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Acquisitions and Disposals :: Major Transaction :: PROPOSED ACQUISITION OF ADDITIONAL 60% EQUITY INTEREST IN AHEAD MOBILE SDN BHD

* Asterisks denote mandatory information


Name of Announcer *	UNIFIED COMMUNICATIONS HLDGLTD
Company Registration No.	200211129W
Announcement submitted on behalf of	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	Anton Syazi Ahmad Sebi
Designation *	Executive Director and Chief Executive Officer
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	PROPOSED ACQUISITION OF ADDITIONAL 60% EQUITY INTEREST IN AHEAD MOBILE SDN BHD
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Description	Refer to attachment.
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Attachments
 UCHL_AcquisitionAheadMobile_14102011.pdf
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UNIFIED COMMUNICATIONS HOLDINGS LIMITED

Company Registration No. 200211129W

PROPOSED ACQUISITION OF ADDITIONAL 60% EQUITY INTEREST IN AHEAD MOBILE SDN BHD

1. INTRODUCTION

The Board of Directors (the "**Directors**") of Unified Communications Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that Unified Communications Sdn Bhd ("**UCSB**"), being a 100% owned subsidiary of the Company (the "**Purchaser**"), has on 14 October 2011 (the "**Signing Date**"), entered into a sale and purchase agreement (the "**SPA**") with Mr Lee Yang Dong (the "**Vendor**"), pursuant to which the Purchaser will acquire (the "**Proposed Acquisition**") 228,000 ordinary shares of RM1.00 each ("**Sale Shares**") representing 60% of the entire issued and paid-up capital of Ahead Mobile Sdn Bhd ("**AMSB**") from the Vendor not owned by the Purchaser for a total consideration of up to approximately RM22.5 million (the "**Maximum Purchase Consideration**").

The Maximum Purchase Consideration is arrived at on a *willing buyer and willing seller basis*, after taking into consideration, *inter-alia*, the historical financial performance of AMSB, the Group's existing interest in AMSB and the fact that the Proposed Acquisition is synergistic to the Group's business and competence.

2. INFORMATION ON AMSB AND THE VENDOR

2.1. AMSB

AMSB is a private limited company and was incorporated in Malaysia on 10 November 2003 pursuant to a joint venture between UCSB and Ahead Mobile Inc., a company registered in Korea. The joint venture was established in 2004. As at the date of this announcement, AMSB has an authorised capital of RM500,000 comprising 500,000 ordinary shares of RM1.00 each, of which RM380,000 (comprising 380,000 ordinary shares of RM1.00 each) have been issued and are fully paid-up.

The Company's interest in AMSB is represented by 152,000 issued and paid-up ordinary shares of RM1.00 each, held via its wholly owned subsidiary UCSB, whereas the balance of the 60% equity interest in AMSB, as represented by the Sale Shares was earlier held by Ahead Mobile Inc. until the Vendor acquired them from Ahead Mobile Inc. in 2006. AMSB is currently accounted for as an associate in the Group and is audited by the same accounting firm who are the auditors for the Purchaser.

The principal activities of AMSB comprise content management, software engineering, system integration, project management, and maintenance and support of mobile telecommunications solutions and application services. The primary solutions and application services provided by AMSB include:

- (a) A Location-Based Services Platform ("**LBSP**") which enables various types of location-based mobile applications and content services ("**LBS**") such as "Friend Finder", "Family Finder" and "Worker Finder";
- (b) An Intelligent Message Conversion System which powers the Colour SMS service, a premium service by AMSB that converts normal SMS text messages into decorative SMS picture messages or multimedia messages ("**MMS**") automatically by recognizing the keywords used in SMS text sent by subscriber; and
- (c) A Location-Based Point-of-Interest ("**POI**") application service which is available to mobile subscribers on their web browsers and mobile phones. Users of this application are able to find restaurants, banks, automated teller machines, police stations, clinics and other places of interest

near his or her location. This application also contains a food directory that allows users to search for nearby restaurants based on the type of food desired.

The business model of AMSB is predominantly that of "revenue-sharing", which is considered by the Company to be a form of managed service contract. Under this revenue-sharing business model, AMSB invests in the entire technical solution that is integrated with the core mobile network infrastructure and thereafter operated, supported and managed to deliver revenue-generating application and content services to the subscribers of the mobile network operator. Revenue collected from subscribers who use these application and content services powered by AMSB's technical solution are then shared by the mobile network operator with AMSB, as consideration for the provision of the services.

