

ULTRO TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore
(Company Registration No. 198700318G)
(the "Company")

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF LEY CHOON CONSTRUCTIONS AND ENGINEERING PTE LTD

1. INTRODUCTION

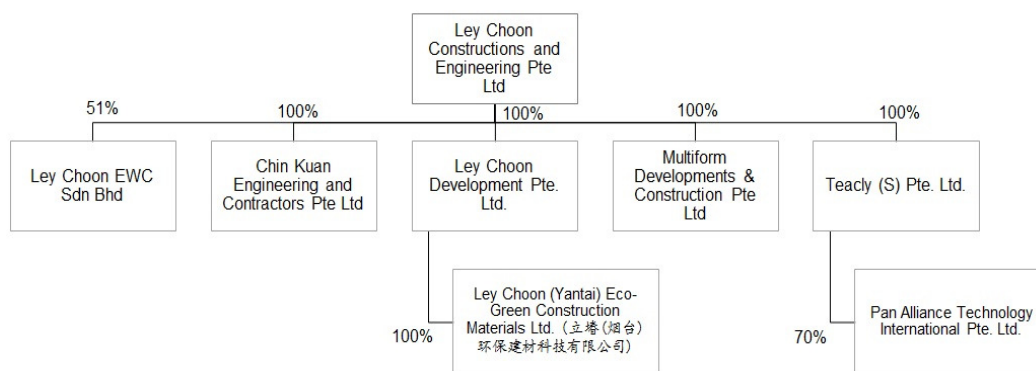
The Board of Directors of the Company wishes to announce that on 24 December 2011, the Company entered into a sale and purchase agreement ("**SPA**") with the existing shareholders of Ley Choon Constructions and Engineering Pte Ltd ("**LCCE**"), namely Mr Toh Choo Huat, Mr Toh Chew Leong, Mr Toh Chew Chai, Mr Toh Swee Kim, Mr Koh Tiam Teng, Mr Tan Teck Wei and Mr Liang Say Juan (collectively referred herein as the "**Vendors**" and each a "**Vendor**") for the proposed acquisition of LCCE ("**Proposed Acquisition**").

Pursuant to the SPA, the Company and the Vendors agreed that the Vendors shall sell and the Company shall acquire the entire issued and paid-up share capital of LCCE, comprising 15,000,000 ordinary shares in the issued and paid-up share capital of LCCE ("**Sale Shares**"). The consideration for the Proposed Acquisition is S\$110 million ("**Consideration**") and it shall be fully satisfied by the allotment and issuance of 3,928,571,429 new ordinary shares in the issued and paid-up share capital of the Company (the "**Consideration Shares**"), which comprise 90.1% of the Company's Enlarged Share Capital (as defined in Paragraph 7 below), to the Vendors and/or their nominees, at the issue price of S\$0.028 per Consideration Share.

The Consideration Shares shall be free from all encumbrances and together with all rights, entitlement and benefits attached thereto as at and from the completion date of the Proposed Acquisition (the "**Completion Date**"). The Consideration Shares, when issued, shall also rank *pari passu* and form a single class with the other existing ordinary shares in the issued and paid-up share capital of the Company (the "**Shares**"), save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

2. DETAILS RELATING TO LCCE

LCCE (Company Registration No. 199004441H) is a private company limited by shares incorporated in the Republic of Singapore and having its registered address at 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226. LCCE's subsidiaries comprise Chin Kuan Engineering and Contractors Pte Ltd, Ley Choon Development Pte. Ltd., Multifarm Developments & Construction Pte Ltd, Teacly (S) Pte. Ltd., Pan Alliance Technology International Pte. Ltd., Ley Choon EWC Sdn Bhd and Ley Choon (Yantai) Eco-Green Construction Materials Ltd. (立塔(烟台)环保建材科技有限公司). The group structure of LCCE and its subsidiaries (collectively referred herein as the "**LC Group**") is as follows:



The LC Group is engaged in the businesses of (i) Underground Utilities Infrastructure (as defined below) construction and maintenance; (ii) sewer pipeline rehabilitation; (iii) road and airfield construction and maintenance; (iv) production of asphalt pre-mixes; and (v) construction waste recycling. The phrase “**Underground Utilities Infrastructure**” refers to water pipes, NEWater pipes, gas pipes, electricity cables, fibre optic cables, sewer pipeline, traffic light systems and telecommunication networks.

