

**E2-CAPITAL HOLDINGS LIMITED**  
(Company Registration No.: 200814792H)  
(Incorporated in the Republic of Singapore on 28 July 2008)

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**PROPOSED SUBSCRIPTION OF APPROXIMATELY 99.99% OF THE ENTIRE ISSUED  
AND PAID-UP CAPITAL OF ASTAKA PADU LIMITED – REVERSE TAKEOVER  
TRANSACTION**

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**1. INTRODUCTION**

- 1.1 The board of directors ("**Board**") of E-2 Capital Holdings Limited (the "**Investor**") wishes to announce (this "**Announcement**") that the Investor had on 17 September 2014 entered into a conditional sale and purchase agreement ("**SPA**") with Daing A Malek Bin Daing A Rahaman ("**Dato Malek**"), Abd Aziz Bin Daing Rahman, Daing Abd Rahim Bin Daing A Rahman, Luxus Holdings Limited and Classic Link Investments Limited (the "**Shareholders**"), Andrea Chow and Tan Li-Ann (the "**Ultimate Shareholders**") (the Investor, the Shareholders and the Ultimate Shareholders shall collectively be referred to herein as the "**Parties**"), for the sale by the Shareholders and the purchase by the Investor of the Shareholders' economic interest in Astaka Padu Limited (the "**Company**") comprising the right to participate in the Company and its business ventures and projects involving, *inter alia*, the development and sale of the Land Asset (as defined in paragraph 1.2 below) (the "**Economic Interest**") ("**Proposed Acquisition**").
- 1.2 Currently, the Shareholders are the legal and beneficial owners of the entire issued and paid-up share capital of the Company in the relative proportion ("**Relative Proportion**") (as set out in Appendix D herein). The Ultimate Shareholders are the legal and beneficial owners of the entire issued and paid up share capital of such Shareholder as set out against such Ultimate Shareholder's name in Appendix E herein. The Company is the holding company of Astaka Padu Sdn Bhd ("**APSB**"), the sole legal and beneficial owner of two (2) plots of land located at Johor Bahru, Malaysia, the details of which are set out in paragraphs 5.1 and 5.2 below, where APSB has commenced a property development on the said land ("**Land Asset**"). As at the date of this Announcement, APSB is in the process of acquiring a plot of land parcel provisionally known as Lot 2220 the details of which are also set out in paragraphs 5.1 and 5.2 below ("**Balance Land**"). The Consideration (as defined in paragraph 1.3 below) is derived on the premise that the acquisition of the Balance Land has been completed before the completion of the Proposed Acquisition ("**Completion**").
- 1.3 Pursuant to the SPA, the Parties agree that the Shareholders shall sell and the Investor shall purchase, the Economic Interest for an aggregate consideration of S\$428,000,000 ("**Consideration**"). The participation in the Company by the Investor pursuant to the purchase of the Economic Interest shall be in the manner set out in paragraph 7.2 below.
- 1.4 The Consideration shall be fully satisfied, on Completion, by the issuance and allotment ("**Consideration Shares Issuance**") of such number of new Shares ("**Consideration Shares**") as follows:
- (a) to each of the Shareholders or such party or parties as each Shareholder may nominate (the "**Nominees**") as determined in the following manner (rounded down to the nearest Consideration Share):

$$\text{Number of Consideration Shares} = \frac{\text{Consideration} - \text{S\$8,000,000}}{\text{Issue Price (as defined below)}} \times \text{Relative Proportion}$$

- (b) at the request of the Shareholders, to the Arranger as determined in the following manner (rounded down to the nearest Consideration Share):

$$\text{Number of Consideration Shares} = \frac{\text{S\$8,000,000}}{\text{Issue Price (as defined below)}}$$

- 1.5 The Proposed Acquisition constitutes a “Very Substantial Acquisition” or “Reverse Takeover” transaction pursuant to Chapter 10 of the Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”) and will be subject to, *inter alia*, the approval of the shareholders of the Investor at an extraordinary general meeting (“**EGM**”) to be convened at a later date.

- 1.6 For the purposes of this Announcement,

- (a) “**Arranger**” shall mean Universe Region Limited, an independent party who has arranged the transaction between the Target Group and the Investor for the Proposed Acquisition;
- (b) “**Group**” shall mean the Investor;
- (c) “**Issue Price**” shall mean the issue price per Consideration Share which shall be 8.93 cents per Consideration Share;
- (d) “**Shares**” shall mean the ordinary shares in the share capital of the Investor;
- (e) “**Share Capital**” shall mean such number of shares in the issued and paid-up share capital of the Investor comprising all the issued shares in the Investor;
- (f) “**Shell Value**” means the agreed valuation of the Investor between Parties, which shall be S\$25 million; and
- (g) “**Target Group**” shall mean, collectively, the Company and APSB.