AMSB first introduced mobile LBS in Malaysia in 2004. It has since grown these LBS, working with three of the mobile network operators in the country, all under revenue-sharing contracts. It currently owns and operates LBSPs for three mobile network operators in Malaysia which, based on the estimate of the Company, in aggregate have subscribers representing approximately 60% of the estimated total mobile subscriber base in Malaysia. The LBSPs provide a single point of interface for all mobile location application and content services such as Friend Finder, Family Finder and Worker Finder, as well as the clearinghouse capability to support inter-carrier location transactions.

In 2010, AMSB's location-based POI service, which was launched in partnership with one of its largest mobile network operator customers in Malaysia, was shortlisted for the Meffys Awards in the Mobile First Innovations category. The Meffys are conferred by the Mobile Entertainment Forum, a global trade association of the mobile media industry based in the United Kingdom.

The financial performance of AMSB for the last 3 audited financial years ended 31 December 2010 and the unaudited results for the 6-month period ended 30 June 2011 are set out below:

(RM'000)	Audited			Unaudited
	2008	2009	2010	H1-2011
Revenue	12,505	9,666	10,192	4,776
Pre-tax profit	9,478	6,313	6,796	3,392
Post-tax profit	9,424	6,259	6,739	3,337

Higher revenue in 2008 as compared to the rest of the following years is because of the revenue sharing contract (for a background music service) that was bought over by a mobile network operator customer in 2008. As a result, AMSB's revenue for the financial years 2009 onwards, showed a decline as compared to 2008, owing to the loss in contribution from this background music service contract that was bought-over.

The net tangible assets of AMSB amounted to approximately RM8.7 million as at 31 December 2010 and approximately RM5.5 million as at 30 June 2011. AMSB recorded net profit after tax ("NPAT") of approximately RM6.7 million for the financial year ended 31 December 2010 ("FY2010") and approximately RM3.3 million for the 6-month period ended 30 June 2011 ("HY2011"). There is no valuation report for AMSB.

Historical financial statements of AMSB

The summary financial performance and position of AMSB for the last 3 audited financial years ended 31 December 2010 and the unaudited results for the 6-month period ended 30 June 2011 are set out below:

(RM'000)	FY2008	Audited FY2009	FY2010	Unaudited HY2011
<i>Income Statement</i>				
Revenue	12,505	9,666	10,192	4,776
Gross Profit	11,186	8,019	8,536	4,138
EBITDA	9,802	6,637	7,070	3,508
Profit before tax	9,478	6,313	6,796	3,392
Profit after tax	9,424	6,259	6,739	3,337

(RM'000)	as at 31 December 2008	Audited as at 31 December 2009	as at 31 December 2010	Unaudited as at 30 June 2011
<i>Balance Sheet</i>				
Current Assets	8,859	4,788	8,625	5,195
Non-Current Assets	813	721	581	490
Current Liabilities	2,294	573	531	173
Non-Current Liabilities	-	-	-	-
Net Current Assets/(Liabilities)	6,565	4,215	8,094	5,022
Net Asset Value	7,378	4,936	8,675	5,512

Higher revenue in 2008 as compared to the rest of the following years is because of the revenue sharing contract (for a background music service) that was bought over by a mobile network operator customer in 2008. Thereafter, there was no revenue contribution from this background music service in financial years subsequent to 2008. The drop in net current assets is attributable to the interim dividend paid during the 6 months period ended 30 June 2011 of RM6.5 million (approximately S\$2.6 million)

2.2. The Vendor

The Vendor for the Sale Shares is Mr Lee Yang Dong, a Korean, who is a director and Chief Executive Officer of AMSB. Apart from the Vendor's position in AMSB, he is not related to the Company or any of its directors or substantial shareholders and is not an interested person as defined in the Listing Manual, Chapter 9. As at the date of this announcement, the Vendor has no interest (direct or indirect) in the share capital of the Company.

