

## LOYZ ENERGY LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199905693M)

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- (1) **TERMINATION OF LEASE AGREEMENT AND THE PROPOSED ISSUE OF NEW SHARES; AND**
  - (2) **THE PROPOSED DISPOSAL OF THE RIGS.**
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### 1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Loyz Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company, together with its wholly-owned subsidiary, Loyz Rex Drilling Services LLC (“**LRDS**”), had, on 13 May 2015, entered into a termination agreement (the “**Termination Agreement**”) with Fram Exploration ASA (“**Fram**”), for the termination of a lease agreement dated 25 June 2014 (the “**Lease Agreement**”). The Lease Agreement was in relation to the lease of two drilling units, namely (i) the Lewek Explorer 750; and (ii) the Lewek Explorer 700, as well as certain auxiliary equipment (collectively, the “**Rigs**”) from LRDS to Fram as announced by the Company on 5 March 2014.

Concurrent with the entering into of the Termination Agreement, LRDS had, on the same day, entered into a sale and purchase agreement (the “**SPA**”) with Sky Park Investments Limited, a wholly-owned subsidiary of Jit Sun Investments Pte. Ltd. (the “**Purchaser**”), pursuant to which LRDS has agreed to sell and the Purchaser has agreed to buy the Rigs for a cash consideration of US\$16,000,000 (the “**Purchase Consideration**”) subject to, among others, the terms and conditions set out in the SPA (the “**Proposed Disposal**”).

Jit Sun Investments Pte. Ltd. (“**Jit Sun**”) is a company incorporated in the Republic of Singapore, and has direct and indirect interests of an aggregate of 112,227,273 shares in the capital of the Company (“**Shares**”), representing approximately 19.64% of the issued and paid-up share capital of the Company as at the date of this announcement. Accordingly, Jit Sun is a “controlling shareholder” of the Company. Lee Chye Tek Lionel is the sole shareholder of Jit Sun, and is the brother of Lee Chye Cheng Adrian who is the Managing Director of the Company.

### 2. THE TERMINATION AGREEMENT

#### 2.1 Overview

The Group acquired 20% of the issued and paid-up share capital of Fram for a consideration of US\$41,400,000, as announced by the Company on 5 March 2014, 30 June 2014, 8 July 2014 and 11 July 2014. A portion of the consideration payable by the Group, being US\$27,900,000, was satisfied by the lease of the Rigs to Fram under the Lease Agreement for a period of five years from September 2014 (“**Lease Period**”). Accordingly, the sum of US\$27,900,000 was considered fully-paid and there is no lease payable by Fram to the Group during the Lease Period. In addition, Fram has an option to acquire the Rigs at nominal costs upon the end of the Lease Period.

The Company and LRDS had entered into the Termination Agreement in order for the Group to enter into the SPA with the Purchaser. Please refer to paragraph 3 of this announcement for further information relating to the Rigs and the SPA. In consideration for the early termination of the Lease Agreement within the first year of the Lease Period, LRDS shall pay to Fram a termination fee of US\$13,800,000 (the “**Termination Fee**”) in order for Fram to surrender the lease. The Termination Fee shall be paid in the following manner:

- (a) a cash component of US\$2,500,000 shall be deposited in a bank account designated by Fram, and be paid from the Company's internal resources, as follows:

- (i) US\$500,000 to be deposited within five business days from the date of the EGM (as defined below); and
  - (ii) the remaining US\$2,000,000 to be deposited on or before 30 June 2015; and
- (b) the remaining US\$11,300,000 shall be satisfied by the issuance to, and crediting of, 136,500,000 new ordinary shares in the capital of the Company (the “**New Shares**”) at S\$0.110 per New Share, to a securities account designated by Fram (the “**Proposed Shares Issue**”). The issue price of S\$0.110 per New Share was commercially agreed between the Company and Fram on an arm’s length basis and represents a 0.90% discount to the closing price per share of the Company (“**Share**”) of S\$0.111 traded on Catalist on 12 May 2015, being the last full trading day immediately prior to the date of the signing of the Termination Agreement.

