

## CACOLA FURNITURE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands)  
Company Registration No. 179492

---

### THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST OF A COMPANY TO BE INCORPORATED BY SHARP YEAR VENTURES LIMITED UPON COMPLETION OF THE RESTRUCTURING EXERCISE (AS DEFINED HEREIN)

---

#### 1. INTRODUCTION

The board of directors (“**Board**” and each director, a “**Director**”) of Cacola Furniture International Limited (“**Company**”, together with its subsidiaries, the “**Group**”, and each a “**Group Company**”) is pleased to announce that the Company had on 7 April 2014, entered into a conditional sale and purchase agreement (“**Sale and Purchase Agreement**”) with Sharp Year Ventures Limited (“**Vendor**”), pursuant to which the Company, upon completion of the Restructuring Exercise (as defined below), will acquire the entire equity interest (“**Sale Equity**”) of a company (the “**Target**”, together with its subsidiaries, the “**Target Group**”, and each a “**Target Group Company**”) to be incorporated in the British Virgin Islands (“**BVI**”) by the Vendor (“**Proposed Acquisition**”). Prior to the completion of the Proposed Acquisition, the Target will become the holding company of the entire Target Group upon the completion of a proposed restructuring exercise (“**Restructuring Exercise**”) (details of which are set out in Appendix A of this Announcement) and the Vendor will become the sole legal and beneficial owner of the Target.

For the purposes of this Announcement, corporate entities referred to in items 8 to 16 under Section E of Appendix A of this Announcement are hereinafter known as “**Principal Subsidiaries**” and each a “**Principal Subsidiary**”.

The Proposed Acquisition, if undertaken and completed, is expected to result in a very substantial acquisition or a reverse-takeover of the Company pursuant to Rule 1015 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Accordingly, the Proposed Acquisition is subject, *inter alia*, to the approval of the SGX-ST and the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting of the Company to be convened pursuant to Rule 1015 of the Listing Manual.

#### 2. INFORMATION RELATING TO THE TARGET GROUP, THE VENDOR AND THE INTRODUCER

*Shareholders should note that information relating to the Vendor, Target and Target Group in this paragraph and elsewhere in this Announcement was provided by the Vendor. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.*

##### 2.1. Information on the Target Group

Upon completion of the Restructuring Exercise, the Target Group will comprise three business sectors, namely (i) livestock breeding, meat processing and related trading business, (ii) tourism (including hotel operations), and (iii) property development (items (i), (ii) and (iii) are collectively known as “**Target Businesses**”).

The history of the Target Group can be traced back to 2000 when Goyes Group Shaoshan

Food Co., Ltd. ( 港越集团韶山食品有限公司 ) was established in Shaoshan City, Hunan province, the People's Republic of China ("PRC"). Over the years, the Target Group has established its foothold in livestock breeding, meat processing, and related trading business and expanded into tourism (including hotel operations) and property development. As at the date of this Announcement, the Target Businesses are controlled by Mr He (as defined below) through Goyes Investment Holdings Group Co., Ltd. ( 港越投资集团有限公司 ) ("**Goyes Investment**"), an investment holding vehicle. Further details of Goyes Investment, its subsidiaries and associate companies ("**Goyes Group**") are set out in Section B of Appendix A of this Announcement. To date, the Target Group has two pig farms, with approximately 3,200 livestock, and two meat processing plants which in aggregate contributed revenue of approximately RMB700 million in FY2013. It distributes most of its meat products to mainland China, Hong Kong, Macau and Central Asia.

As Shaoshan City is the birthplace and home town of PRC's former leader Mao Zedong ("**Chairman Mao**"), the Target Group's tourism business is built on the theme of Chairman Mao and his legacy and encompasses hotel operations, tour attractions, souvenir shops, restaurants and related entertainment and hospitality businesses.

The Target Group made its foray into the property development business in 2010 with the launch of its first project Goyes Century Town in Shaoshan City. Going forward, the Target Group intends to capitalise on its local experience and capabilities to develop more residential and/or commercial properties in Hunan province in the near future.

The Target Group's corporate structure and principal businesses (including the Principal Subsidiaries) upon completion of the Restructuring Exercise is set out in Appendix A of this Announcement.

For a summary of the key financial information of the Target Group for the last three (3) financial years ended 31 December ("**FY**"), please refer to Appendix B of this Announcement.

## **2.2. Information on the Vendor**

The Vendor is a private company limited by shares. It was incorporated in the BVI on 9 December 2013 with its company registration number being 1802190, and its registered address at P.O Box 957, Offshore Incorporation Centre, Road Town, Tortola, BVI. The principal business of the Vendor is investment holding. The Vendor will become, pursuant to the Restructuring Exercise, the beneficial owner of the Sale Equity and will be the sole shareholder of the Target, which is the holding company of the Target Group.

As at the date of the Sale and Purchase Agreement, the sole legal and beneficial owner of the Vendor is Mr He Liangping ( 贺良平 ) ("**Mr He**"), a Philippine citizen, who is the founder of the Target Group.

Mr He started and engaged in various business ventures involving the building and construction, trading of timber and exporting of meat products in 1980s. In 1993, Mr He was appointed as deputy general manager of Hebei Shunping Export Base. Over the course of his appointment, Shunping County of Hebei Province became the main base of the meat products to Hong Kong. In 2000, Mr He founded Goyes Group.

Mr He is a Model Worker of Hunan Province, a Top Ten Economic Figures in the City of Xiangtan, and a member of Shaoshan Fifth and Sixth CPPCC (Chinese People's Political Consultative Conference).

## **2.3. Information on the Introducer**

The Company was introduced to the Vendor by an independent third party, Torch Consultants Group Limited ("**Introducer**"), a BVI incorporated company with its principal business being provision of the consultancy services in relation to mergers and

acquisitions and pre-IPO fund raising. Pursuant to an agreement between the Company and the Introducer dated 30 June 2013, the Introducer shall be entitled to an introducer fee (“**Introducer Fee**”) on a success basis, which shall be satisfied by way of allotment and issuance of such number of new ordinary shares representing 3.0% of the Consideration (as defined below). The sole legal and beneficial owner of the Introducer is Mr Jack Chan. Mr Jack Chan is not related to any Director or substantial Shareholder of the Company.