## 2. OVERVIEW OF THE PROPOSED ACQUISITION

For the purpose of this Announcement, the Proposed Acquisition (including the Consideration Shares Issuance) together with certain related transactions proposed in conjunction with the Proposed Acquisition further described below, including, amongst others, the Proposed Share Consolidation, the Proposed Compliance Placement, and the Proposed Whitewash Resolution shall be collectively referred to as the “**Proposed RTO Transactions**”. Further information on the Proposed RTO Transactions will be provided in a circular to the shareholders of the Investor to be issued by the Investor in due course (the “**Circular**”).

### **3. INFORMATION ON THE SHAREHOLDERS**

3.1 The Shareholders comprise the following individuals and companies:

- (a) Dato Malek;
- (b) Abd Aziz Bin Daing Rahman;
- (c) Daing Abd Rahim Bin Daing A Rahman;
- (d) Luxus Holdings Limited; and
- (e) Classic Link Investments Limited.

3.2 Dato Malek is currently the Executive Chairman for APSB and also sits on the board of several private limited companies, such as Sharikat Sukma Kemajuan Dan Perusahaan Sdn Bhd, Urus Terbilang Sdn Bhd and Port Services International Sdn Bhd. He holds a Bachelor of Surveying (Property Management) from Universiti Teknologi Malaysia and has accumulated more than 30 years of experience in property development and construction-related fields including property valuation, reclamation works and port management.

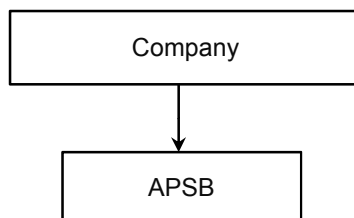
3.3 Abd Aziz Bin Daing Rahman and Daing Abd Rahim Bin Daing A Rahman are brothers of Dato Malek and are both directors of APSB with years of experience in the business of transporting sand supply and reclamation works.

3.4 Luxus Holdings Limited is an investment holding company incorporated in the British Virgin Islands on 28 October 2013. As at the date of this Announcement, Andrea Chow is the legal and beneficial owner of the entire issued and paid-up share capital of Luxus Holdings Limited.

3.5 Classic Link Investments Limited is an investment holding company incorporated in the British Virgin Islands on 2 July 2014. As at the date of this Announcement, Tan Li-Ann is the legal and beneficial owner of the entire issued and paid-up share capital of Classic Link Investments Limited.

### **4. INFORMATION ON THE TARGET GROUP**

4.1 **Overview on the structure of the Target Group**



4.2 The Company is an investment holding company incorporated in the British Virgin Islands on 18 June 2014 and the Shareholders are the legal and beneficial owners of the entire issued and paid-up shares capital of the Company in the Relative Proportions.

- 4.3 APSB was incorporated in Malaysia on 14 June 1993 and is primarily engaged in the business of land acquisition, property investment, project construction and development, with operations in Iskandar, Johor Bahru, Malaysia.
- 4.4 A summary of the pro forma financial information of the Target Group is set out in Appendix A to this Announcement.

## **5. INFORMATION ON THE LAND ASSET AND THE BALANCE LAND**

- 5.1 Details of the plots of land under the Land Asset and the Balance Land are set out below:

### **Land Asset**

	<b>Title Number</b>	<b>Leasehold/ Freehold</b>	<b>Location</b>	<b>Category of Land Use</b>	<b>Area of land (sq m)</b>
1	H.S.(D)520590 , PTD 216346	Freehold	Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Building	9,810
2	H.S.(D)520589 , PTD 216345	Freehold	Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Building	25,210

### **Balance Land**

	<b>Provisional Title Number</b>	<b>Leasehold/ Freehold</b>	<b>Location</b>	<b>Intended Category of Land Use</b>	<b>Approximate area of land (sq m)</b>
1	Lot 2220	Freehold <sup>(1)</sup>	Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Building <sup>(1)</sup>	12,950

Note :

- (1) The land tenure and category of land use in respect of the Balance Land is indicative and pending finalization upon the issue of the land title by the relevant authorities.

- 5.2 The Land Asset is accessible via two major roads, Tebrau Expressway and Internal Ring Road. The location of the Land Asset allows for quick access to the city centre of Johor Bahru and to Singapore via the Customs, Immigration and Quarantine (CIQ) Complex at Bukit Chagar, Johor Bahru. It is also easily accessible by public transport. APSB is in the process of acquiring the Balance Land. The Balance Land to be acquired is located at Jalan Tebrau in Johor Bahru..
- 5.3 The Investor will be commissioning an independent valuer to undertake an independent valuation of the Land Asset in connection with the Proposed Acquisition.