The Proposed Shares Issue is subject to the Conditions (as defined in paragraph 2.2 of this announcement). In the event the Conditions are not fulfilled and/or satisfied, the remaining US\$11,300,000 shall be paid in cash, or in any other manner as the parties may agree. Save for the above, there are no other conditions precedent for the Termination Agreement.

Pursuant to the Termination Agreement, the Rigs shall be returned to LRDS on an “as-is-where-is” basis, effective from 30 April 2015.

## 2.2 New Shares

As of the date of this announcement, the Company has an issued and paid-up share capital of 571,303,127 Shares and has no treasury shares.

Pursuant to Rule 803 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Rules of Catalist**”), the Company must not issue securities to transfer a controlling interest without the prior approval of shareholders of the Company (“**Shareholders**”) in a general meeting. The 136,500,000 New Shares represent approximately 23.89% and 19.29% of the existing and enlarged issued and paid-up share capital of the Company, respectively. In addition, Rule 805 of the Rules of Catalist provides that an issuer must obtain prior approval of its shareholders in a general meeting for the issue of shares or convertible securities or grant of options carrying rights to subscribe for shares in the issuer. Accordingly, the Proposed Shares Issue is conditional upon, among others, (a) Shareholders’ approval to be obtained at an extraordinary general meeting of the Company to be convened (the “**EGM**”); (b) the listing and quotation notice (“**LQN**”) granted by the SGX-ST for the listing of and quotation of the 136,500,000 New Shares on Catalist; and (c) the issue of new Shares to Jit Sun pursuant to a conversion of Jit Sun’s loan to the Company amounting to US\$13,000,000 as at the date of this announcement (“**Outstanding Loan**”), such that Fram will not, at any single time, be the single largest Shareholder (collectively, the “**Conditions**”).

Fram is a limited company incorporated and existing under the laws of Kingdom of Norway and is involved in oil and gas exploration. Save for the Group’s 20% shareholding interest in Fram, Fram as well as its directors and shareholders, are not related to the Company, any of its subsidiaries or the Controlling Shareholders of the Company. Based on information provided by Fram, Fram is the owner of certain oil and gas leases and other interests (the “**Fram Leases**”). The Fram Leases include approximately 50,090 net acres in Delta and Mesa Counties, Colorado, United States and approximately 9,700 net acres in Renville and Ward Counties, North Dakota, United States. Aside from the Fram Leases, Fram also owns a gas compressor station in Colorado, US as well as other related plant machineries.

The New Shares are purely for Fram’s investment purposes only and Fram has no intention of influencing the management of, or exercising control over, the Company or appointing a nominee

director to the Board. The Proposed Shares Issue is undertaken in conjunction with and pursuant to the Termination Agreement. Accordingly, the Company will not receive any proceeds from the Proposed Shares Issue.

Upon completion of the Proposed Shares Issue, Jit Sun's shareholding in the Company will be diluted from approximately 19.64% as at the date of this announcement to 15.86%. The Group is currently in negotiations with Jit Sun to convert the full Outstanding Loan to new Shares, such that Jit Sun will remain as the single largest Shareholder. The Company will inform Shareholders on further development, as and when available.

The New Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares as at the date of issue of the New Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record of which falls on or before the date of completion of the allotment and issuance of the New Shares.

### **2.3 Lock-up**

To demonstrate its commitment to the Company, Fram has voluntarily undertaken that it will not, directly or indirectly:

- (a) offer, pledge, sell or contract to sell any New Shares;
- (b) sell any option or contract to purchase any New Shares;
- (c) purchase any option or contract to sell any New Shares;
- (d) grant any option, right or warrant for the sale of any New Shares;
- (e) lend or otherwise dispose of or transfer any New Shares;
- (f) enter into any transaction (including a derivative transaction) that has the effect of, is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) of any New Shares;
- (g) deposit any New Shares in any depository receipt facility; or
- (h) publicly announce any intention to do any of the above,

to any person (including its affiliates or otherwise) from the date of issue of the New Shares until the date falling nine months from the date of issue of the New Shares (the "**Lock-up Period**").