### 3. DETAILS OF THE PROPOSED ACQUISITION

#### 3.1. Sale and Purchase

Pursuant to the Sale and Purchase Agreement, the Company shall acquire from the Vendor the Sale Equity, free from and clear of all encumbrances and together with all the rights, benefits, entitlement, title and interests attaching thereto as at the Completion Date (as defined hereinafter), including the right to receive all dividends and other distributions declared, paid or made thereon or thereafter for a maximum aggregate consideration of RMB1.32 billion (approximately S\$267.4 million<sup>1</sup>) (“**Consideration**”).

#### 3.2. Consideration

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration the following:

- (a) the combined profit after tax of the Principal Subsidiaries based on the latest available management accounts of approximately RMB110 million for the financial year ended 31 December 2013 (“**FY2013**”); and
- (b) the business prospects of the Target Group and the potential benefits arising from the Proposed Acquisition as discussed in paragraph 4 of this Announcement.

The Company will be commissioning a valuation report by an independent firm of professional valuers to value the business of the Target Group.

#### 3.3. Payment of the Consideration

The Consideration shall be payable by the Company to the Vendor and/or its nominees as follows:

- (a) RMB250 million (approximately S\$50.6 million<sup>2</sup>) in cash (or the equivalent in a foreign currency as agreed by the parties in writing), by telegraphic transfer to such bank account(s) as shall be notified by the Vendor to the Company at the Completion Date; and
- (b) RMB1.07 billion (approximately S\$216.8 million<sup>3</sup>) by way of an allotment and issuance of such number of new ordinary shares in the capital of the Company (“**Consideration Shares**”) to the Vendor or such other person(s) that the Vendor may nominate, at an issue price to be agreed by the Vendor and Company at a later stage in writing, which in aggregate shall represent exactly 70% of the Enlarged Share Capital (as defined hereinafter) of the Company (“**Fixed Vendor Shareholding Percentage**”).

The “**Enlarged Share Capital**” of the Company refers to the enlarged issued number of shares of the Company upon Completion immediately after:

---

<sup>1</sup> For illustration purpose only, the Consideration is converted to Singapore dollar based on the exchange rate of S\$1: RMB4.936 as at 4 April 2014 for the convenience of Singapore investors. Please note that the final amount of Consideration in Singapore dollar may vary depending on the foreign exchange rate adopted for the purpose of Completion.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

- (i) the Share Consolidation (as defined hereinafter);
- (ii) the allotment and issue of the Consideration Shares;
- (iii) any other allotment and issue of the ordinary shares in the capital of the Company (“**Shares**”) prior to Completion;
- (iv) any other Shares agreed to be issued under any other agreement or option or arrangement entered into prior to Completion, and
- (v) any other allotment and issue of or agreement to allot or issue the Shares to the professional parties involved in the Proposed Acquisition (if any) prior to Completion, and **ASSUMING THAT** (aa) the aggregate of the convertible securities (in the form of equity-linked notes (“**ELNs**”) pursuant to the ELN Subscription Agreement (as defined hereinafter) or otherwise) are issued and converted in full into Shares prior to Completion in accordance with their respective subscription agreement(s), (bb) any other options or agreements or arrangements to issue Shares have been exercised or completed in full to the maximum number of Shares possible, and (cc) the Compliance Placement (as defined hereinafter) (if required) has been duly completed prior to the Completion.

The Fixed Vendor Shareholding Percentage is calculated based on the Enlarged Share Capital.

The Consideration Shares will, upon allotment and issuance, be fully paid-up and free from all encumbrances and will rank *pari passu* in all respects with the then existing and issued Consolidated Shares, save for any rights, benefits, dividends and entitlements the record date for which is before the Completion Date.

### 3.4. Conditions Precedent

Completion of the Proposed Acquisition (“**Completion**”, and the date on which such Completion occurs, the “**Completion Date**”) is conditional on the fulfilment (or waiver, as the case may be) of certain terms common to agreements of transactions of such nature, including, *inter alia*, the following conditions precedents (“**Conditions Precedent**”):

- (a) Completion of the Restructuring Exercise

The Vendor shall use its best efforts to complete the Restructuring Exercise within three months from the date of the Sale and Purchase Agreement (subject to the time required for approval from the relevant government authorities). The Vendor shall be entitled to reorganise the companies set out in Appendix A of this Announcement in such a way as it deems fit, including but not limited to having subsidiaries held not as direct subsidiaries but as indirect subsidiaries, provided that the Target Group (post-Restructuring Exercise) can satisfy the following criteria:

- (i) the Target Group shall have (A) a positive net current asset, (B) positive cash flow from operations, and (C) sufficient working capital and funding for its planned operations and capital investments;
- (ii) the consolidated net profit after tax excluding extraordinary items and goodwill arising from the Proposed Acquisition (“**NPAT**”) of the Target Group in respect of FY2013 shall not be less than RMB110,000,000 as verified and reported by the auditors of the Company in accordance with the International Financial Reporting Standards (“**IFRS**”); and
- (iii) the consolidated net tangible assets (“**NTA**”) of the Target Group shall not be less than RMB200,000,000 as at the latest available accounts in

accordance with the IFRS before Completion.

- (b) Mr He's Undertakings has been obtained

Mr He to enter into a separate letter of undertakings in substantially the same form as set out in the Sale and Purchase Agreement, to procure, among other things, that the Vendor shall fulfil its obligations and undertakings under the Sale and Purchase Agreement;

- (c) Completion of the business disposal of the Company

The Company shall dispose all of its existing businesses ("**Business Disposal**") and shall not have any actual or contingent liabilities, costs, expenses, outstanding warranties, undertakings or other obligations of any kind, which may not be settled prior to the Completion (other than professional costs in relation to the Proposed Acquisition) or pending litigation. The costs in relation to the Business Disposal shall be borne by the Company only.

- (d) Satisfactory due diligence by the Company on the Target Group

Completion is conditional on the outcome of the due diligence carried out by the Company into the financial, legal, contractual, tax and business of the Target Group being reasonably satisfactory to the Company, provided that the Company shall not deem the outcome of such due diligence unsatisfactory without reasonable cause and without first giving the Vendor a period of at least 10 business days to remedy any default in respect thereof.

- (e) Satisfactory due diligence by the Vendor on the Company

Completion is conditional on the outcome of the due diligence carried out by the Vendor into the financial, legal, contractual, tax and business of the Company, including but not limited to, the Business Disposal, being reasonably satisfactory to the Vendor, provided that the Vendor shall not deem the outcome of such due diligence unsatisfactory without reasonable cause and without first giving the Company a period of at least 10 business days to remedy any default in respect thereof.