3. RATIONALE

As the Company incurred losses for each of the three consecutive financial years ended 30 June 2007, 2008 and 2009, it was placed on the SGX-ST’s Watch-List on 3 December 2009.

The Company has within 24 months from 3 December 2009 to restore its financial health to the prescribed levels as aforesaid, otherwise the SGX-ST may either:

- (a) remove the Company from the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), or
- (b) suspend trading of the listed securities of the Company (without the agreement of the Company),

with a view to removing the Company from the Mainboard of the SGX-ST.

Pursuant to Rule 1314 of the Listing Manual, the Company may apply for its removal from the SGX-ST’s Watch-List upon meeting either one of the following requirements:

- (a) it records consolidated pre-tax profit for the latest completed financial year and has an average daily market capitalisation of S\$40 million or more over the last 120 market days, on which trading was not halted or suspended for the full market day; or
- (b) it satisfies the criteria for admission to SGX-ST’s Mainboard as set out in Rule 210(2)(a) or 210(2)(b) of the Listing Manual.

In its effort to turnaround its business such that it may apply to be removed from the SGX-ST’s Watch-List, the Company has been actively pursuing various business opportunities, including venturing into the new core business relating to minerals and resource based products. Unfortunately, given the challenges and difficulties faced by the Company in the minerals and resource industry, the Company was of the view that more time would be required for it to achieve profitability, which is a requirement that the Company is required to fulfil before it may apply to be removed from the SGX-ST’s Watch-List.

Accordingly, the Board of Directors of the Company decided in the best interests of the Company's shareholders ("**Shareholders**"), to undertake the Proposed Acquisition such that the Company may then apply to be removed from the SGX-ST's Watch-List before the prescribed deadline and continue to maintain its listing status.

To support its application for the removal from the SGX-ST's Watch-List, the Company is proposing to undertake the Proposed Acquisition, pursuant to which new businesses will be injected into the Company.

The Company believes that the Proposed Acquisition is in the best interests of its Shareholders as it provides the Company with an opportunity to acquire an entity with a credible operating track record in the businesses of Underground Utilities Infrastructure construction and maintenance, sewer pipeline rehabilitation as well as road and airfield construction and maintenance.

The LC Group is a one-stop Underground Utilities Infrastructure construction and maintenance service provider and they provide their customers with the full-range of construction, commission and maintenance services. In addition, they are also engaged in the businesses of producing of asphalt pre-mixes and undertaking construction waste recycling, which complement their other business activities. The LC Group's asphalt plant produces asphalt pre-mixes, which is an essential raw material required for the construction and maintenance of roads and airfield as well as the road resurfacing needs for Underground Utilities Infrastructure constructions. The LC Group's construction waste recycling plant also allows it to recycle the construction waste generated from its other business activities. The concrete aggregates are then transported back to the site for re-use.

The new businesses acquired by the Company under the Proposed Acquisition will meet the criteria for admission to SGX-ST's Mainboard set out in Rule 210(2)(a) and Rule 210(2)(b) of the Listing Manual. In view of the above, the Board of Directors are of the view that the Proposed Acquisition will support the Company's application to be removed from the SGX-ST's Watch-List, which would then allow the Company to maintain its listing status on the SGX-ST's Mainboard.

Shareholders should, however, note that there can be no assurance that SGX-ST will remove the Company's name from the SGX-ST's Watch-List pursuant to the Proposed Acquisition.