Notwithstanding the aforementioned, Fram shall during the Lock-up Period, be permitted to do any of the foregoing acts under paragraph 2.3(a) to (h) in respect of 14,500,000 New Shares (out of 136,500,000 New Shares), so long as it has obtained the prior written consent of the Company.

### **2.4 Financial effects with respect to the Termination Agreement and the Proposed Shares Issue**

The pro forma financial effects of the Proposed Shares Issue presented below are **strictly for illustrative purposes only** and are not intended to be indicative or reflect the actual future financial situation of the Company and the Group after the completion of the Proposed Shares Issue.

The pro forma financial effects of the Proposed Shares Issue have been computed based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2014 ("**FY2014**") as well as the following assumptions:

- (a) the financial effect on the consolidated net tangible assets (“**NTA**”) per Share is computed based on the assumption that the Proposed Shares Issue was completed on 30 June 2014;
- (b) the financial effect on the loss per Share is computed based on the assumption that the Proposed Shares issue was completed on 1 July 2013; and
- (c) expenses relating to the Proposed Shares Issue of approximately S\$10,000.

For the avoidance of doubt, the pro forma financial effects do not take into account any subsequent issuance of new shares by the Company on or after 1 July 2014.

#### Share capital and NTA per Share

	<b>Before the Proposed Shares Issue</b>	<b>After the Proposed Shares Issue</b>
Number of issued Shares as at 30 June 2014	411,281,127	547,781,127
Share capital (S\$'000)	95,882	111,034
NTA attributable to Shareholders (S\$'000)	18,906	34,048
NTA per Share (cents)	4.60	6.22

#### Loss per Share

	<b>Before the Proposed Shares Issue</b>	<b>After the Proposed Shares Issue</b>
Net loss attributable to Shareholders in FY2014 (S\$'000)	(3,670)	(3,680)
Weighted average number of issued Shares	386,868,009	523,368,009
Loss per Share (cents)	(0.95)	(0.70)

### **3. THE PROPOSED DISPOSAL**

#### **3.1 Overview**

The Purchase Consideration is US\$16,000,000 and is payable entirely in cash upon completion of the Proposed Disposal (the “**Completion**”, and the date of the Completion, the “**Completion Date**”). The Purchase Consideration was arrived at, on a willing-buyer and willing-seller basis, after negotiations which were conducted at arm’s length between the parties, and takes into account, among others, the valuations conducted by Ritchie & Bisset (Far East) Pte. Ltd. in respect of the Rigs, as well as the current and proposed rate of utilisation of the Rigs.

The Proposed Disposal is considered a “discloseable transaction” under Rule 1010 of the Rules of Catalist as well as an interested person transaction pursuant to Rule 906(1)(a) of the Rules of Catalist as the value of the Proposed Disposal exceeds 5% of the Group’s latest audited NTA. Accordingly, the Proposed Disposal is subject to Shareholders’ approval. Please refer to paragraphs 3.7 and 3.8 of this announcement for more information.

#### **3.2 Salient terms of the SPA**

- (a) Title, ownership and possession and risk of loss

Title, ownership and possession and risk of loss of the Rigs will pass to the Purchaser on the Completion Date.

- (b) “As-is-where-is” basis

On the Completion Date, the Purchaser will take delivery and possession of the Rigs on an

“as-is-where-is” basis.

(c) Exclusion of LRDS’ Trademarks and Logos

The sale of the Rigs excludes the right, title and interest in any of LRDS’ trade names, trademarks, identifying logos or service marks related thereto or any part or variation of any of the foregoing (collectively, the “**Trademarks and Logo**”) and neither the Purchaser nor any of its subsidiaries or associated companies shall make any use of the Trademarks and Logo at any time, provided however that the Purchaser shall have a period of up to 60 days after the Completion Date in which, at its own cost, to remove from the Rigs, or paint over, any of the Trademarks and Logo.