- (f) Completion of the proposed Share Consolidation

Under the Sale and Purchase Agreement, the Company is obliged to convene and seek the approval of the Shareholders at an extraordinary general meeting of the Company to undertake the consolidation of every 60 Shares of the Company into one consolidated share (or such other ratio as the parties may agree in writing) ("**Consolidated Share**", and the ratio of the share consolidation, the "**Consolidation Ratio**") ("**Share Consolidation**").

- (g) Pre-RTO Fund Raising Activities

The clearance of the SGX-ST and the Shareholders must be obtained by the Company in respect of the fund raising activities that may be carried out by the Company prior to Completion ("**Pre-RTO Fund Raising Activities**"), including the issuance of the ELNs pursuant to the equity-linked notes subscription agreement announced by the Company on 6 December 2013 ("**ELN Subscription Agreement**"), and all other conditions precedents in respect of the Pre-RTO Fund Raising Activities having been fulfilled. For more information on the ELN Subscription Agreement, please refer to Company's announcement dated 6 December 2013.

- (h) Board's and Shareholders' Approval

The resolutions of the Board and the Shareholders having been obtained by the Company for the entry into, implementation and completion of, the transactions contemplated under the Sale and Purchase Agreement and all other transactions in connection therewith and incidental thereto.

(i) Regulatory Approval

All necessary consents, approvals and waivers of all the relevant government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the Sale and Purchase Agreement and all other transactions in connection therewith and incidental thereto, having been obtained by the Vendor and/or the Company, as the case may be.

(j) Listing on the SGX-ST

The Company shall remain listed on the Mainboard of the SGX-ST at Completion Date and trading in the Shares not being suspended at Completion Date.

(k) No Prescribed Occurrences or Illegality

No prescribed occurrences as set out in Appendix C of this Announcement ("**Prescribed Occurrences**") having occurred in relation to the Target Group or the Group, other than as required or contemplated under the Sale and Purchase Agreement, and no relevant authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order, which would or might:

- (i) make the transactions contemplated in the Sale and Purchase Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
- (ii) render the Company unable to purchase the Sale Equity in the manner as contemplated in the Sale and Purchase Agreement; and/or
- (iii) render the Vendor unable to dispose of all or any of its Sale Equity in the manner as contemplated in the Sale and Purchase Agreement.

For the list of Prescribed Occurrences, please refer to Appendix C of this Announcement.

(l) No Material Adverse Change

There not having been at any time after the entry into the Sale and Purchase Agreement, any material adverse change, or events, acts or omissions likely to lead to such a change, in the business, assets, prospects, performance, financial position or results of the operations of the Target Group.

(m) Net Cash in Accounts

The Company shall have net cash in accounts of an aggregate amount not less than the accrued and contingent liabilities of the Company on Completion Date, as verified and reported by the auditors of the Company.

(n) Representations, Undertakings and Warranties

All representations, undertakings and warranties of the Vendor and the Company

under the Sale and Purchase Agreement being complied with, and being true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendor, the directors of the Vendor (if applicable) and the Directors (as the case may be) as at the date of the Sale and Purchase Agreement and until the Completion Date.

(o) **Third Party Consents**

All necessary approvals and consents from any other parties in respect of the transactions contemplated in the Sale and Purchase Agreement including in particular the Proposed Acquisition, having been obtained and such approvals and consents not having been withdrawn, suspended, amended or revoked on or before the Completion Date, and to the extent that such approvals and consents are subject to conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled.

**3.5. Completion**

Subject to all the Conditions Precedents being satisfied, fulfilled or waived, as the case may be, Completion shall occur on a date no more than 90 business days, or such other date as the parties may agree in writing, after the approval of the Shareholders having been obtained for the transactions contemplated in the Sale and Purchase Agreement and other transactions in connection therewith and incidental thereto, but in any event such date shall not be later than the Long-Stop Date (as defined hereinafter).

**3.6. Long-Stop Date**

The long-stop date for the Proposed Acquisition is 31 March 2015, or such other date as may be agreed by the parties in writing ("**Long-Stop Date**"). The Sale and Purchase Agreement shall terminate automatically if any or all of the Conditions Precedent have not been fulfilled or waived, as the case may be, by such Long-Stop Date.

**3.7. Other Salient Terms of the Sale and Purchase Agreement**

**3.7.1. Undertaking by Company's Shareholders**

The Company shall, within two calendar months of the date of the Sale and Purchase Agreement, or such other dates as may be agreed between the parties in writing, procure the execution of the irrevocable undertaking of certain Shareholders to, *inter alia*: (i) vote in favour of the resolutions approving the transactions contemplated in the Sale and Purchase Agreement, and any related resolutions; and (ii) vote in favour of the appointment of such number of new directors to be appointed to the Board by the Vendor.

**3.7.2. Equity-Linked Notes**

The Company undertakes to use its best endeavours to ensure that the circular on the transactions contemplated in the ELN Subscription Agreement is cleared by the SGX-ST.

**3.7.3. Compliance Placement**

Upon Completion, in the event the percentage of shares in the Enlarged Share Capital of the Company that are held in the public's hands falls below the minimum public float requirements under the Rule 210(1)(a) and Rule 1015(3)(a) of the Listing Manual of the SGX-ST, the Company shall carry out a compliance placement ("**Compliance Placement**") on terms to be approved by the Vendor, within one month from the Completion Date or such period of time as may be permitted by the SGX-ST so as to comply with the shareholder spread and distribution requirements set out in the Listing Manual.

### 3.7.4. Change of Name of the Company

The Company undertakes to do all that is necessary or desirable to obtain the approval of its Shareholders, and other relevant authorities for the change of the company name of the Company to such name as may be decided by the Vendor as soon as practicable after Completion.

### 3.8. Whitewash Waiver

As the Vendor will own more than 30% of the Enlarged Share Capital of the Company upon Completion of the Proposed Acquisition, the Vendor will be required, under Rule 14 of the Singapore Code on Take-overs and Mergers (the “Code”), to make a general offer for the remaining Shares (or Consolidated Shares, as the case may be) not owned or controlled by the Vendor and/or its concert parties (if any). The Vendor intends to apply for a waiver of its obligation to make a general offer under Rule 14 of the Code, and the Shareholders will have to approve a resolution for a waiver of their right to receive a mandatory general offer under Rule 14 of the Code from the Vendor and its concert parties at an extraordinary general meeting (“Whitewash Resolution”). The Completion of the Proposed Acquisition is conditional upon the Shareholders’ approval of the Whitewash Resolution, and such waiver not having been revoked prior to Completion Date.