## **6. RATIONALE FOR THE PROPOSED ACQUISITION**

- 6.1 Following completion of the disposal of the Investor's entire business earlier this year, the Investor ceased to have any operating business and is deemed a cash company under Rule 1017 of the Catalyst Rules. Since then, the Investor has been considering various options available to it.
- 6.2 The Board believes that the Proposed Acquisition will provide an opportunity for the Investor to participate in the growth of the Iskandar region in Johor Malaysia and thus enhancing the market profile of the Investor.
- 6.3 Iskandar Malaysia is an initiative of the Malaysian Federal Government and the Johor State Government and would likely receive the continued commitment and support of the relevant authorities in the near future. Important institutional frameworks are in place and most significantly, the strengthening of bilateral relations between Malaysia and Singapore puts Iskandar Malaysia in a prime position to leverage on its proximity and socioeconomic links with its southern neighbour. Since its official launch in 2006, several key catalytic projects of Iskandar Malaysia have been completed or are nearing completion and Iskandar Malaysia is rapidly being transformed into a strong and sustainable metropolis of international standing.
- 6.4 The Proposed Acquisition is also expected to increase the market capitalisation of the Investor significantly and raise the profile of the Investor and generate investors' interest in the Investor.
- 6.5 The Board is hence of the view that the Proposed Acquisition is likely to enhance the long term interests of the shareholders of the Investor.

## **7. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

### **7.1 Advance**

Upon signing of the SPA, the Investor shall pay to the Company a sum of S\$2,000,000 ("**Advance**") for a restructuring exercise undertaken by the Target Group. The Advance is repayable by the Shareholders to the Investor in the event that the conditions precedent of the SPA are not fulfilled and/or Completion does not take place, such payment to be made in accordance with the terms of the SPA ("**Repayment Obligation**"). Dato Malek has undertaken to pay such amount equivalent to the Advance in the event the Shareholders breaches the Repayment Obligation.

### **7.2 Participation by Investor**

Participation in the Company by the Investor as set out in paragraph 1.3 above shall take the form of the Shareholders procuring that the Company issue 4,199,580 ordinary shares in the capital of the Company (the "**New Company Shares**") for an aggregate subscription price of S\$1,000,000 (the "**Subscription Price**") to the Investor, and the Investor agreeing to subscribe for the New Company Shares, such that the Investor and the Shareholders will respectively hold approximately 99.99% and 0.01% of the enlarged share capital of the Company upon Completion.

### 7.3 Consideration

The Consideration of S\$428,000,000 was arrived at after arm's length negotiations between the Investor and the Shareholders, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the estimated expected market valuation, potential financial position, management position and the business prospects of the Target Group.

The Consideration shall be fully satisfied by the Consideration Shares Issuance to the Shareholders and/or their respective nominees and the Arranger. On the Consideration Shares Issuance, the Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares. For the avoidance of doubt, the Proposed Share Consolidation (as defined below) shall take place after the Consideration Share Issuance.

### 7.4 Conditions Precedent in relation to the Proposed Acquisition

Completion is conditional upon, *inter alia*, the conditions precedent set out in the SPA and specified in Appendix B to this Announcement having been satisfied or waived in accordance with the terms of the SPA. The back-stop date for the satisfaction of the conditions precedent set out in the SPA shall be the date falling six (6) months (unless extended by agreement of the Parties) after the date of the SPA.

### 7.5 Completion

Subject to the conditions precedent of the Proposed Acquisition being satisfied or waived (as the case may be), the Proposed Acquisition will be completed on the date falling ten (10) Business Day (as defined in the SPA) after the satisfaction or waiver of certain conditions precedent in the SPA or such other date as the Parties may mutually agree (the "**Completion Date**").

### 7.6 Waiver from Mandatory General Offer

Subject to and on Completion, the Shareholders will have interests in the Investor of more than 30.0% of the voting rights in the Investor. Pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers (the "**Code**"), the Shareholders and persons acting in concert with each of them ("**Concert Parties**") would be required to make a general offer for the remaining Shares not owned or controlled by the Shareholders and their respective Concert Parties at the highest price paid or agreed to be paid by any of the Shareholders and their respective Concert Parties for the Shares in the preceding six (6) months.

It is a condition precedent to the Proposed Acquisition that the Securities Industry Council ("**SIC**") grants the Shareholders and their respective Concert Parties, and does not revoke or repeal such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the Shares not owned or controlled by them (the "**Whitewash Waiver**") and that independent shareholders of the Investor approve at a general meeting of the Investor a whitewash resolution for the waiver of their rights to receive such a mandatory general offer from the Shareholders and their respective Concert Parties (the "**Proposed Whitewash Resolution**"). Accordingly, the Investor will be seeking approval of the independent shareholders of the Investor for the Proposed Whitewash Resolution at the EGM and the Shareholders will be applying to the SIC to seek for the Whitewash Waiver.