### 3.3 Particulars of the Rigs

The book value of the Rigs as of 31 March 2015 is approximately US\$13,800,000 and the gain on the Proposed Disposal is approximately US\$2,100,000, based on the unaudited consolidated financial statements of the Company as at 31 March 2015.

Further information on the Rigs is set out below.

- (a) The Lewek Explorer 750 refers to a 750 HP Heli Portable Drilling Rig, located in the United States.

Type : Heli Portable Drilling Rig

Design : LS30H-AC

Year of built : 2008

The Lewek Explorer 750 is designed with layout meeting requirements for helicopter hoisting, with assembly by an on-site crane. The drilling rig mainly comprises of a draw-works support chassis, mast, drill floor sub-structure and specialised drilling equipment.

- (b) The Lewek Explorer 700 refers to a 700 HP Rack & Pinion Drilling Unit, located in the United States.

Type : Rack & Pinion Mast Type Drilling Rig

Design : SENSE - EDM

Year of built : 2004

The Lewek Explorer 700 is a self-contained unit capable of all unbalanced drilling, milling, workover and snubbing operations that are currently being conducted with the conventional Stand Alone Snubbing Systems but operating at greater depths. It uses electronic-over-hydraulic operating systems and has an automated tripping procedure, thus increasing the speed at which the tubular are safely inserted or removed from wellbore.

### 3.4 Rationale for the Proposed Disposal

The Rigs were previously leased from LRDS to Fram and utilised by Fram at its oil and gas onshore assets in the Piceance basin in Colorado and Williston basin in North Dakota, United States. The Rigs are currently not being used by Fram. In addition, in May 2013, LRDS (as the borrower) and the Company (as the guarantor) had entered into a credit agreement with an external financial institution for a loan of US\$18,200,000 to LRDS for the acquisition of the Rigs (the “**Rigs Loan**”). As at the date of this announcement, approximately US\$15,500,000 of the Rigs Loan remained outstanding, and is

repayable by 30 June 2015. Accordingly, the Proposed Disposal would enable the Company fully repay the Rigs Loan and allow the Company to immediately unlock the value in the Rigs, which is consistent with the intent of maximising returns to Shareholders, and is accordingly in the best interests of the Company.

The Company had engaged brokers to solicit interests in the disposal of the Rigs to independent third parties. However, based on the current market conditions as well as indications of interests received from the brokers, the Company had decided to proceed with the Proposed Disposal and sell the Rigs to the Purchaser as the Purchaser had offered the best terms and is able to effect and complete the transaction within the time set out by the Company, in consideration of repayment of the Rigs Loan.

### 3.5 Use of proceeds

The Group will be utilising the net proceeds of approximately US\$16,000,000 for (i) full repayment of the Rigs Loan (97.0%); and (ii) the balance for general corporate requirements (3.0%).

Prior to the deployment of the net proceeds for the above-mentioned purposes, the net proceeds may be placed in deposits with banks and/or financial institutions or invested in short-term money market instruments, marketable securities or used for any short-term basis, as the Directors may, in their absolute discretion, deem fit.

### 3.6 Financial effects with respect to the Proposed Disposal

The pro forma financial effects of the Proposed Disposal presented below are **strictly for illustrative purposes only** and are not intended to be indicative or reflect the actual future financial situation of the Company and the Group after the completion of the Proposed Disposal.

The pro forma financial effects of the Proposed Disposal have been computed based on the audited consolidated financial statements of the Group for FY2014 as well as the following assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal was completed on 30 June 2014;
- (b) the financial effect on the loss per Share is computed based on the assumption that the Proposed Disposal was completed on 1 July 2013; and
- (c) expenses relating to the Proposed Disposal of approximately S\$10,000.

For the avoidance of doubt, the pro forma financial effects do not take into account any subsequent issuance of new shares by the Company on or after 1 July 2014.

