fulfilled and there is no certainty or assurance that Completion will take place. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement.
- 18.2 Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbroker, bank managers, solicitor or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Tan Sin Huat, Dennis
Executive Director
31 August 2015

*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 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 Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.