#### 7.7 **Proposed Share Consolidation**

Under Rule 429 of the Catalist Rules, the issue price of each Share is required to be at least S\$0.20 each. Accordingly, in conjunction with the Proposed Acquisition, the Investor proposes to undertake a share consolidation exercise (the “**Proposed Share Consolidation**”) subsequent to the Consideration Share Issuance based on the ratio of three (3) existing Shares to one (1) new consolidated Share (the “**Consolidated Share**”) (fractional entitlements to be disregarded).

#### 7.8 **Proposed Compliance Placement**

Subject to and on Completion, it is expected that the Shareholders will hold approximately 92.71% of the Share Capital of the Investor. In that event, the Investor will not meet the shareholding spread and distribution requirements set out in the Catalist Rules. To meet such requirement, it is intended that the Investor will undertake a placement exercise (the “**Proposed Compliance Placement**”) by way of an issue of new Shares (the “**Compliance Placement Shares**”). Dato Malek may be permitted to sell part of his Consideration Shares in connection with the Proposed Compliance Placement provided that such sale is mutually agreed between the placement agent to be appointed by the Investor and Dato Malek.

#### 7.9 **Moratorium**

Save in connection with the Proposed Compliance Placement, the Shareholders shall be subject to a moratorium not to dispose of or transfer or create any encumbrances over (i) the entire of the Shareholders’ interests in the Consideration Shares issued pursuant to the SPA, for a period of six (6) months commencing from the Completion Date as required under Rules 422 and 1015(3)(b) of the Catalist Rules; and (ii) 50% of the Shareholders’ interests in the Consideration Shares issued pursuant to the SPA, for a period of twelve (12) months commencing from the Completion Date. For this purpose, the Shareholders have agreed to provide an undertaking to the Investor that they shall not dispose of, release or transfer or create any encumbrances of such Consideration Shares which are subject to the moratorium and which may be issued to them on Completion.

Each Ultimate Shareholder has also agreed to provide a written undertaking to the Investor that they shall not dispose of, release or transfer or create any encumbrances of their entire equity interest in such Shareholder for a period of twelve (12) months commencing from the listing date of the Consideration Shares.

#### 7.10 **Proposed Appointment of New Directors**

It is a condition precedent of the SPA, that new directors nominated by the Shareholders are appointed to the Board. Information on such proposed appointments and service contracts (if any) will be set out in the Circular.

### 8. **REVERSE TAKE OVER**

#### 8.1 **Relative Figures under Rule 1006 of the Catalist Rules**

Based on the latest announced unaudited financial statements of the Group for the financial year ended 30 June 2014 and the unaudited consolidated financial statements of the Target Group for the year ended 30 June 2014, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

- |     |   |                                   |
|-----|---|-----------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value  | Not applicable to an acquisition. |
| (b) | Net profits attributable to the Target Group as compared with the Group's net profits for the financial year ended 30 June 2014   | Not meaningful                    |
| (c) | Aggregate value of the Consideration as compared with the Investor's market capitalisation as at 16 September 2014, being the market day immediately preceding the date of the SPA                  | 2,131.9% <sup>(1)</sup>           |
| (d) | The number of Consideration Shares to be issued by the Investor as Consideration for the Proposed Acquisition, as compared with the number of equity securities of the Investor previously in issue | 1,711.7% <sup>(2)</sup>           |
| (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   | Not applicable to an acquisition. |

**Notes:**

(1) Based on (i) the Consideration of S\$428,000,000 and (ii) the market capitalisation of the Investor of approximately S\$20,076,000, determined by multiplying 280,000,000 existing Shares in issue by the weighted average price of S\$0.0717 of such Shares transacted as at 16 September 2014, being the market day immediately preceding the date of the SPA.

(2) Based on 4,792,833,146 Consideration Shares and 280,000,000 existing Shares.

## 8.2. Shareholding Effects

For illustrative purposes only, it is envisaged that upon Completion and completion of the Proposed Share Consolidation and the Proposed Compliance Placement, the shareholding structure of the Investor will be as follows:

Shareholders	Before the Proposed Acquisition, Proposed Share Consolidation and Proposed Compliance Placement		After the Proposed Acquisition and before the Proposed Share Consolidation and Proposed Compliance Placement		After the Proposed Acquisition and Proposed Share Consolidation but before the Proposed Compliance Placement	
	Shares	(%)	Shares	(%)	Shares	(%)
Substantial shareholder of the Investor	246,603,000	88.07	246,603,000	4.86	82,201,000	4.86
Other shareholders of the Investor (Public Float)	33,397,000	11.93	33,397,000	0.66	11,132,333	0.66
Shareholders	-	-	4,703,247,480	92.71	1,567,749,160	92.71
Arranger	-	-	89,585,666	1.77	29,861,888	1.77
<b>Total</b>	<b>280,000,000</b>	<b>100.00</b>	<b>5,072,833,146</b>	<b>100.00</b>	<b>1,690,944,381</b>	<b>100.00</b>