3. PRINCIPAL TERMS AND SALIENT FEATURES OF THE PROPOSED ACQUISITION

3.1. Maximum Purchase Consideration

The Maximum Purchase Consideration payable for the purchase of the Sale Shares shall be up to approximately RM22.5 million, and shall, pursuant to the terms and conditions of the SPA be satisfied wholly in cash and in the following manner:

- (a) RM0.5 million ("**Earnest Deposit**") shall be paid upon execution of the SPA;
- (b) RM12.0 million ("**1st Tranche Consideration**") shall be paid upon completion of the Proposed Acquisition;
- (c) RM1.0 million ("**2nd Tranche Consideration**") shall be contingent and paid on *inter alia* AMSB having procured the launch of a new service under a revenue sharing contract with a mobile network operator in South East Asia on or before 31 December 2013; and
- (d) The remaining Purchase Consideration of a sum amounting to a maximum of RM9.0 million, ("**Escrow Sum**") representing the maximum cumulative amount for the 3rd Tranche Consideration (defined later) and 4th Tranche Consideration (defined later) shall be paid by the Purchaser to the Escrow Agent (as defined below) within fourteen (14) days from the completion date. The amounts payable for the third and fourth tranche are contingent on the amount of NPAT (as defined below), to be achieved by AMSB. The Vendor is entitled to receive the 3rd Tranche Consideration and the 4th Tranche Consideration which shall be calculated and paid in the following time and manner: -
 - (i) ("**3rd Tranche Consideration**") - As soon as possible after the relevant financial year end, in any event not later than 30 June 2013, the Purchaser shall cause AMSB to prepare and finalise its financial statements (which shall be prepared on the same basis or the same accounting methods, consistently applied, as those used or applied for the preparation of the historical audited financial statements of AMSB), and deliver such statements to the Vendor and the Purchaser (the "**Parties**"). The financial statements includes the audited financial statements ("**Audited Financial Statements**") of AMSB for the financial year ended 31

December 2012 ("FY 2012") together with computation setting forth the determination of the 3rd Tranche Consideration based on the following formula: -

3rd Tranche Consideration Computation	= Net Profit After Tax ("NPAT") as reflected in the audited financial statements of AMSB for the FY 2012 multiplied by 60%.
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- a. in the event that the 3rd Tranche Consideration Computation is more than RM4.5 million, then the Vendor shall, for the 3rd Tranche, be entitled to a maximum consideration of RM4.5 million only;
 - b. in the event that the 3rd Tranche Consideration Computation is less than RM4.5 million, then the Vendor is only entitled to the lesser sum of the 3rd Tranche Consideration Computation as computed above;
 - c. For avoidance of doubt, the Parties have agreed and acknowledged that the Vendor shall not be entitled to receive the 3rd Tranche Consideration in the event that AMSB registers losses for FY 2012; and
 - d. upon determination of the 3rd Tranche Consideration computation, and within 2 working days thereafter, the Parties shall inform the Escrow Agent in writing of such payment amount. The Escrow Agent shall release the said payment amount within fourteen (14) days of receiving the written notice from the Parties. Thereafter, the Parties further acknowledge and agree that the Escrow Agent shall only be authorized to hold in escrow the remaining balance sum amounting to RM4.5 million only and any of such surplus amount remaining from the Escrow Sum shall be released by the Escrow Agent to the Vendor and/or Purchaser in accordance with the provisions for the 4th Tranche Consideration (as defined below) together with any accrued interest thereof within fourteen (14) days after the determination of NPAT.
- (ii) ("**4th Tranche Consideration**") – As soon as possible after the relevant financial year end, in any event not later than 30 June 2014, the Purchaser shall cause AMSB to prepare, on the basis of the same accounting methods, consistently applied, as those used to prepare the Audited Financial Statements, and deliver to the Parties the audited financial statements of AMSB for the financial year ended 2013 ("FY 2013") together with computation setting forth the determination of final part of the Purchase Consideration that the Vendor is entitled to based on the following formula: -

4th Tranche Consideration Computation	= Aggregate NPAT for the FY 2012 and FY2013, as respectively reflected in the Audited Financial Statements of AMSB, collectively multiplied by 60% and less the 3 rd Tranche Consideration, but the computed amount shall not be less than zero.
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- a. the cumulative 3rd Tranche Consideration and 4th Tranche Consideration to be paid, shall be capped at RM9.0 million only;
- b. the Vendor shall not be entitled to receive the 4th Tranche Consideration if AMSB is making losses for the FY2013;
- c. upon determination of the 4th Tranche Consideration Computation, and within 2 workings days thereafter the Parties shall inform the Escrow Agent of such payment amount. The Escrow Agent shall release the said payment amount within fourteen (14) days of receiving the written notice from the Parties; and
- d. any amount remaining from the Escrow Sum subsequent to the payment of 4th Tranche Consideration shall be released by the Escrow Agent to the Purchaser together with any accrued interest thereof within fourteen (14) days after the determination of NPAT.