4. **CONSIDERATION**

The Consideration for the Proposed Acquisition was determined at arm's length and on a "willing-buyer-willing seller" basis. The Consideration was also determined using the basis of approximately 8.2 times the price earnings ratio of LCCE's audited profits for its financial year ended 31 December 2010. As at 31 December 2010, the net tangible asset value LC Group is S\$48,555,000. To fully satisfy the Consideration, the Company shall issue 3,928,571,429 Consideration Shares to the Vendors and/or their nominees at S\$0.028 per Consideration Share as follows:

Name of Vendor and/or Nominee	No. of Consideration Shares
Toh Choo Huat (and/or his nominees)	1,024,383,389
Toh Chew Leong (and/or his nominees)	1,024,383,389
Toh Chew Chai (and/or his nominees)	562,559,111

Name of Vendor and/or Nominee	No. of Consideration Shares
Toh Swee Kim (and/or his nominees)	562,559,111
Koh Tiam Teng (and/or his nominees)	303,285,715
Tan Teck Wei (and/or his nominees)	156,950,357
Liang Say Juan (and/or his nominees)	156,950,357
Intersino Investments Limited ⁽¹⁾ (and/or its nominees)	137,500,000

Note:

- (1) The Vendors and the Company have agreed to allot and issue 137,500,000 Consideration Shares out of the 3,928,571,429 Consideration Shares to Intersino Investments Limited (“**Intersino**”) and/or its nominees for Intersino’s services in relation to, inter alia, the Proposed Acquisition (the “**Introducer Shares**”). The Introducer Shares comprise 3.15% of the Enlarged Share Capital (as defined in Clause 7 below). The Introducer Shares shall be free from all encumbrances and together with all rights, entitlement and benefits attached thereto as at and from the Completion Date. The Introducer Shares shall also rank pari passu and form a single class with the other Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Introducer Shares.

5. SALIENT TERMS AND CONDITIONS

- (a) The Company and the Vendors have agreed under the SPA that prior to completion of the Proposed Acquisition (the “**Completion**”) and subject to obtaining all necessary approvals, the Company shall do the following:
- i. dispose all its existing businesses and assets other than the following:
 - (aa) a cash reserve of approximately S\$2.4 million;
 - (bb) a liability of approximately S\$600,000; and
 - (cc) the entire issued and paid-up share capital of its wholly-owned subsidiary, Ranoda (M) Sdn Bhd (“**Ranoda**”), comprising 2,950,000 ordinary shares, provided that Ranoda has no other existing businesses and assets other than the property located at 12 Jalan Dewani 4, Kawasan Perindustrian Dewani, 81100 Johor Bahru, Johor, Malaysia (“**Property**”),

(referred herein as the “**Proposed Disposal**”); and
 - ii. obtaining relevant approvals for the consolidation of 10 existing warrants in the Company (“**Warrants**”) into one consolidated warrant (“**Consolidated Warrant**”) and revising the exercise price to S\$0.50 per Consolidated Warrant (“**Proposed Warrant Consolidation**”) in accordance with the terms and conditions of the Warrants in the event of consolidation of ordinary shares in the issued and paid-up share capital of the Company.

For avoidance of doubt, the Proposed Warrant Consolidation shall be subject to Shareholders’ and holders of the Warrants’ (“**Warrantholders**”) approvals.