- 8.3 As the relative figures under Rule 1006(c) and 1006(d) of the Catalist Rules exceed 100%, and given that the Shareholders will hold approximately 92.71% of the Share Capital of the Investor immediately upon the completion of the Proposed Acquisition, a change in control of the Company will arise as a result, and the Proposed Acquisition would constitute a “Very Substantial Acquisition” or “Reverse Takeover” transaction pursuant to Chapter 10 of the Catalist Rules. Accordingly, the Proposed RTO Transactions are subject to, *inter alia*, the approval of the shareholders of the Investor and the SGX-ST.

9. **FINANCIAL EFFECTS**

Please refer to Appendix C of this Announcement for certain financial effects of the Proposed Acquisition.

10. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors of the Investor (“**Directors**”) (other than in his capacity as Director or shareholder of the Investor) nor (as far as the Directors are aware) substantial shareholders of the Investor has any interest, direct or indirect, in the Proposed RTO Transactions.

11. **FINANCIAL ADVISER**

The Investor has appointed PrimePartners Corporate Finance Pte. Ltd. as its financial adviser and full sponsor in respect of the Proposed RTO Transactions.

12. **INDEPENDENT FINANCIAL ADVISER**

The Investor will appoint an independent financial adviser to the independent Directors of the Investor for the purposes of the Proposed Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular to be despatched to shareholders of the Investor in due course.

13. **RESPONSIBILITY STATEMENT**

- 13.1 The Directors collectively and individually accept full responsibility (save in respect of the Shareholders, the Target Group, the Land Asset and the Balance Land) 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 RTO Transactions, the Group and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.
- 13.2 The Shareholders and the Ultimate Shareholders each accept full responsibility for the accuracy of the information given in this Announcement in respect of itself, the Target Group, the Land Asset and the Balance Land and confirm after making all reasonable enquiries that, to the best of its knowledge and belief, this Announcement constitutes full and true disclosure of all material facts in respect of itself, the Target

Group, the Land Asset and the Balance Land and it is not aware of any facts the omission of which would make any statement in this Announcement in respect of itself, the Target Group, the Land Asset and the Balance Land misleading.

- 13.3** 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.

**14. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION**

- 14.1** The Circular containing further information on, *inter alia*, the Proposed RTO Transactions and enclosing the notice of the EGM to seek approval of shareholders of the Investor for the Proposed RTO Transactions (in particular, the Proposed Share Consolidation, the Proposed Compliance Placement, the grant of a general mandate for the issue of new consolidated shares and the Proposed Whitewash Resolution) will be despatched by the Investor to the shareholders of the Investor in due course.
- 14.2** A copy of the SPA will be made available for inspection by the shareholders of the Investor during normal business hours at the registered office of the Investor for a period of three (3) months from the date of this Announcement.

**15. CAUTIONARY STATEMENT**

The Board would like to advise shareholders of the Investor that, although the SPA has been entered into, completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Accordingly, shareholders of the Investor are advised to exercise caution in dealings with the Shares. Shareholders of the Investor are advised to read this Announcement and any further update announcement(s) released by the Investor in connection with the Proposed Acquisition carefully. Shareholders of the Investor should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

## **BY ORDER OF THE BOARD**

Lee Gee Aik  
Executive Vice Chairman

**17 September 2014**

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This announcement has been reviewed by the Investor's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

## **APPENDIX A**

### **HISTORICAL FINANCIAL INFORMATION OF APSB**

APSB was incorporated on 14 June 1993 in Malaysia and the unaudited financial summary of the APSB has been computed based on the unaudited management accounts of APSB for the financial years ended 30 June 2012 and 2013 that were prepared in accordance with the Malaysian Financial Reporting Standards.

The financial summary below is presented in HK\$ while the unaudited management accounts of APSB for the financial years ended 30 June 2012 and 2013 were prepared in Malaysian Ringgit. The exchange rate used in for such conversion in the financial summary below was RM1 : HK\$2.4146 as at 30 June 2014 (Source: <http://www.xe.com/ict>).