3.2. Conditions of the Proposed Acquisition

The Proposed Acquisition is subject to, *inter-alia*, the following:

- (a) the approval of the shareholders of the Purchaser and the ordinary shareholders of the Company (“**Shareholders**”) and Advance Synergy Berhad (the ultimate holding company of the Company) in a general meeting for the Proposed Acquisition (if applicable);
- (b) the Purchaser having been satisfied with the legal, financial and business due diligence conducted by itself or its appointed professional(s) on AMSB;
- (c) AMSB and the Vendor shall have entered into a service contract on the appointment of the Vendor as the Chief Executive Officer of AMSB during the FY2012 and FY2013 (“**Service Contract**”);
- (d) the Parties shall have entered into an escrow agreement (“**Escrow Agreement**”) with an independent escrow agent (“**Escrow Agent**”), mutually appointed by the Parties, and who shall hold the Escrow Sum as Escrow Agent and stakeholder for the Parties and shall pursuant to the terms and conditions of the Escrow Agreement, be authorized to deal with the Escrow Sum in accordance with the Escrow Agreement and the 3rd and 4th Tranche Consideration pursuant to the SPA; and
- (e) such other approvals as shall be necessary under the laws or from the relevant regulatory authority (including Bursa Securities and/or Singapore Exchange Securities Trading Limited, if applicable) for the completion of the transaction.

3.3. Other Salient terms

Conditions for Completion:

They are, *inter-alia*, the following:

- (a) no event of default has occurred or would occur as a result of the completion of the SPA;
- (b) the conditions of the Proposed Acquisition as set out in paragraph 3.2 above have been procured, obtained, fulfilled and/or waived by the Purchaser and the Vendor (as the case may be);
- (c) there has been no material adverse change in the financial condition of AMSB since the date of the SPA;
- (d) each of the representations, warranties, covenants and undertakings by the Vendor as set out in the SPA remains accurate at the date of completion of the Proposed Acquisition as if given on that date by reference to the facts and circumstances then existing;
- (e) the Vendor not having breached any undertakings and/or covenants under the SPA; and
- (f) no Governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated by the SPA illegal or restraining or prohibiting consummation of such transactions.

4. RATIONALE

Since the Group's initial investment in AMSB for RM 152,000, AMSB has delivered a consistent stream of profits and dividend payouts. Its cumulative audited profit after tax for the latest three financial years ended 31 December 2010 was in aggregate RM22.42 million (approximately S\$9.4 million). Based on the latest management accounts of AMSB for first half of 2011 (“1H2011”), AMSB recorded a net profit after tax of approximately RM3.33 million (approximately S\$1.38 million) for the first half of the current financial year.

With its consistent financial performance since inception, the Group has through its initial investment of 40% in AMSB, received an aggregate dividend payout of RM12.874 million (approximately S\$5.4 million) up to 1H2011.

The Proposed Acquisition will allow AMSB to be consolidated and accounted for as a wholly-owned subsidiary of the Group. The Proposed Acquisition will also enable the Group to have full ownership and absolute control over AMSB's operations and cash flows. In addition it would provide the Group with flexibility in implementing its business strategies and plans for AMSB.

AMSB also possesses self-sustaining financial strength which is depicted through a strong balance sheet that is debt-free with substantial net cash resources. The Proposed Acquisition will provide opportunities for improving and enhancing the Group's profitability and return on capital. Cash balances of AMSB as at 31 December 2010 (audited) and 30 June 2011 (unaudited) were RM6.7 million (approximately S\$2.8 million) and RM3.6 million (approximately S\$1.5 million) respectively. The lower cash balances as at 30 June 2011 is attributable to the interim dividend paid during the 6-months period ended 30 June 2011 of RM6.5 million (approximately S\$2.6 million).

Based on the proforma consolidated financial statements for FY2010 and 1H2011 accounts (as shown below), the Proposed Acquisition is expected to have a positive impact on earnings of the Group. As both the Group and AMSB had no borrowings as at the end of FY2010 and 1H2011, there will not be any impact on the Group's gearing.

	Prior to the Acquisition		Proforma upon completion of Proposed Acquisition	
	FY2010 S\$'000	HY2011 S\$'000	FY2010 S\$'000	HY2011 S\$'000
Earnings	2,067	738	3,777	1,565
EPS	0.65	0.46	1.18	0.98
Net Working Capital	18,151	17,453	12,138	11,710
Total Borrowing/SHF	NM	NM	NM	NM

Note:

(1) Earnings refer to Profit after tax attributable to shareholders of the Company

(2) EPS is based on the profit after taxation attributable to shareholders and the number of shares issued as described above

(3) Not meaningful as the Group and AMSB do not have any borrowings as at 30 June 2011. In addition, the Proposed Acquisition will be paid by cash which will not result in any borrowings.