- (b) As part of the Proposed Disposal, the Company shall procure its substantial shareholders Lim Ee Ann and Lim Ee Chuan to undertake to purchase or procure other persons to purchase the Company's entire interest in its subsidiaries Ultro Resources Pte Ltd and PT Ultro Sumber Indonesia. For this transaction, the Company shall enter into a separate disposal agreement with Lim Ee Ann and Lim Ee Chuan or such other persons that they have procured to acquire the Company's entire interest in the issued and paid-up capital of each of Ultro Resources Pte Ltd and PT Ultro Sumber Indonesia. The Company is currently preparing the relevant disposal agreement for this disposal and will release an announcement to update its Shareholders with more details on this transaction.
- (c) The Company and the Vendors have also agreed under the SPA that following Completion and subject to having obtained all necessary approvals:
- i. the Company shall consolidate every 10 Shares into 1 consolidated share ("**Proposed Consolidation**");
 - ii. the Company shall undertake the Proposed Warrant Consolidation;
 - iii. the Company shall change its name to "Ley Choon Group Holdings Limited" or such other name chosen by the Vendors;
 - iv. the Vendors shall have the right to appoint new Directors to the Board;
 - v. at the request of the Vendors, the Company shall procure its existing Directors to resign and reconstitute its Board in accordance with the Vendors' instructions; and
 - vi. the Company shall undertake two pro-rata cash distribution exercises (collectively referred herein as the "**Proposed Cash Distributions**") by way of capital reduction after obtaining approval from *inter alia* the Singapore Courts, SGX-ST and the Central Depository (Pte) Limited. Details of the Proposed Cash Distributions are as follows:
 - (aa) for the first Proposed Cash Distribution, the Company shall undertake a pro-rata cash distribution exercise of up to S\$ 2 million ("**Proposed First Cash Distribution**"), being aggregate sum of the bank balance as at Completion Date (after deducting the operating expenses accrued up to Completion Date but should include the accruals from the capital reduction exercise) and consideration to be received for the Proposed Disposal. Only the shareholders as at the Books Closure Date (as defined below) shall be entitled to receive such amounts paid out under the Proposed First Cash Distribution ("**Entitled Shareholders**"). The payment of such amounts to the Entitled Shareholders by the Company shall be made as soon as practicable after obtaining the Court approval for the capital reduction exercise;
 - (bb) for the second Proposed Cash Distribution, the Company shall undertake a pro-rata cash distribution of:
 - I. up to S\$ 2.5 million; or
 - II. the aggregate sum of balance receivables due to the Company prior to the Completion ("**Collection Receivables**") and any cash balance in the Special Accounts (as defined below) after payment of the First Proposed Cash Distribution exercise,

whichever is the lesser, and make the necessary payments to the Entitled Shareholders pursuant to this exercise (“**Proposed Second Cash Distribution**”). The payment of such amounts under the Proposed Second Cash Distribution to the Entitled Shareholders shall be made within 180 days from the Books Closure Date (as defined below).

“**Books Closure Date**” refers to the date on which the Share Transfer Books and the Register of Members of the Company are closed for the purposes determining the Entitled Shareholders’ entitlement of the special dividends declared under the Proposed Cash Distributions. The Books Closure Date shall be determined by the Company, provided always that the Books Closure Date is before Completion but after the extraordinary general meeting held by the Company to obtain its shareholders’ approval for the matters set out in Paragraph 6 (c) of this Announcement;

ACCORDINGLY, THE FOLLOWING PERSONS SHALL NOT BE ENTITLED TO RECEIVE ANY PAYMENTS UNDER THE PROPOSED CASH DISTRIBUTIONS:

(AA) THE VENDORS; AND

(BB) ANY PERSONS WHO BECOME SHAREHOLDERS OF THE COMPANY AFTER THE BOOKS CLOSURE DATE.

Further to the above, the Company wishes to bring to the attention of the Shareholders and Entitled Shareholders that the amount distributed under the Proposed Second Cash Distribution is dependent on whether the Company is able to collect the Collection Receivables successfully. There is no assurance that the Company will be able to receive the Collection Receivables in full and accordingly, the actual amount payable under the Proposed Second Cash Distribution may be less than the maximum of S\$2.5 million set out above.