#### **Income Statement**

<b>(HK\$'000)</b>	<b>Unaudited Financial year ended 30 June 2012</b>	<b>Unaudited Financial year ended 30 June 2013</b>
Revenue	-	-
Gross profit	-	-
Loss/(profit) before tax	(1)	1,653
Income tax expenses	14	-
Loss for the year	13	1,653

#### **Balance Sheet**

<b>(HK\$'000)</b>	<b>Unaudited As at 30 June 2012</b>	<b>Unaudited As at 30 June 2013</b>
Current assets	12,870	29,496
Non-current assets	3,714	3,686
Total assets	16,584	33,182
Current Liabilities	6,768	25,019
Non-current liabilities	-	-
Total liabilities	6,768	25,019
Shareholders' equity	9,816	8,163

## PRO FORMA FINANCIAL INFORMATION OF THE TARGET GROUP

The Target Group comprises the Company and APSB which were incorporated on 18 June 2014 and 14 June 1993 in the British Virgin Islands and Malaysia respectively. The unaudited pro forma financial summary of the Target Group has been computed based on the management accounts of each of the companies in the Target Group from their respective incorporation dates to 30 June 2014, assuming, *inter alia*, that the Land Asset were acquired as at 30 June 2014 and the Target Group holds the title to the Land Asset and the maximum potential liabilities in relation to the Land Asset. For the avoidance of doubt, the pro forma financial summary of the Target Group does not take into account the financial figures of the Investor having regard that the Investor is a cash company.

The financial summary below is presented in HK\$ while the unaudited management accounts of APSB for the financial years ended 30 June 2014 were prepared in Malaysian Ringgit. The exchange rate used in for such conversion in the financial summary below was RM1 : HK\$2.4146 as at 30 June 2014 (Source: <http://www.xe.com/ict>).

### Proforma Income Statement

(HK\$'000)	<b>Unaudited</b> Financial year ended 30 June 2014
Revenue	-
Gross profit	-
Loss before tax	28,215
Income tax expenses	-
Loss for the year	28,215

### Proforma Balance Sheet

(HK\$'000)	<b>Unaudited</b> As at 30 June 2014
Current assets	256,277
Non-current assets	2,029
<b>Total assets</b>	<b>258,305</b>
Current liabilities	151,353
Non-current liabilities	102,858
<b>Total liabilities</b>	<b>254,211</b>
Shareholders' equity	4,094

## **APPENDIX B**

### **CONDITION PRECEDENTS IN RELATION TO THE PROPOSED ACQUISITION**

*Unless otherwise defined, terms referred to in this Appendix B shall have the meaning ascribed to them in the SPA.*

Completion shall be conditional upon the following being fulfilled on or before the Back-Stop Date:

- (a) completion of a business, legal and financial due diligence exercise by the Investor on the Shareholders and each Group Company which shall include, without limitation:
  - (i) the review of the business and operations of each Group Company including management meetings and site visits;
  - (ii) the review of each Group Company's historical financial figures; and
  - (iii) the review of any and all documents relating to legal and taxation matters of each Group Company,the results of such exercise being satisfactory to the Investor and the financial adviser appointed by the Investor, in their sole and absolute discretion;
- (b) delivery by the Shareholders to the Investor and the financial adviser appointed by the Investor of a legal opinion issued by the legal counsel of the Shareholders (that has been approved by the Investor and the financial adviser appointed by the Investor) that the Restructuring has been completed and is not in contravention of any of the relevant laws or regulations of Malaysia, such legal opinion to be in such form and substance satisfactory to the Investor and the financial adviser appointed by the Investor in their reasonable discretion;
- (c) to the extent that Shareholders and their concert parties are obliged to make a mandatory offer under Rule 14 of the Code arising from the allotment and issue of the Consideration Shares pursuant to the terms and conditions of this Agreement, the SIC having granted the Shareholders and their concert parties a waiver from such obligation, and such waiver not being revoked, repealed or amended as of the Completion Date, and such waiver being subject to:
  - (i) any conditions that the SIC may impose, such conditions being acceptable to the Shareholders and the Investor (to the extent that any condition imposed relates to matters to be fulfilled or complied with by the Investor), and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled; and
  - (ii) the Whitewash Resolution having been passed by the Investor's shareholders (who are independent of the Shareholders) at an extraordinary general meeting, to be convened by the Investor;
- (d) the SGX-ST having granted a listing and quotation notice for the listing and quotation of the Consideration Shares and the Placement Shares, if any;
- (e) the Investor having received the requisite approvals from its shareholders, at an extraordinary general meeting to be convened by the Investor, for amongst others, the :