### 3.9. Moratorium

The Vendor undertakes to comply with, or procure compliance with, all applicable moratorium requirements under the Listing Manual as may be imposed on the Consideration Shares.

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Company was placed on the Watch-List of the SGX-ST pursuant to Rule 1311 of the Listing Manual with effect from 5 March 2014 after recording pre-tax losses for the then three most recently completed consecutive financial years. The Company is required to meet the requirements of Rule 1314 of the Listing Manual within 24 months from 5 March 2014, failing which, the SGX-ST may either remove the Company from the Official List or suspend trading of the listed securities of the Company with a view to removing the Company from the Official List.

The Company is proposing to undertake the Proposed Acquisition, pursuant to which the Target Group with a profitable track record will be injected into the Company, to meet the requirements under Rule 1314 of the Listing Manual and subsequently apply for the removal of the Company from the SGX-ST’s Watch-List.

The Board is of the view that the Proposed Acquisition is in the best interests of the Shareholders as it provides the Company with an opportunity to acquire an established business with a profitable track record. The Proposed Acquisition is expected to give the Company a new lease of life and support the Company’s application to the SGX-ST for the removal from the SGX-ST’s Watch-List.

The Proposed Acquisition would have the potential to increase the market capitalisation of the Company, which would potentially widen its investor base and lead to an overall improvement in investors’ interest and trading.

**However, Shareholders should note that there is no certainty or assurance that the SGX-ST will remove the Company from the Watch-List pursuant to the Proposed Acquisition.**

## 5. SOURCES OF FUNDS FOR PROPOSED ACQUISITION



The Company intends to carry out the Pre-RTO Fund Raising Activities, whether by way of issuance of ELNs or otherwise, to finance the cash portion of the Consideration payable to the Vendor, details of which will be announced in due course.

## 6. SHARE CONSOLIDATION

In conjunction with the Proposed Acquisition, the Company proposes to consolidate every 60 Shares of the Company into one Consolidated Share (or such other Consolidation Ratio as the parties may agree in writing) effective on or prior to the Completion Date. The purpose of the Share Consolidation is to allow the Company to comply with the requirement of the Listing Manual for a minimum issue price of S\$0.50 under Rule 1015(3)(d) of the Listing Manual.

## 7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED ACQUISITION

The Proposed Acquisition is governed by the rules in Chapter 10 of the Listing Manual. Based on the unaudited consolidated financial statements of the Group for FY2013 and the unaudited pro forma consolidated financial statements of the Target Group for FY2013, the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (d) of the Listing Manual are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value (“NAV”) of the assets to be disposed of, compared with the Group’s NAV	Not applicable
(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits	Not meaningful <sup>(1)</sup>
(c)	Aggregate value of the Consideration given, compared with the Company’s market capitalisation based on the total number of issued Shares of the Company excluding treasury shares	8413.6% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	2642.9% <sup>(3)</sup>

### Notes:

- (1) Under Rule 1002(3)(b) of the Listing Manual, “net profits” is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits attributable to the Target Group for FY2013 amounted to approximately RMB128,096,763. The Group made a net loss of approximately RMB50,807,000 for FY2013. As such, the relative figure is not meaningful.
- (2) Pursuant to Rule 1003(3) of the Listing Manual, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the NAV represented by such shares, whichever is higher. Based on the assumptions set out in paragraph 8 – Financial Effects of the Proposed Acquisition and the volume weighted average price of Shares of S\$0.013 on 4 April 2014, being the full market day preceding the date of the Sale and Purchase Agreement, the 11,550,444,199 Consideration Shares (on a pre-Share Consolidation basis) have an implied market value of S\$150,155,775. Based on the unaudited consolidated financial statements of the Group for FY2013, the NAV per Share is approximately RMB0.181 or S\$0.037 (based on an exchange rate of S\$1: RMB4.936 as at 4 April 2014). The NAV represented by the 11,550,444,199 Consideration Shares would amount to approximately RMB2,090,630,400 or S\$427,366,435. Hence, the aggregate amount of the cash consideration of RMB250 million (or approximately S\$50,648,298) and the NAV of such Shares was used to compute the relative figure for Rule 1006(c). The Company’s market capitalisation is approximately S\$5,681,486 and is derived from the volume weighted average price of S\$0.013 and 437,037,399 Shares in the issued and paid-up capital of the Company as at 4 April 2014. Please refer to paragraph 8(v) for further details on the calculation of the number of Consideration Shares.
- (3) This figure was computed based on the 11,550,444,199 Shares (on a pre-Share Consolidation basis) to be issued as Consideration Shares and 437,037,399 existing Shares in the issued and paid-up capital of the Company as at 4 April 2014. Please refer to paragraph 8(v) for further details on the calculation of the

number of Consideration Shares.

As the Vendor will hold exactly 70% of the Enlarged Share Capital of the Company immediately after Completion, this will result in a change of control of the Company.

As the relative figures under Rules 1006(c) and 1006(d) of the Listing Manual exceed 100%, the Proposed Acquisition constitutes a "Very Substantial Acquisition" or "Reverse Takeover" as defined in Rule 1015 of the Listing Manual. Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of the Shareholders and the approval of the SGX-ST being obtained pursuant to Rule 1015 of the Listing Manual.

## 8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

*The financial information relating to the Target Group used for the illustrating the financial effects of the Proposed Acquisition as set out under this paragraph was provided by the Vendor.*

The *pro forma* financial effects of the Proposed Acquisition on the NTA per Share and earnings per Share ("**EPS**") are for illustrative purposes only and are not necessarily indicative of the results of operations or financial position of the Group that would have been attained had the Proposed Acquisition been completed at an earlier date.