When the Company receives payment for the Collection Receivables and determine the aggregate sum of the Collection Receivables and any cash balance in the Special Accounts (as defined below) after payment of the First Proposed Cash Distribution exercise, the Company shall make a further announcement to update the Shareholders and Entitled Shareholders on the definitive amounts payable under the Proposed Second Cash Distribution.

- (d) An account will be set up with a Singapore-licensed bank nominated by the Company or one of the Company’s existing bank accounts (“**Special Accounts**”) for the sole purpose of:
 - i. receiving cash, including cash held by the Company prior to the Completion, the consideration received by the Company for the Proposed Disposal, receivables due to the Company prior to Completion but which were received subsequent to the Completion or 180 days from the Book Closure Date, whichever is earlier and
 - ii. maintaining monies from which all costs incurred for the Proposed Cash Distributions and all other operating costs will be deducted from.
- (e) For the Company’s retention of the entire issued and paid-up share capital of Ranoda comprised in 2,950,000 ordinary shares (provided that Ranoda has no businesses or assets other than the Property), the Vendors shall pay the Company Malaysian Ringgit 3.4 million (or equivalent in Singapore Dollars) in cash on Completion

("Retention Fee"). The Retention Fee was determined at arm's length and on a "willing-buyer-willing seller" basis, after taking into the prevailing market price.

- (f) Nothing in the SPA shall constitute a profit guarantee given by the Vendors in relation to the companies in the LC Group.

6. CONDITIONS PRECEDENT

6.1 The SPA is subject to, amongst other matters, the satisfaction and/or waiver of the following conditions:

- (a) the completion of a financial and legal due diligence exercise on the LC Group by the Company, and the results of such due diligence exercise being satisfactory to the Company in its sole and absolute discretion;
- (b) the Company procuring or obtaining undertakings from its substantial shareholders Lim Ee Chuan and Lim Ee Ann that they will vote in favour for the resolutions for:
 - i. the Proposed Acquisition;
 - ii. the issue and allotment of the Consideration Shares (including Introducer Shares) to the Vendors (and/or their respective nominees) and Intersino Investment Limited (and/or its nominees);
 - iii. Whitewash Resolution (as defined below);
 - iv. the Proposed Consolidation;
 - v. the Proposed Cash Distributions;
 - vi. the Company changing its name to "Ley Choon Group Holdings Limited" or any other name chosen by the Vendors;
 - vii. the appointment of individuals nominated by the Vendors as new Directors of the Company and the reconstitution of the Board of Directors of the Company in accordance with the Vendors' instructions;
 - viii. the Proposed Warrant Consolidation; and
 - ix. the proposed interested person mandate to allow the Company to transact with individuals who will be deemed as interested persons under the SGX-ST's Listing Manual following the appointment of individuals nominated by the Vendors as new Directors of the Company;
- (c) the Directors and the Shareholders have approved of the transactions contemplated under the SPA, including:
 - i. the Proposed Acquisition;
 - ii. the Proposed Disposal;
 - iii. the issue and allotment of the Consideration Shares (including Introducer Shares) to the Vendors (and/or their respective nominees) and Intersino Investment Limited (and/or its nominees);
 - iv. the Proposed Consolidation;
 - v. the Proposed Cash Distributions;