- (i) Acquisition;
  - (ii) Whitewash Resolution;
  - (iii) removal of existing directors of the Investor and appointment of new directors by the Shareholders in their place;
  - (iv) change of name of the Investor, subject to the approval of any applicable Governmental Body;
  - (v) issue and allotment of the Consideration Shares at the Issue Price;
  - (vi) issue and allotment of the Placement Shares;
  - (vii) adoption of general mandate for issue and allotment of new Shares;
  - (viii) adoption of general mandate for ongoing interested persons transactions (if any);
  - (ix) Share Consolidation; and
  - (x) all transactions contemplated under this Agreement.
- (f) the Investor having received the requisite approvals from its board of directors, for amongst others, the matters set out in Clause 3.1(e) above (to the extent applicable);
- (g) undertakings by E2-Capital Inc.:
- (i) not to dispose of their shareholdings in the Investor until the earlier of:
    - (1) the Conditions Precedent not being fulfilled on or before the Back-Stop Date; or
    - (2) termination of this Agreement; or
    - (3) conclusion of the extraordinary general meeting in respect of the Acquisition; and
  - (ii) to vote, subject to fulfillment of Clause 3.1(c), at the extraordinary general meeting to be convened in respect of the Acquisition, in favor of, *inter alia*, the matters referred to in Clause 3.1(d) above.
- (h) save as disclosed in this Agreement and the Disclosure Letter, all Shareholder Warranties provided by the Shareholders and the Ultimate Shareholders under this Agreement being complied with, true, accurate and correct in all material respects as at the Completion Date;
- (i) save as disclosed in this Agreement, all Investor Warranties provided by the Investor under this Agreement being complied with, true, accurate and correct in all material respects as at the Completion Date;
- (j) all necessary approvals and consents as may be necessary from and registration with any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated herein or to the entry into and

completion of this Agreement by the Parties, being in full force and effect and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and if such approvals or consents or registrations are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the Investor and the Shareholders (as the case may be);

- (k) the Investor being satisfied in its reasonable discretion that the business of each Group Company has been carried on in a satisfactory manner and in its usual course, and all material approvals and consents (including any governmental, regulatory and/or corporate approvals and consents) required for the business of each Group Company has been obtained, and are and shall as at the Completion Date, remain valid and effective and not withdrawn or amended;
- (l) the execution and performance of this Agreement by the Parties hereto not being materially prohibited, restricted, curtailed, hindered, impaired or otherwise materially adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority;
- (m) the delivery of the Disclosure Letter by the Shareholders to the Investor on the date of execution of this Agreement and such other supplemental letter being delivered by the Shareholders to the Investor no later than thirty (30) Business Days from the date of this Agreement (if any), and the Disclosure Letter and such other supplemental letter being in a form and substance satisfactory to the Investor at the Investor's reasonable discretion;
- (n) there being no investigations by any Governmental Body and competent authorities or adverse proceedings pending or threatened against any Group Company or the Parties, that might reasonably be expected to impair or prevent the completion of the Acquisition and the matters contemplated herein (including the resultant change in shareholders, directors and management of any Group Company) or cause a material adverse change in the business operations, affairs, conditions (financial or otherwise) or prospects of any Group Company from the date of this Agreement up to and including Completion Date;
- (o) there being no notice of acquisition or exercise of any right by any Governmental Body which will or may prejudice or adversely affect the continued ownership, use and enjoyment of the Land Asset and the Balance Land by the Group or which will or may subject any Group Company to any onerous charge or liabilities in relation to the Land Asset and the Balance Land or any part of it, or of any intended acquisition or exercise of any right in relation to the Land Asset and the Balance Land or any part of it by the relevant Governmental Body;
- (p) as at Completion, the Investor having no assets and liabilities whatsoever save for (a) the Available Cash, of which S\$1,000,000.00 is earmarked for the subscription by the Investor of the New Company Shares; and (b) a receivable of S\$2,000,000.00 from the Company or APSB;
- (q) Suntec Real Estate Consultants Pte Ltd to be appointed as an independent valuer by the Investor at the cost of the Company and whose valuation of the Company's Business, Land Asset and the Balance Land is satisfactory to the Investor and the financial advisers appointed by the Investor in their reasonable discretion as at Completion;



- (r) delivery by Shareholders to the Investor of (i) written approval from Bank Negara Malaysia in respect of the issuance of the such number of Consideration Shares to each of Daing Abd Rahim Bin Daing A Rahman, Abd Aziz Bin Daing Rahman and Dato Malek and if such approvals, consents or registrations are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the Investor and the Shareholders (as the case may be); or (ii) a legal opinion issued by the legal counsel of the Shareholders (that has been approved by the Investor) in the form acceptable to the Investor in its sole and absolute discretion confirming that no such Bank Negara Malaysia approval is required;
- (s) the delivery by the Shareholders to the Investor of such documentary evidence (such documentary evidence being satisfactory to the reasonable discretion of the Investor) of the completion of the acquisition of the Balance Land by APSB;
- (t) the delivery by the Shareholders to the Investor of such documentary evidence (such documentary evidence being satisfactory to the reasonable discretion of the Investor) of the submission of the development plans for the plot of land with land title number H.S.(D)520589, PTD 216345 and the Balance Land (such development plans being substantially the same set of development plans provided to Suntec Real Estate Consultants Pte Ltd for the valuation of the Company's Business, Land Asset and the Balance Land) to the Majlis Bandaraya Johor Bahru (Johor Bahru City Council); and
- (u) the delivery by the Shareholders to the Investor of such documentary evidence (such documentary evidence being satisfactory to the reasonable discretion of the Investor) of the discharge of the indemnity provided by APSB in favour of Dato Malek for his provision of a fixed deposit of RM90,000,000 as security for the performance of APSB under a contract dated 27 June 2013 between APSB and Penta-Ocean (Malaysia) Sdn Bhd.

