

**PROPOSED ACQUISITION OF 10.2% STAKE
IN A PROPERTY DEVELOPMENT PROJECT**

1. INTRODUCTION

The Board of Directors ("**Board**") of ABR Holdings Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that it has entered into an investment agreement ("**Agreement**") to acquire an effective 10.2% stake in a property development project in Kuala Lumpur, Malaysia ("**Proposed Acquisition**") through the acquisition of the entire issued and paid up share capital of All Best Realty Pte. Ltd. ("**All Best Realty**") for a cash consideration of S\$8,943,800 ("**Purchase Consideration**"). In connection with the Proposed Acquisition, the Company is also required to pay S\$66,160 for the assumption of shareholder's advances made to All Best Realty ("**Advance Payment**"). Accordingly, the total amount payable by the Company is S\$9,009,960 (the "**Payment Amount**").

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1. The Project Lands

It is intended that a mixed commercial development will be developed on the project lands comprising two parcels of leasehold land held under issue documents of title (a) Pajakan Negeri 9977, Lot 297 Seksyen 63, Bandar Kuala Lumpur ("**Lot 297**") and (b) H.S.(D) 120748, PT 88 Seksyen 63, Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur ("**PT 88**") which is situated adjoining to Lot 297 (collectively referred to as the "**Project Lands**"). The Project Lands are located in the vicinity of Pavilion Kuala Lumpur, a shopping centre situated in the Bukit Bintang district in Kuala Lumpur, Malaysia.

PT 88 has a leasehold interest of 99 years expiring on 1 August 2117 and a land area of approximately 3,176 square metres. Lot 297 has a leasehold interest of 99 years expiring on 22 September 2081 and a land area of approximately 5,014 square metres.

2.2. All Best Realty and the Seller

All Best Realty is a company incorporated in Singapore and has an issued and paid up share capital of S\$1.00 comprised of 1 ordinary share of S\$1.00. Its principal activity is investment holding.

It is envisaged that following completion of the Proposed Acquisition, the Company will be the sole shareholder of All Best Realty, which will hold 20% of the shares in the capital of Goodwill Influx Sdn. Bhd. ("**Goodwill**"), a company incorporated in Malaysia whose principal activity is investment holding and Goodwill will in turn hold 51% of the shares in the capital of Armani Hartajaya Sdn. Bhd. ("**Armani**"), a company incorporated in Malaysia whose principal activity is property development.

Armani is the registered owner of PT 88. Armani has entered into an agreement to acquire Lot 297 and has paid the acquisition price in full. Transfer of title to Lot 297 to Armani is expected to take place within three months from the date of the Agreement.

The seller is an independent third party and is not related to any of the Company's directors, controlling shareholders or their respective associates (the "**Seller**").

2.3. Salient Terms of the Agreement

2.3.1. Payment Amount

The Payment Amount is payable by the Company to the Seller in cash in the following manner: (a) 10% of the Purchase Consideration shall be paid upon the execution of the Agreement (which is refundable in the event that the Agreement is terminated) and (b) 90% of the Purchase Consideration and the Advance Payment shall be paid at completion of the Proposed Acquisition.

The Payment Amount was arrived at after arm's length negotiations on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the valuation of the Project Lands (as described below).

Based on a valuation report commissioned by Armani and issued by Jordan Lee & Jaafar Sdn. Bhd. on 30 August 2018 ("**Valuation Report**"), the market value of the Project Lands as at 13 August 2018 was valued at MYR320 million based on the Discounted Cash Flow Approach and Comparison Method.

2.3.2. Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, *inter alia*:

- (a) the Company having received (i) a certified true copy of the Memorandum of Transfer ("**MOT**") for Lot 297 duly adjudicated and stamped in favour of Armani, (ii) a written confirmation issued by the solicitors acting for Armani for the SPA, confirming that (1) the MOT for Lot 297 together with the original issue document of title to Lot 297 and all other documents necessary for effecting the registration of the transfer of Lot 297 in favour of Armani free from all encumbrances have been presented for registration at the relevant land registry/land office ("**MOT Presentation**") and (2) Armani and its solicitors have taken all steps necessary for effecting the registration of the transfer of Lot 297 in favour of Armani free from all encumbrances and (iii) the details of the MOT Presentation (including but not limited to the receipt of payment to the relevant land registry/land office and the presentation number); and
- (b) Armani being the registered and beneficial owner of and having valid title to PT 88.

If any of the conditions precedent is not satisfied (or waived) by the date falling six months after the date of the Agreement (or such other agreed date), the Agreement (other than certain provisions which shall survive the termination) shall cease and determine.

2.3.3. Board of Directors of Goodwill

The board of directors of Goodwill shall comprise four directors, of which one will be appointed by the Company.

3. RATIONALE

The Proposed Acquisition is in line with the Group's strategic plans and on-going efforts to expand into selective property development businesses and pursue new opportunities. The Board believes that the Proposed Acquisition is beneficial as it provides the Group with an opportunity to diversify its property portfolio.

4. FUNDING

The Proposed Acquisition will be funded from the Group's internal resources.

5. FINANCIAL EFFECTS

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("FY 2017"):

- (a) assuming that the Proposed Acquisition had been effected at 31 December 2017, the financial effect on the net tangible assets per share of the Group for FY 2017 is negligible; and
- (b) assuming that the Proposed Acquisition had been effected at 1 January 2017, the financial effect on the earnings per share of the Group for FY 2017 is negligible.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures in relation to the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST and based on the unaudited consolidated financial statements for the six months' financial period ended 30 June 2018 are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit	Not applicable ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	5.6% ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset	Not applicable

Notes:

- (1) Not applicable as the Project Lands have yet to be developed and as such no profits are attributable to the Proposed Acquisition.
- (2) Based on the Payment Amount of S\$9,009,960 and the market capitalisation of the Company of S\$161,459,873 (computed based on 200,995,734 ordinary shares in the capital of the Company ("Shares") in issue multiplied by S\$0.8033, the volume weighted average price of the Shares transacted on 12 October 2018, being the last full market day preceding the date of the Agreement on which the Shares were traded).

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a disclosable transaction under Rule 1010 of the SGX-ST Listing Manual.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than by reason only of being a Director of the Company or holder of shares in the capital of the Company.

9. DOCUMENT FOR INSPECTION

Copies of the Agreement and the Valuation Report are available for inspection by shareholders at the registered office of the Company at 41 Tampines Street 92, Singapore 528881 during normal business hours for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director

18 October 2018