- vi. the Company changing its name to “Ley Choon Group Holdings Limited” or any other name chosen by the Vendors;
 - vii. the appointment of individuals nominated by the Vendors as new Directors of the Company and the reconstitution of the Board of Directors of the Company in accordance with the Vendors’ instructions;
 - viii. the Proposed Warrant Consolidation; and
 - ix. the proposed interested person mandate to allow the Company to transact with individuals who will be deemed as interested persons under the SGX-ST’s Listing Manual following the appointment of individuals nominated by the Vendors as new Directors of the Company;
- (d) the Warranholders and SGX-ST have approved the Proposed Warrant Consolidation;
 - (e) in-principle approval from SGX-ST for the issuance and admission of the Consideration Shares (including the Introducer Shares) to the SGX-ST’s Mainboard having been obtained on terms and conditions (if any) acceptable to the Company, and not having been withdrawn or amended on or before the Completion Date, and if required by the SGX-ST, such terms and conditions being fulfilled or satisfied before Completion;
 - (f) subject to any such condition that the Securities Industry Council (“**SIC**”) may impose which are acceptable to the Company and the Vendors, the waiver by the SIC of the obligation imposed upon the Vendors and their concert parties to make a general offer of all the Shares under Rule 14 of The Singapore Code of Take-overs and Mergers and such waiver grant remaining in full force and effect on and before Completion;
 - (g) the Company will submit an additional listing application (the “**Application**”) to the SGX-ST for the listing and quotation of the Consideration Shares and Introducer Shares (if necessary) and that it will furnish any undertakings and do all such acts and things as may be within its powers and required for such purposes;
 - (h) the Directors of the Company and the independent shareholders of the Company approving the whitewash resolution approving the waiver of the rights of the independent shareholders of the Company to receive a mandatory takeover offer from the Vendors and parties deemed acting in concert with them, for all the shares of the Company not already owned by them and persons deemed acting in concert with them (the “**Whitewash Resolution**”) as a result of the transactions contemplated in the SPA, provided that they and any persons not independent of them, abstain from voting on the Whitewash Resolution;
 - (i) as at the Completion, the Company shall have no assets and liabilities save for:
 - i. a cash reserve of approximately S\$2.4 million;
 - ii. a liability of approximately S\$600,000; and
 - iii. the entire issued and paid-up share capital of its wholly-owned subsidiary Ranoda, comprising 2,950,000 ordinary shares provided that Ranoda has no other existing businesses and assets other than the Property;
 - (j) the Company shall remain listed on the SGX-ST’s Mainboard. In particular, the Company is required to obtain, as a condition precedent, confirmation from the SGX-ST that in view of the proposed transactions with the Vendors under the SPA, SGX-ST will extend the period on which the Company will be placed on the SGX-ST’s watch-list for another six months and not delist the Company;

- (k) the Company procuring or obtaining undertakings from its substantial shareholders Lim Ee Chuan and Lim Ee Ann that they will or procure other persons to purchase the Company's entire interest in its subsidiaries Ultron Resources Pte Ltd and PT Ultron Sumber Indonesia;
- (l) approval has been granted by the Singapore Courts, SGX-ST and the Central Depository (Pte) Limited for Proposed Cash Distributions;
- (m) the board of directors of LCCE approving the sale of the Sale Shares by the Vendors to the Company;
- (o) the Vendors procuring or obtaining all necessary consents or approvals required or necessary, if any, for the transaction contemplated in the SPA on terms satisfactory to the Company by governmental or regulatory bodies or competent authorities having jurisdiction over the such transactions contemplated within one month from the date of the SPA, and such consent or approvals not being revoked or repealed on or before Completion. All such consents or approvals obtained shall be delivered to the Company within one month from the date of the SPA (or such other date that the Vendors and the Company may agree in writing);
- (p) the delivery of the disclosure letter disclosing information constituting exceptions to the warranties contained in the SPA (in the form and substance acceptable to the Company) by the Vendors to the Company within 7 days from the date of the SPA (or such other date as may be agreed between them);
- (q) all representations, warranties and undertakings of the Vendors under the SPA being complied with, and remaining true, accurate and correct in all material respects as at the Completion;
- (r) there not having been at any time hereafter any material adverse change or events, acts or omission likely to lead to changes in the businesses, assets, prospects, performance, financial positions or results of operations of the LC Group from that set forth in the audited accounts of the LC Group for the financial period ended 31 December 2010;
- (s) no litigation, action, suit or other proceedings shall be pending or threatened against the Vendors at the Completion where an unfavourable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated under the SPA; and
- (t) none of the following events have occurred at any time prior to or on Completion:
 - i. liquidation, bankruptcy or insolvency of any of the Vendors or companies in the LC Group;
 - ii. termination of substantially all or part of the business of any company in the LC Group by resolution of the general meetings of its shareholders;
 - iii. appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of any of the Vendors or any company in the LC Group; or
 - iv. attachment, sequestration, execution or seizure of substantially all or part of the assets of any of the Vendors or any company in the LC Group.