## **APPENDIX C**

### **FINANCIAL EFFECTS**

#### **Bases and Assumptions**

The 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 following Completion. The pro forma financial effects of the Proposed Acquisition on the share capital, earnings, NTA and gearing of the Group have been prepared based on the unaudited consolidated financial results of the Group for the financial year ended 30 June 2014 and the unaudited combined pro forma financial information of the Target Group for the period from incorporation to 30 June 2014. The unaudited combined pro forma financial information of the Target Group for the year ended 30 June 2014 has been prepared in accordance with the Malaysian Financial Reporting Standards. For the purpose of illustrating the financial effects, no re-alignment of the accounting standards has been performed.

For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects of the Proposed Acquisition are computed based on, *inter alia*, the following assumptions:

- (i) the Company and APSB are assumed to have completed the acquisition of the Balance Land;
- (ii) the financial effects on the Group's earnings and earnings per Share are computed assuming that the Group has disposed of its travel agency business on 1 July 2013 and the Proposed Acquisition were completed on 1 July 2013.
- (iii) the financial effects on the Group's NTA and gearing are computed assuming that the Proposed Acquisition were completed on 30 June 2014 and the Group's capital reduction exercise that was undertaken in August 2014 was completed on 30 June 2014;
- (iv) the financial effects do not take into account any transactions completed by the Group subsequent to 30 June 2014;
- (v) the difference between the deemed consideration for the Proposed Acquisition and the fair value of the net assets of the Group, if any, have not been considered and will be determined on the date of Completion when the Shareholders have effectively obtained control of the Investor. The actual difference could be materially different from the aforementioned assumption;
- (vi) the analysis does not take into account the financial effects of the Proposed Compliance Placement; and
- (vii) the financial effects do not take into account the financial effects of the non-controlling interests in the Group.

## Share Capital

(HK\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and paid-up share capital	231,885	231,885
Effects of Proposed Acquisition	-	2,660,962
<b>Enlarged issued and paid-up share capital</b>	<b>231,885</b>	<b>2,892,847</b>
Number of Shares in issue as at 30 June 2014 ('000)	280,000	280,000
Issuance of Consideration Shares ('000)	-	4,792,833
Adjusted Number of Shares before Share Consolidation ('000)	280,000	5,072,833
Number of Consolidated Shares in issue after Share Consolidation ('000)	93,333	1,690,944

## NTA

(HK\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
NTA	222,871	222,871
Effects of Proposed Acquisition	-	4,094
Effects of the Group's capital reduction and cash distribution	-	(187,502)
<b>Enlarged NTA</b>	<b>222,871</b>	<b>39,463</b>
NTA per Share (cents)	79.6	0.8
NTA per Consolidated Share (cents)	238.8	2.3

## Earnings

(HK\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings for the year	224,207	224,207
Effects of Proposed Acquisition	-	(28,215)
Reversal of Group's earnings	-	(224,207)
<b>Enlarged earnings/(loss) for the year</b>	<b>224,207</b>	<b>(28,215)</b>
Earnings/(Loss) per Share (cents)	80.1	(0.6)
Earnings/(Loss) per Consolidated Share (cents)	240.2	(1.7)

## Gearing

(HK\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
Net Debt	nil	42,922
Total Capital	222,871	82,386
<b>Gearing Ratio <sup>(1)</sup></b>	nil	0.52

**Note:**

- (1) Gearing is determined based on net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalent. Total capital is calculated as equity plus net debt.

**APPENDIX D**

**RELATIVE PROPORTION**

<b>NO.</b>	<b>SHAREHOLDERS</b>	<b>OWNERSHIP OF COMPANY (%) ROUNDED TO 2 DECIMAL PLACES</b>
1.	Dato Malek	83.34
2.	Abd Aziz Bin Daing Rahman	5.95
3.	Daing Abd Rahim Bin Daing A Rahman	5.95
4.	Luxus Holdings Limited	3.57
5.	Classic Link Investments Limited	1.19

**APPENDIX E**

**ULTIMATE SHAREHOLDERS**

<b>NO.</b>	<b>ULTIMATE SHAREHOLDERS</b>	<b>OWNERSHIP OF RELEVANT SHAREHOLDER (%)</b>
1.	Andrea Chow	100% of Luxus Holdings Limited
2.	Tan Li-Ann	100% of Classic Link Investments Limited