The financial effects of the Proposed Acquisition are prepared based on the unaudited consolidated financial statements of the Group for FY2013, the unaudited *pro forma* consolidated financial statements of the Target Group for FY2013 and the following assumptions:

- (i) the Group's *pro forma* earnings and EPS are computed assuming that the Proposed Acquisition was completed on 1 January 2013;
- (ii) the Group's *pro forma* NTA is computed assuming that the Proposed Acquisition was completed on 31 December 2013;
- (iii) the fair value adjustments on the net assets of the Group and 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 Vendor and/or its nominee(s) have effectively obtained control of the Company. As the final goodwill will have to be determined at Completion and upon the full completion of a purchase price allocation exercise, the actual 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;
- (iv) 60 Shares will be consolidated in one Consolidated Share prior to Completion;
- (v) 11,550,444,199 Shares (on a pre-Share Consolidation basis) or 192,507,403 Consolidated Shares (on a post-Share Consolidation basis) will be issued as Consideration Shares. The number of Consideration Shares is derived based on the assumptions that (a) the Company will carry out Pre-RTO Fund Raising Activities to raise approximately S\$50.6 million to fund the cash portion of the Consideration and the issue price for new Shares to be issued pursuant to the Pre-RTO Fund Raising Activities is assumed to be S\$0.013 per Share (please also refer to paragraph (ix) below); (b) the issue price for the new Shares to be issued to the Introducer as Introducer Fee (being 3% of total Consideration) is assumed to be S\$0.013 (please also refer to paragraph (viii) below); (c) the Vendor and/or its nominees in aggregate will hold 70% of the Enlarged Share Capital, which for the purpose this illustration, has only taken into account the Pre-RTO Fund Raising Activities and the Introducer Fee and disregarded the effects of any corporate actions and expenses in connection with such corporate actions (if

any) and the Proposed Acquisition as stated in paragraphs (vi) and (vii) below;

- (vi) effects of any corporate actions to be undertaken by the Company prior to Completion, including but not limited to, the proposed Business Disposal are disregarded for the purpose of illustration under this section; and
- (vii) save for the Introducer Fee as stated in paragraph (viii) below, expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects;
- (viii) 617,130,033 Shares (on a pre-Share Consolidation basis) or 10,285,500 Consolidated Shares (on a post-Share Consolidation basis) to be issued at an assumed issue price of S\$0.013 per Share as Introducer Fee upon Completion; and
- (ix) 3,896,022,939 Shares (on a pre-Share Consolidation basis) or 64,933,715 Consolidated Shares (on a post-Share Consolidation basis) to be issued at an assumed issue price of S\$0.013 per Share for the purpose of Pre-RTO Funding Raising Activities.

*Please note the issue price of S\$0.013 is used herein for illustration purpose only. Actual issue price for the Pre-RTO Fund Raising Activities, Introducer Fee and Consideration Shares will be determined at a later stage, taking into account, inter alia, the prevailing Share price and market condition.*

#### 8.1. Financial Effects of the Proposed Acquisition on the Company's NTA

NTA as at 31 December 2013 (RMB)	NTA as at 31 December 2013 (RMB)	Number of issued- and paid-up Shares	NTA per Share (RMB)
As at 31 December 2013	79,275,000	437,037,399	0.181
After Share Consolidation	79,275,000	7,283,956	10.884
After Share Consolidation and Proposed Acquisition	523,193,643	275,010,576	1.958

#### 8.2. Financial Effects of the Proposed Acquisition on the Company's Earnings and EPS

Net Profit/ (Loss) of the Group for FY2013 (RMB)	Net Profit/(Loss) of the Group (RMB)	Number of issued and paid-up Shares	Net Profit/ (Loss) per Share (RMB)
As at 31 December 2013	(50,807,000)	437,037,399	(0.116)
After Share Consolidation	(50,807,000)	7,283,956	(6.975)

After Share Consolidation and Proposed Acquisition	70,389,709	275,010,576	0.256
--	------------	-------------	-------

## 9. SERVICE AGREEMENT

It is envisaged that the Company may, upon Completion, enter into service contracts with certain key management and/or directors of the Target Group, the details of which will be disclosed in the Circular (as defined below). As at the date of this announcement, the Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director in connection with the Proposed Acquisition.

## 10. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, other than in their respective capacity as Directors or Shareholders of the Company, and controlling Shareholders of the Company, has any interest, direct or indirect, in the Proposed Acquisition.

## 11. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

The Company has appointed DMG & Partners Securities Pte. Ltd. as the financial adviser to the Company in respect of the Proposed Acquisition. The Company will appoint an independent financial adviser to the independent Directors of the Company in connection with the Whitewash Resolution in due course.

## 12. PRC LEGAL ADVISER TO BE APPOINTED

A PRC legal adviser to the Company as to the PRC laws will be appointed for the purposes of conducting the relevant legal due diligence in relation to, *inter alia*, (i) whether the Proposed Acquisition is in compliance with the applicable PRC laws and regulations, including Directive 10 issued by the China Securities Regulatory Commission (CSRC), and (ii) whether the necessary approvals from the relevant PRC authorities have been or will be duly obtained in order to complete the proposed acquisition.

## 13. EXTRAORDINARY GENERAL MEETING

A circular ("**Circular**") containing, *inter alia*, details of the Proposed Acquisition and such other transactions in connection with and/or incidental to the Proposed Acquisition, together with the notice of extraordinary general meeting, will be despatched to the Shareholders in due course.

## 14. DOCUMENTS FOR INSPECTION

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company and at 36 Robinson Road, 17th Floor, #17-01 City House, Singapore 068877 for three months from the date of this Announcement.

The valuation report referred to in paragraph 3.2 of this Announcement will be made available for inspection during normal business hours at the registered office of the Company and at 36 Robinson Road, 17th Floor, #17-01 City House, Singapore 068877 for three months once it is issued by the valuer.

**15. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares as the Proposed Acquisition is subject to several conditions and there is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**16. RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendor, the Target 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 Proposed Acquisition, the Company and its subsidiaries as at the date hereof, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

The director of the Vendor accepts full responsibility for the accuracy of the information given in this Announcement in respect of the Vendor, the Target and the Target Group and confirms, after making all reasonable enquiries that to the best of his knowledge and belief, the facts stated and opinions expressed herein in respect of the Vendor, the Target and the Target Group are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where information in the Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors and the director of the Vendor respectively has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from those sources and/or reproduced in the Announcement in its proper form and context.