6.2 As disclosed above, one of the conditions precedents of the SPA is the appointment of individuals nominated by the Vendors as new Directors of the Company and the reconstitution of the Board in accordance with the Vendors' instructions. The Vendors have proposed that

Mr Toh Choo Huat, Mr Toh Chew Leong, Mr Toh Swee Kim, Mr Koh Tiam Teng and Mr Tan Teck Wei be appointed as Executive Directors of the Company pursuant to Completion but details relating to their service agreements with the Company have yet to be finalised. Information relating to these nominated directors and their service agreements will be set out in the Company's circular to shareholders to be despatched in due course.

7. RELATIVE FIGURES CALCULATED USING APPLICABLE BASES OF COMPARISON UNDER RULE 1006 OF THE SGX-ST'S LISTING MANUAL

For the purposes of Chapter 10 of the SGX-ST's Listing Manual, the relative figures for the Proposed Acquisition using the applicable bases of comparison under Rule 1006 of the Listing Manual are set out below:

Listing Manual Rule 1006 (a)	Net asset value of assets	Net asset value of the Company and its subsidiaries (the "Group")	Relative figure
	Not applicable to an acquisition	Not applicable to an acquisition	Not applicable to an acquisition
Listing Manual Rule 1006 (b)	Net profit attributable to assets acquired	Net profits of the Group	Relative figure
	S\$12,276,000	S\$869,954	1,411.1%
Listing Manual Rule 1006(c)	Aggregate consideration given for assets acquired	Market capitalisation of the Company	Relative figure
	S\$110,000,000	S\$7,341,597	1,498.3%
Listing Manual Rule 1006 (d)	Number of shares issued as consideration	Number of shares previously in issue	Relative figure
	3,928,571,429	431,858,656	909.7%

On the assumption that there are no existing unexercised share options for Shares, no Warrants are exercised prior to Completion and the Company's issued and paid-up share capital is S\$59,313,000 prior to Completion:

- (a) the Company's enlarged share capital shall be 4,360,430,085 ordinary shares pursuant to the completion of the Proposed Acquisition, the proposed issue of Consideration Shares and Introducer Shares but prior to the completion of the Proposed Share Consolidation ("**Enlarged Share Capital**"); and
- (b) the Vendors will acquire an interest equivalent to 90.1% of the Company's Enlarged Share Capital and the aforementioned acquisition of 90.1% interest in the Company's Enlarged Share Capital by the Vendors will bring about a change in the control in the Company.

It is envisaged that immediately upon Completion, the shareholding structure of the Company will be as set out in the table below. For the avoidance of doubt, the figures set in table below have not taken into account of the effect of the Proposed Consolidation and compliance placement to be undertaken by the Company after the Completion:

Shareholder	Before the Proposed Disposal and Proposed Acquisition		After the Proposed Disposal and Proposed Acquisition	
	No. of Shares	%	No. of Shares	%
Current Shareholders	431,858,656	100.00	431,858,656	9.90
Vendors	-	-	3,791,071,429	86.95
Intersino	-	-	137,500,000	3.15
Total	431,858,656	100.00	4,360,430,085	100

Based on the relative figures calculated using the applicable bases of comparison under Rule 1006 of the Listing Manual as well as the change in control in the Company, the Proposed Acquisition constitutes a "Very Substantial Acquisition or Reverse Takeover Transaction" as defined in Chapter 10 of the Listing Manual.