The Proposed Acquisition is also expected to reduce the volatility of the Group's revenue through the contribution of AMSB's recurring income stream. AMSB's revenue is derived from revenue sharing contracts; therefore the Proposed Acquisition would lead to the Group attaining a more favourable sales mix. This is also in line with the Group's long held strategy to grow managed service-contract based recurring revenues to secure steady, sustained revenue and profit growth.

**(i) Segmental Revenue by Business Units
Segmental Reporting for FYE 31 December
2010 - assuming acquisition at 1 Jan 2010**

	Before Acquisition		After Acquisition	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue</u>				
Mobile Technology (Tech BU)	6,490	36%	6,490	29%
Mobile Value-Added-Services (VAS BU)	4,513	25%	8,823	39%
Operational Headquarters (OHQ BU)	7,212	40%	7,212	32%
Operation Support Systems (OSS BU)	8	0%	-	0%
	<u>18,223</u>		<u>22,525</u>	

**Segmental Reporting for 6ME 30 Jun 2011 -
assuming acquisition at 1 Jan 2011**

	Before Acquisition		After Acquisition	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue</u>				
Mobile Technology (Tech BU)	2,827	39%	2,827	31%
Mobile Value-Added-Services (VAS BU)	1,403	20%	3,376	37%
Operational Headquarters (OHQ BU)	122	2%	120	1%
Operation Support Systems (OSS BU)	2,836	39%	2,836	31%
	<u>7,188</u>		<u>9,159</u>	

Subsequent to the completion of the Proposed Acquisition, based on the proforma consolidated accounts, VAS BU would contribute S\$8.8 million (39% of the revenue) and S\$3.4 million (37% of the revenue) for FY2010 and 1H2011 respectively.

**(ii) Segmental Revenue by Contract Type
Segmental Reporting for FYE 31 December
2010 - assuming acquisition at 1 Jan 2010**

	Before Acquisition		After Acquisition	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue</u>				
System Sale	9,778	54%	9,910	44%
Managed Service	8,445	46%	12,615	56%
	<u>18,223</u>		<u>22,525</u>	

**Segmental Reporting for 6ME 30 Jun 2011 -
assuming acquisition at 1 Jan 2011**

	Before Acquisition		After Acquisition	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue</u>				
System Sale	2,726	38%	2,733	30%
Managed Service	4,462	62%	6,426	70%
	<u>7,188</u>		<u>9,159</u>	

Based on the above, the Proposed Acquisition will result in improvement in revenue mix of the Company with higher proportion of proforma group revenue contributed by the Managed Service segment.

Barring unforeseen circumstances, the Proposed Acquisition thus represents an opportunity for the Company to fully consolidate its interests and to further enhance both the returns attributable to Shareholders through contributions from the financial performance of AMSB (in view of its historical financial performance), and the long term business strategy of the Company.

5. FUNDING FOR THE PROPOSED ACQUISITION

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

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

For illustrative purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the consolidated Net Tangible Assets ("NTA") for each ordinary share ("Share") of the Company, based on the Group's audited consolidated balance sheet as at 31 December 2010, and the assumptions as summarized herein and in the accompanying notes.

	Before the Proposed Acquisition	After the Proposed Acquisition ⁽¹⁾
Consolidated NTA attributable to Shareholders (S\$' 000)	25,060	17,841
Number of Shares ('000) ⁽²⁾	319,573	319,573
Consolidated NTA per Share ⁽³⁾ (cents)	7.84	5.58

Notes:

- (1) Assuming that the Proposed Acquisition was completed as at the end of FY2010 and using an exchange rate as at 31 December 2010 of RM2.3956 = SGD1
- (2) No change in the number of Shares issued.
- (3) Consolidated NTA per Share is based on the NTA attributable to shareholders and the number of shares issued as described above. In the event that the transaction had been effected at the end of FY2010, consolidated NTA attributable to Shareholders will be reduced by approximately S\$0.02. This is due to the computed intangible assets arising from difference between the purchase consideration and 60% of AMSB's audited net asset value as at 31 December 2010.

For illustrative purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the earnings per Share ("EPS"), based on the Group's audited consolidated profit after income tax for FY2010 and the assumptions as summarized herein and in the accompanying notes.