**BY ORDER OF THE BOARD**

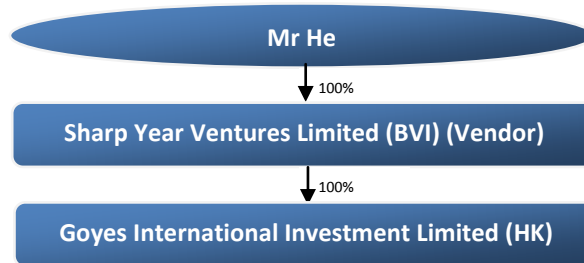
**ZHOU ZHUO LIN**  
**CHIEF EXECUTIVE OFFICER**  
10 April 2014

## APPENDIX A

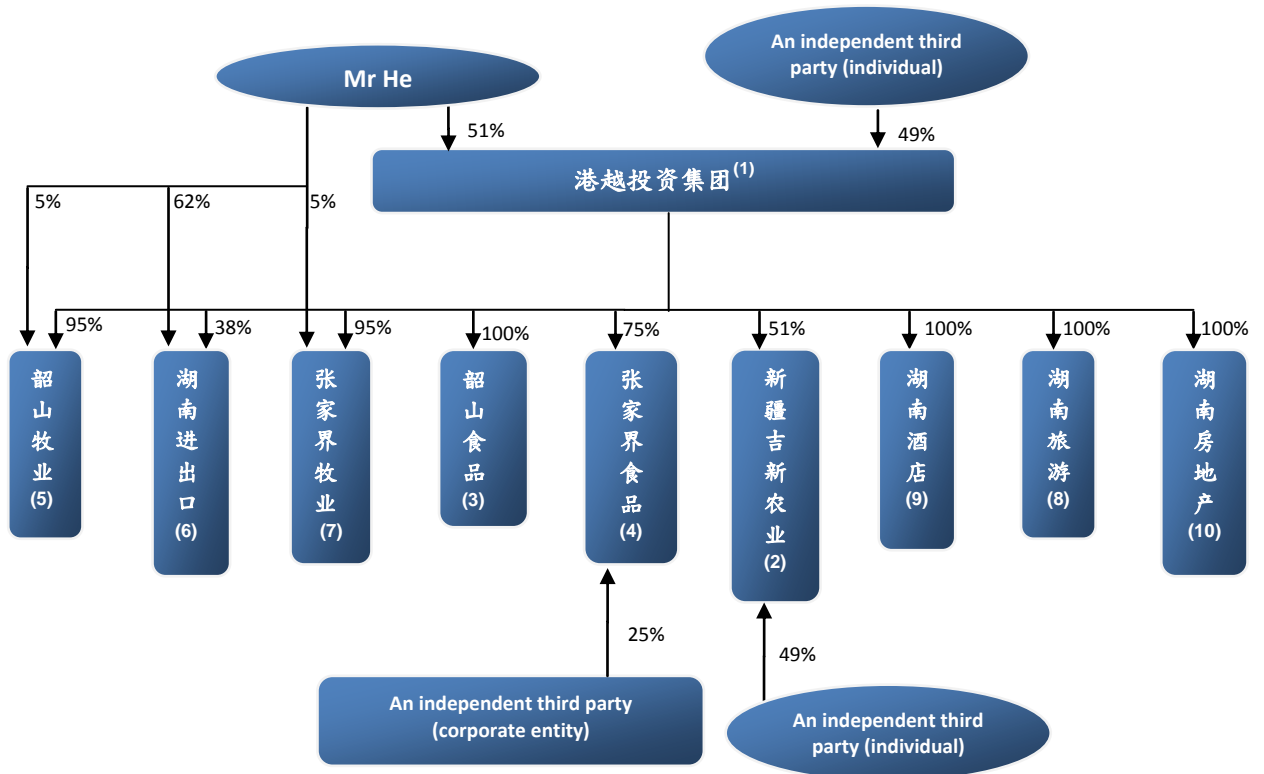
### RESTRUCTURING EXERCISE

Please note that certain company names with Chinese characters in this Appendix and other sections of this Announcement have been translated into English. Such translations are provided solely for the convenience of Shareholders who may be unfamiliar with Chinese. These English names may not be registered with the relevant PRC authorities and should not be construed as representations that the English names actually or officially represent the Chinese names and/or characters.

#### A. Corporate Structure of the Vendor as at the date of this Announcement



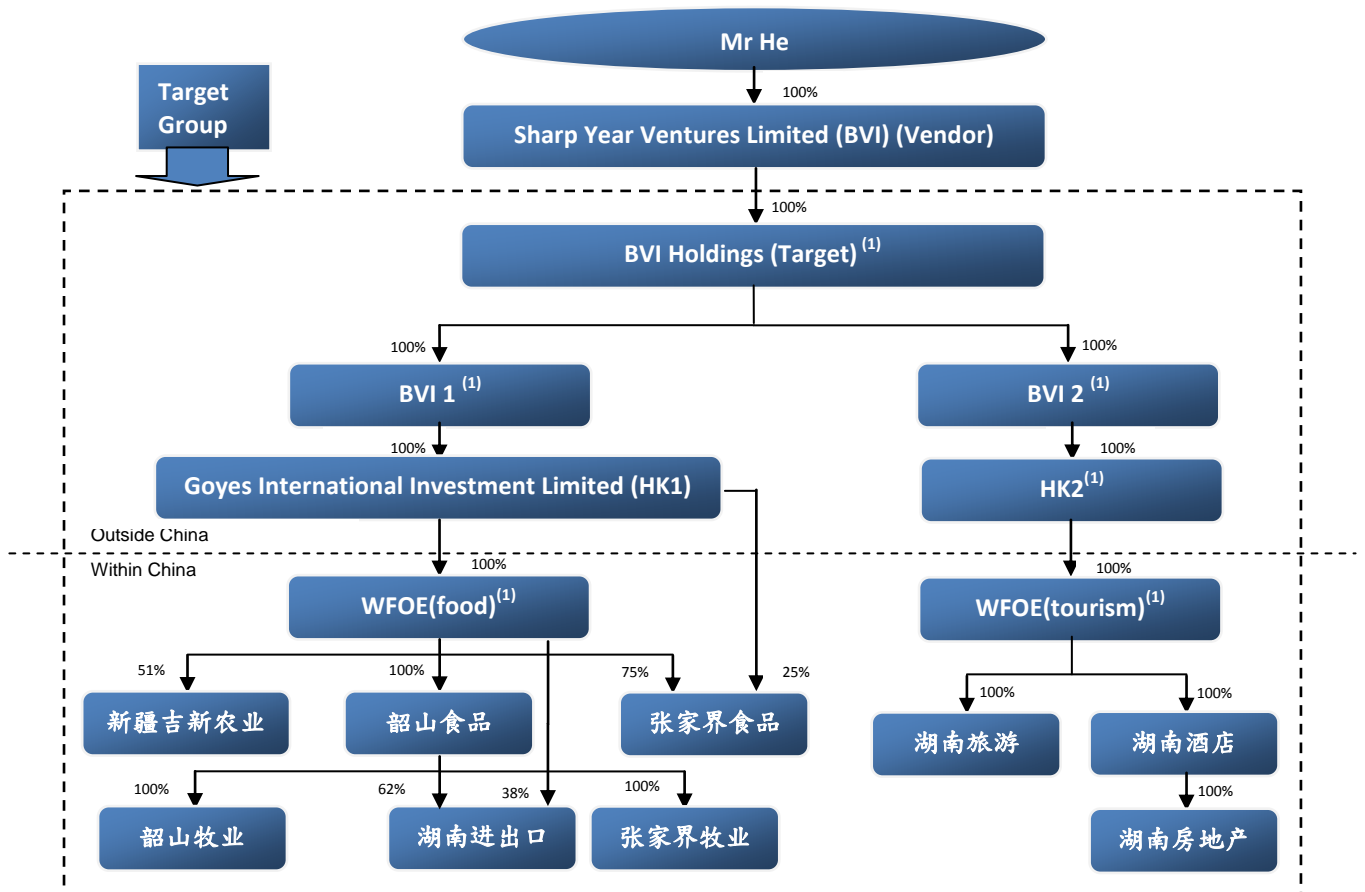
#### B. Current Corporate Structure of the Target Businesses