8. FINANCIAL EFFECTS

The financial effects of the Acquisition are purely for illustration purposes only and do not reflect the actual earnings and financial position of the Company immediately after Completion as illustrated below. The financial effects of the Proposed Acquisition are based on the audited financial statements of the Group for the financial year ended 30 June 2010 ("FY2010") and are set out below:

(a) Earnings per Share ("EPS")

Assuming that the Proposed Disposal and the Proposed Acquisition was completed on 1 July 2009, the effect of the Proposed Disposal and the Proposed Acquisition on the Company's EPS for FY2010 would have been:

	Earnings attributable to Shareholders (S\$)	No. of Shares	EPS (Singapore cents)
Before Proposed Disposal and Proposed Acquisition	(6,705,508)	355,165,289	(1.89)
After Proposed Disposal	(6,705,508)	355,165,289	(1.89)
After Proposed Disposal and Proposed Acquisition	18,289,524 ⁽¹⁾	4,283,736,718	0.43

Note:

(1) The financial year end of the LC Group is 31 December. This is computed based on the management accounts of the LC Group for 12-months period ended 30 June 2010, which was reconstructed from the audited financial statements of the LC Group for its financial years ended 31 December 2009 and 2010.

(b) *Net tangible assets (“NTA”)*

Assuming that the Proposed Disposal and the Proposed Acquisition was completed on 30 June 2010, the effect of the Proposed Disposal and the Proposed Acquisition on the Company’s NTA for FY2010 would have been:

	Consolidated NTA (S\$)	No. of Shares	NTA per Share (Singapore cents)
Before Proposed Disposal and Proposed Acquisition	9,740,000	431,858,656	2.26
After Proposed Disposal	3,186,860	431,858,656	1.34
After Proposed Disposal and the Proposed Acquisition	48,974,409 ⁽¹⁾	4,360,430,085	1.12

Note:

(1) Based on the management accounts of the LC Group as at 30 June 2010.

9. COMPLIANCE WITH RULE 1015 OF THE SGX-ST’S LISTING MANUAL

As the Proposed Acquisition constitutes “Very Substantial Acquisition or Reverse Takeover Transaction” as defined in Chapter 10 of the Listing Manual, the Company is required to fulfil the requirements of Rule 1015 of the Listing Manual, including but not limited to:

- (a) providing the latest three years of proforma financial information of the assets acquired; and
- (b) obtaining the approval from the Company’s shareholders for the Proposed Acquisition at the Extraordinary General Meeting.

In compliance with Rule 1015, a summary of the financial performance of LC Group for the financial year (“FY”) ended 31 December 2008, 2009 and 2010 is set out below:

	FY2008	FY2009	FY2010
Summary of profit and loss (S\$’000)			
Revenue	70,822	110,330	110,714
Profit before tax	11,165	25,384	15,843
Profit after tax	9,648	20,421	13,478

A summary of the financial position of LC Group as at 31 December 2010 is set out below:

Summary of Balance Sheet (S\$'000)	As at 31 December 2010
Total assets	116,050
Total liabilities	67,235

For the Extraordinary General Meeting to be held to obtain approval from the Company's shareholders for the Proposed Acquisition as well as the other matters stated in Paragraph 6(c) herein, the Company shall prepare and issue a circular to the shareholders in accordance with the SGX-ST's Listing Manual in due course.

10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Company's directors or substantial shareholders have any interest, direct or indirect, in the Proposed Acquisition.

11. INSPECTION OF DOCUMENTS

A copy of the SPA is available for inspection during normal business hours at the Company's registered office for three months from the date of this Announcement.

12. FINANCIAL ADVISER

The Company has appointed DMG & Partners Securities Pte Ltd as its financial adviser in respect of the Proposed Acquisition.

13. 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 Acquisition, the issuer 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 the 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 the Announcement in its proper form and context.

BY ORDER OF THE BOARD

Lim Ee Chuan
Executive Director and Chief Executive Officer
26 December 2011