	Before the Proposed Acquisition	After the Proposed Acquisition ⁽¹⁾
Profit after tax attributable to Shareholders (S\$' 000)	2,067	3,777
Number of Shares ('000) ⁽²⁾	319,573	319,573
EPS ⁽³⁾ (cents)	0.65	1.18

Notes:

- (1) Assuming that the Proposed Acquisition was completed as at the beginning of FY2010. In the event the transaction had been effected as at the beginning of FY2010, the profit after tax attributable to Shareholders will increase by approximately 0.53 cents due to the profit contribution attributable to the incremental interest in AMSB being acquired pursuant to the Proposed Acquisition.
- (2) No change in the number of shares issued.
- (3) EPS is based on the profit after taxation attributable to shareholders (using an average exchange rate for FY2011 of RM2.3644 = SGD 1) and the number of shares issued as described above.

For both the financial effects on NTA and EPS, the amounts computed or illustrated above have not fully taken into account any fair value adjustment pursuant to the FRS 103 (2009) Business Combination, which will be completed only after completion of the transaction. Nevertheless, as the Company has been holding the 40% investment in AMSB since the commencement of its operation, it is expected that the FRS 103 (2009) fair value adjustment, if any, on the 40% stake in AMSB is not expected to have an adverse effect on the computed effects on NTA and EPS shown above.

The financial effects presented above are not intended to, and do not, reflect a projection of the actual or future financial performance or position of the Group after completion of the Proposed Acquisition and are computed based on the assumptions as summarized above. It is presented solely for the purposes of illustrating the financial effects that the Proposed Acquisition would have had on NTA and EPS.

As the Proposed Acquisition is expected to be completed late 2011 or early 2012, the Proposed Acquisition is not expected to have any material impact on the financial performance and position of the Group for the current financial ending 31 December 2011.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**Mainboard Rules**"), if an acquisition of assets is one where the relative figures computed on the bases set out in Rule 1006 of the Mainboard Rules exceeds 20.0%, the transaction is classified as a major transaction and a listed company must, after the terms of the acquisition have been agreed, immediately make an announcement in accordance with Part VII Rule 1014 of the Mainboard Rules.

The relative figures for the Proposed Acquisition computed based on the Group's latest announced consolidated financial results for HY2011 in accordance with Rule 1006 of the Mainboard Rules are as follows:-

Rule 1006

(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value ⁽¹⁾	N.A.
(b)	The net profits attributable to the assets acquired, compared with the Group's net profit ⁽²⁾	84.65%
(c)	Aggregate value of the consideration ⁽⁴⁾ given, compared with the Group's market capitalization ⁽³⁾	95.21%
(d)	The number of equity securities issued by the issuer as consideration, compared with the number of equity securities previously in issue	N.A.

Notes:

- (1) Not applicable as there is no disposal of assets.
- (2) Net profits defined to be profit or loss before income tax, minority interests and extraordinary items.
- (3) The Company's market capitalisation of approximately S\$9.6 million is based on its total number of issued shares of 319,572,675 shares and the weighted average price of S\$0.03 per Share on 5 October 2011, being the last day that the Company's shares were traded prior to the execution of the SPA.
- (4) Aggregate value of the consideration is based on the Maximum Purchase Consideration of up to RM22.5 million and using an exchange rate of RM2.465 = SGD1, as at 14 October 2011.

As the relative figure set out in Rule 1006(b) and (c) above exceeds 20%, the Proposed Acquisition constitutes a major transaction under Chapter 10 of the Mainboard Listing Manual and will be subject to approval of the Shareholders at a general meeting to be convened.

8. EXTRAORDINARY GENERAL MEETING

The Company intends to seek Shareholders' approval for the Proposed Acquisition and a circular (the "**Circular**") to Shareholders setting out further information on the Proposed Acquisition, together with a notice of the extraordinary general meeting to be convened, will be despatched to Shareholders in due course.

9. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, Mr Wong Tze Leng (Executive Chairman of the Company) and Ms Lee Su Nie (Non-Independent and Non-Executive Director of the Company) are the directors of AMSB. Save as disclosed, none of the Directors or the controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition.

10. SERVICE CONTRACTS OF DIRECTORS

There are no directors proposed to be appointed to the Company in connection with the Proposed Acquisition.

11. DOCUMENTS FOR INSPECTION

The SPA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 168 Jalan Bukit Merah, Connection 1 Tower 3, #04-08A, Singapore 150168 for a period of three (3) months from the date of this announcement.

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 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.