**Notes:**

- (1) Goyes Investment (港越投资集团) refers to Goyes Investment Holdings Group Co., Ltd. (港越投资集团有限公司);
- (2) Xinjiang Jixin Agriculture (新疆吉新农业) refers to Xinjiang Agricultural Technology Development Co., Ltd (新疆吉新农业科技发展有限责任公司);
- (3) Shaoshan Food (韶山食品) refers to Goyes Group Shaoshan Food Co., Ltd. (港越集团韶山食品有限公司);
- (4) Zhangjiajie Food (张家界食品) refers to Goyes Group Zhangjiajie Food Co., Ltd. (港越集团张家界食品有限公司);
- (5) Shaoshan Livestock Farming (韶山牧业) refers to Goyes Group Shaoshan Livestock Farming Co., Ltd. (港越集团韶山牧业有限公司);
- (6) Hunan Import and Export (湖南进出口) refers to Goyes Group Hunan Import and Export Co., Ltd. (港越集团湖南进出口贸易有限公司);
- (7) Zhangjiajie Livestock Farming (张家界牧业) refers to Goyes Group Zhangjiajie Livestock Farming Co., Ltd. (港越集团张家界牧业有限公司);
- (8) Hunan Tourism (湖南旅游) refers to Goyes Group Hunan Tourism Development Co., Ltd. (港越集团湖南旅游开发有限公司);
- (9) Hunan Hotel (湖南酒店) refers to Goyes Group Hunan Hotel Investment and Management Co., Ltd (港越集团湖南酒店投资管理有限公司); and
- (10) Hunan Real Estate (湖南房地产) refers to Hunan Goyes Real Estate Development Co., Ltd. (湖南港越房地产开发有限公司).

**C. Corporate Structure of the Vendor upon Completion of the Restructuring Exercise**



**Note:**

- (1) Companies to be incorporated.

#### **D. Brief description of the major steps of the Restructuring Exercise:**

1. The Vendor shall incorporate the Target (being the Vendor's immediate wholly-owned subsidiary), and subsequently the Target shall incorporate BVI1 and BVI2 (both being the Target's immediate wholly-owned subsidiaries);
2. BVI1 shall acquire Goyes International Investment Limited ("HK1") from the Vendor and thereafter HK1 shall incorporate a wholly foreign owned entity in China ("WFOE (food)"); meanwhile, BVI2 shall incorporate a company in Hong Kong ("HK2") and thereafter HK2 shall incorporate a wholly foreign owned entity in China ("WFOE (tourism)");
3. 100% of the equity interest in Shaoshan Livestock Farming (韶山牧业) will be transferred to Shaoshan Food (韶山食品) from Mr He (5%) and Goyes Investment Holdings Group Co., Ltd. (港越投资集团有限公司) ("Goyes Investment") (95%) respectively;
4. 100% of the equity interest in Zhangjiajie Livestock Farming (张家界牧业) will be transferred to Shaoshan Food (韶山食品) from Mr He (5%) and Goyes Investment (95%) respectively;
5. 62% of the equity interest in Hunan Import and Export (湖南进出口) will be transferred to Shaoshan Food (韶山食品) from Mr He and the remaining 38% of the equity interest in Hunan Import and Export (湖南进出口) will be transferred to WFOE (food) from Goyes Investment;
6. WFOE (food) shall then acquire the entire equity interest in Shaoshan Food (韶山食品) from Gangyue Investment;
7. WFOE (food) shall also acquire 51% of the equity interest in Xinjiang Jixin Agriculture (新疆吉新农业) from Goyes Investment;
8. WFOE (food) shall also acquire 75% of the equity interest in Zhangjiajie Food (张家界食品) from Goyes Investment and the remaining 25% of the equity interest in Zhangjiajie Food (张家界食品) will be transferred from Hong Kong Qiangji Food and Trading Co., Ltd. (香港强记食品贸易有限公司) (an independent third party) to HK1 (the immediate shareholder of WFOE(food));
9. Hunan Hotel (湖南酒店) shall acquire 100% of the equity interest in Hunan Real Estate (湖南房地产) from Goyes Investment and thereafter WFOE (tourism) shall acquire 100% of the equity interest in Hunan Hotel (湖南酒店) from Goyes Investment; and
10. WFOE (tourism) shall also acquire 100% of the equity interest in Hunan Tourism (湖南旅游) from Goyes Investment.