#### NTA per Share

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA attributable to Shareholders (S\$'000)	18,906	21,767
Number of issued Shares	411,281,127	411,281,128
NTA per Share (cents)	4.60	5.29

#### Loss per Share

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net Loss attributable to Shareholders in FY2014 (S\$'000)	(3,670)	(3,680)
Weighted average number of issued Shares	386,868,009	386,868,009
Loss per Share (cents)	(0.95)	(0.95)

## Gearing ratio

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Gearing ratio <sup>(1)</sup>	86%	63%

### **Note:**

(1) Gearing ratio is calculated as follow:

(Total borrowings minus cash and cash equivalents) / Total shareholders' equity

## **3.7 Relative figures computed on the bases set out in Rule 1006 of the Rules of Catalyst**

Based on the Group's latest announced unaudited consolidated financial statements for the 9-month financial period ended 31 March 2015, the relative figures of the Proposed Disposal computed on the relevant bases set out in Rule 1006 of the Rules of Catalyst are as follows:

<b>Bases in Rule 1006</b>	<b>Relative Figures</b>
(a) Net asset value of the Rigs to be disposed of, compared with the Group's net asset value	19% <sup>(1)</sup>
(b) Net profit attributable to the Rigs to be disposed of, compared with the Group's net profit	Not applicable as there is no net profit or loss attributable to the Rigs.
(c) Consideration received for the Rigs compared with the Company's market capitalisation	33% <sup>(2)</sup>
(d) Number of equity securities issued by the Company as consideration for the Rigs, compared with the number of equity securities previously in issue	Not applicable as the transaction pertains to a sale by the Company and not an acquisition, and no equity securities will be issued by the Company for the Proposed Disposal.
(e) 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 as the transaction does not pertain to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

### **Notes:**

(1) Based on the unaudited consolidated net asset value of the Rigs as at 31 March 2015 of approximately US\$13,800,000, as compared to the unaudited consolidated net asset value of the Group as at 31 March 2015 of approximately US\$74,400,000.

(2) Based on the Purchase Consideration of US\$16,000,000 (or approximately S\$21,360,000 based on the exchange rate of US\$1:S\$1.335) and the Company's market capitalisation of approximately S\$63,986,000, computed based on the Company's existing issued and paid-up share capital of 571,303,127 Shares and the volume weighted average price of S\$0.112 per Share on 12 May 2015, being the market day preceding the date of the SPA.

As the relative figures under Rules 1006(a) and (c) of the Rules of the Catalyst exceed 5% but does not exceed 50%, the Proposed Disposal constitutes a "discloseable transaction" under Rule 1010 of the Rules of Catalyst.

## **3.8 Proposed Disposal as an Interested Person Transaction**

Under Chapter 9 of the Rules of Catalyst, where an "entity at risk" (as defined in the Rules of Catalyst) proposes to enter into a transaction with an "interested person" (as defined in the Rules of Catalyst) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of the Group's latest audited NTA,

Shareholders' approval is required in respect of the transaction.

LRDS, being an indirect wholly-owned subsidiary of the Company which is not listed on any stock exchange, is the "entity at risk". As mentioned above, the Purchaser, being the "controlling shareholder" is an "interested person" of the Company for the purposes of Chapter 9 of the Rules of Catalist.

Based on the latest audited consolidated financial statements of the Group for FY2014, the NTA of the Group was approximately S\$18,900,000 as at 30 June 2014. The Purchase Consideration for the Proposed Disposal of US\$16,000,000 represents approximately 113.02% of the Group's latest audited NTA. Accordingly, the Proposed Disposal is an interested person transaction, and will be subject to the approval of Shareholders pursuant to Rule 906(1)(a) of the Rules of Catalist.

#### **4. INTERESTED PERSON TRANSACTIONS**

As at the date of this announcement, save for the interest expenses of approximately US\$606,000 in relation to the Outstanding Loan, there are no interested person transactions (excluding transactions less than S\$100,000) between the Company and Jit Sun and its associates for the current financial year ending 30 June 2015.