#### **E. Information of each of the Target Group Companies**

Based on the information provided by the Vendor, brief information on the Target Group Companies as at the date of the Sale and Purchase Agreement is as follows:

	<b>Name of Company</b>	<b>Date and Place of Incorporation</b>	<b>Principal business activity</b>
1	BVI Holdings (Target)	To be incorporated in BVI	Investment holding
2	BVI 1	To be incorporated in BVI	Investment holding
3	BVI 2	To be incorporated in BVI	Investment holding
4	Goyes International	13 December 2013 / Hong Kong	Investment holding



	Investment Limited		
5	HK2	To be incorporated in Hong Kong	Investment holding
6	WFOE (food)	To be incorporated in China	Investment holding
7	WFOE (tourism)	To be incorporated in China	Investment holding
8	Xinjiang Agricultural Technology Development Co., Ltd. (新疆吉新农业科技发展有限公司) (Principal Subsidiary)	14 November 2011/ China	Provision of agricultural related services, such as technology, consulting services, machinery and related products
9	Goyes Group Shaoshan Food Co., Ltd. (港越集团韶山食品有限公司) (Principal Subsidiary)	10 August 2000/ China	Frozen food, processing and sale of meat, sale of fruits and vegetables and other produce
10	Goyes Group Zhangjiajie Food Co., Ltd. (港越集团张家界食品有限公司) (Principal Subsidiary)	10 August 2006/ China	Frozen food production, pre packaged food, food wholesale, retail, animal husbandry
11	Goyes Group Shaoshan Livestock Farming Co., Ltd. (港越集团韶山牧业有限公司) (Principal Subsidiary)	24 April 2008/ China	Animal husbandry, veterinary science, research and experimental development activities, and sale of cattle, pigs and poultry
12	Goyes Group Hunan Import and Export Co., Ltd. (港越集团湖南进出口贸易有限公司) (Principal Subsidiary)	24 April 2008/ China	Import and export of goods and technology
13	Goyes Group Zhangjiajie Livestock Farming Co., Ltd. (港越集团张家界牧业有限公司) (Principal Subsidiary)	8 May 2008/ China	Livestock and poultry breeding and sales
14	Goyes Group Hunan Tourism Development Co., Ltd. (港越集团湖南旅游开发有限公司) (Principal Subsidiary)	24 April 2008/ China	Development of tourism projects and products; production and sales of tourism products
15	Goyes Group Hunan Hotel Investment and Management Co., Ltd. (港越集团湖南酒店投资	24 April 2008/ China	Hotel investment and management; sale of hotel equipment and supplies; restaurants; sale of pre-

	管理有限公司) (Principal Subsidiary)		packaged food and bulk food; accommodation and entertainment services
16	Hunan Goyes Real Estate Development Co., Ltd. (湖南港越房地产开发有限公司) (Principal Subsidiary)	19 April 2006/ China	Real estate development, management and sales

## APPENDIX B

### FINANCIAL INFORMATION OF THE TARGET GROUP FOR THE PAST THREE YEARS

#### Summary of *Pro Forma* Financial Information of the Target Group

A summary of the unaudited *pro forma* consolidated profit and loss statement of the Target Group for each of the last three financial years ended 31 December 2011 (“FY2011”), 31 December 2012 (“FY2012”) and 31 December 2013 (“FY2013”), and a summary of the unaudited *pro forma* consolidated balance sheet of the Target Group as at 31 December 2013, are set out below.

#### (a) Summary of Consolidated Income Statement of the Target Group

RMB ('000)	<-----Unaudited----->		
	FY2011	FY2012	FY2013
Revenue	538,540	692,745	920,585
Gross profit/ (loss)	58,573	93,332	153,325
Profit/ (loss) before tax	39,306	67,586	128,097
Profit/ (loss) after tax	38,699	59,048	121,197

#### (b) Summary of Consolidated Balance Sheet of the Target Group

RMB ('000)	Unaudited
	As at 31 December 2013
Non-current assets	108,759
Current assets	724,771
Non-current liabilities	Nil
Current liabilities	374,287
Net assets attributable to shareholders	459,243
Net tangible assets attributable to shareholders	459,243

## APPENDIX C

### PRESCRIBED OCCURRENCES

1. For the purpose of the Sale and Purchase Agreement, “**Prescribed Occurrences**” in relation to the Target Group shall mean any of the following:
  - (a) Share Buy-back: Any Target Group Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under any applicable laws of its country of incorporation;
  - (b) Reduction of Share Capital: Any Target Group Company resolving to reduce its share capital in any way;
  - (c) Allotment of Shares: Save for the Restructuring Exercise, any Target Group Company making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security;
  - (d) Declaration of Dividend: Any Target Group Company declaring and paying any dividend without the Company’s agreement in writing;
  - (e) Issuance of Debt Securities: Any Target Group Company issuing, or agreeing to issue, convertible notes or other debt securities;
  - (f) Liquidation, Bankruptcy or Insolvency: The liquidation, bankruptcy or insolvency of any Target Group Company;
  - (g) Termination of Business: The termination of substantially all or part of the assets or business of any Target Group Company;
  - (h) Appointment of Assignee, Receiver or Liquidator: The appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of any Target Group Company; and/or
  - (i) Attachment, Sequestration, Execution or Seizure: The attachment, sequestration, execution or seizure of substantially all or part of the assets of any Target Group Company.
2. For the purpose of the Sale and Purchase Agreement, “**Prescribed Occurrences**” in relation to the Company shall mean any of the following:
  - (a) Share Buy-back: The Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the relevant laws of the Cayman Islands;
  - (b) Reduction of Share Capital: Save as otherwise necessary in effecting the proposed transactions contemplated in the Sale and Purchase Agreement, including but not limited to a capital reduction to lower the par value of the shares in the Company, the Company resolving to reduce its share capital in any way;
  - (c) Allotment of Shares: The Company making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security, save for the allotment and issuance of Shares or Consolidated Shares (as the case may be) pursuant to the ELN Subscription Agreement as well as any other allotment or issue of or agreement to allot or issue the Shares to the professional parties involved in the Proposed Acquisition (if any);

- (d) Declaration of Dividend: Save for the net proceeds, if any, received from the Business Disposal, the Company declaring or distributing any dividend without the Vendor's agreement in writing;
- (e) Issuance of Debt Securities: The Company issuing, or agreeing to issue, convertible notes or other debt securities, save for the ELN Subscription Agreement as contemplated in the Sale and Purchase Agreement;
- (f) Liquidation, Bankruptcy or Insolvency: The liquidation, bankruptcy or insolvency of any Group Company;
- (g) Termination of Business: The termination of substantially all or part of the assets or business of the Group, save for the Business Disposal;
- (h) Appointment of Assignee, Receiver or Liquidator: The appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of any Group Company; and/or
- (i) Attachment, Sequestration, Execution or Seizure: The attachment, sequestration, execution or seizure of substantially all or part of the assets of any Group Company.