#### **5. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER**

The Company will appoint an independent financial adviser ("**IFA**") to advise the Independent Directors, being Directors who are considered independent of the Proposed Disposal, and the members of the Audit Committee of the Company as to whether the financial terms of the Proposed Disposal are fair and reasonable, and whether the Proposed Disposal as an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the letter from the IFA to the Independent Directors and members of the Audit Committee will be set out in the circular to be despatched to Shareholders in due course and Shareholders are advised to read the letter carefully.

#### **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

##### **6.1 Proposed Shares Issue**

Other than interests held through the Company as Shareholders, none of the Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Shares Issue.

##### **6.2 Proposed Disposal**

In accordance with Rule 919 of the Rules of Catalist, an interested person shall abstain and ensure its associates will abstain, from voting on resolutions approving interested person transactions involving themselves and their associates. Furthermore, such interested persons and their associates shall not act as proxies in relation to such resolutions unless voting instructions have been given by the relevant shareholder. In addition, a restricted placee under Rule 812 of the Rules of Catalist and its associates must abstain from voting on the resolution approving a placement to the restricted placee.



**(a) Abstaining Director**

Lee Chye Cheng Adrian, the Managing Director of the Company, is the brother of Lee Chye Tek Lionel, who is the sole shareholder of Jit Sun. As at the date of this announcement, Jit Sun is a controlling Shareholder.

Accordingly, the foregoing Director will abstain from making any recommendation on the Proposed Disposal to Shareholders, and will abstain, and will ensure that his associates will abstain, from voting on the ordinary resolution to approve the Proposed Disposal at the EGM. The foregoing Director will also decline to accept any appointment as proxy for any Shareholder to vote in respect of the ordinary resolution to approve the Proposed Disposal at the EGM unless the Shareholder concerned shall have given instructions in the proxy form as to the manner in which his votes are to be cast in respect of the ordinary resolution to approve the Proposed Disposal at the EGM.

**(b) Abstaining Shareholder**

As at the date of this announcement, the controlling Shareholder, Jit Sun, has direct and indirect interests in an aggregate of 112,227,273 Shares, representing approximately 19.64% of the issued and paid-up share capital of the Company. Jit Sun has declared its interest as described above and will accordingly abstain, and will ensure that its associates will abstain, from voting on the ordinary resolution to approve the Proposed Disposal at the EGM. Jit Sun will also decline to accept any appointment as proxy for any Shareholder to vote in respect of such ordinary resolution at the EGM unless the Shareholder concerned shall have given instructions in the proxy form as to the manner in which his votes are to be cast in respect of such ordinary resolution at the EGM.

**(c) Interests of Other Directors and Shareholders**

Save as disclosed in this announcement, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Disposal.

**7. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Shares Issue and/or the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**8. DOCUMENTS FOR INSPECTION**

A copy of each of the Termination Agreement and the SPA is available for inspection by Shareholders during normal business hours at the registered address of the Company at 15 Hoe Chiang Road, #19-01, Singapore 089316 for three months from the date of this announcement.

**9. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the Company's Shares in relation to this announcement as there is no certainty that the Proposed Shares Issue and the Proposed Disposal will be completed as it is subject to, among others, the approvals from Shareholders, and the fulfillment of terms and conditions set out in the SPA. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisers.

## 10. ANNOUNCEMENTS

Further announcements with respect to the Proposed Shares Issue and/or the Proposed Disposal will be made in due course as and when appropriate.

## 11. CIRCULAR

The Proposed Shares Issue and the Proposed Disposal are conditional upon, among others, the approval from Shareholders being obtained at the EGM. Further details of the Proposed Shares Issue and the Proposed Disposal will be set out in the circular to be issued by the Company and to be despatched to Shareholders in due course.

An application will be made to Canaccord Genuity Singapore Pte. Ltd. (the “**Sponsor**”) and the SGX-ST for the approval for the dealing in, listing of, and quotation for the New Shares.

## 12. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Shares Issue, the Proposed Disposal, the Proposed Jit Sun Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By order of the Board

Lee Chye Cheng, Adrian  
Managing Director  
Date: 14 May 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by 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 Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*