

## ACQUISITIONS AND DISPOSALS


ACQUISITIONS AND DISPOSALS :: DISCLOSEABLE TRANSACTION :: SHARE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS' AGREEMENT

\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	HAFARY HOLDINGS LIMITED
<b>Company Registration No.</b>	200918637C
<b>Announcement submitted on behalf of</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted with respect to *</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted by *</b>	Tay Eng Kiat Jackson
<b>Designation *</b>	Financial Controller
<b>Date &amp; Time of Broadcast</b>	26-Sep-2012 19:09:34
<b>Announcement No.</b>	00125

## &gt;&gt; ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>Announcement Title *</b>	Share Subscription Agreement and Shareholders' Agreement
<b>Description</b>	Please refer to the attachment.
<b>Attachments</b>	 HHL-Investment_in_VCI.pdf Total size = <b>80K</b> (2048K size limit recommended)

## HAFARY HOLDINGS LIMITED

(Company Registration No.: 200918637C)

(Incorporated in the Republic of Singapore)

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## SHARE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS' AGREEMENT ENTERED INTO BY THE COMPANY'S SUBSIDIARY, HAFARY VIETNAM PTE. LTD.

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### 1. INTRODUCTION

The Board of Directors (the "**Directors**") of Hafary Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Hafary Group**"), wishes to announce that its wholly-owned subsidiary, Hafary Vietnam Pte. Ltd. ("**HVPL**") had, on 25 September 2012, entered into a conditional share subscription agreement (the "**SSA**") with Viet Ceramics International Joint Stock Company (formerly known as Viet Ceramics International Co., Ltd) ("**VCI**") and a Shareholders' Agreement (the "**SHA**") with VCI and key shareholders of VCI, namely Mr. Do Hong Phuc, Ms. Do Hanh Minh Chau and Mr. Do Duy Huynh (the "**Key Shareholders**"). The Key Shareholders are siblings.

Where applicable, the exchange rate used for the purpose of this announcement for amounts denominated in Vietnam Dong ("**VND**") is S\$1:VND17,015 (being the applicable rate as at 24 September 2012).

### 2. INFORMATION ON THE SHA AND KEY SHAREHOLDERS

The Key Shareholders established Vietceramics Co., Ltd ("**VC**") in October 2004. VC was involved in the trading of building materials and interior decorative products and had established itself as a reputable supplier and distributor of ceramic tiles, artificial stones and premium sanitary ware in Vietnam. In addition to wholesale and retail sales, VC also supplied surfacing materials for use in major property development projects. During 2011, the Company and Mr. Do Hong Phuc, who was the General Director of VC, explored the possibilities of working together to jointly grow the business of supplying building materials in the Vietnam market. Both parties agreed to establish a new company, VCI, for this purpose. Under the arrangement, the existing operations and major assets of VC shall be transferred to VCI.

On 30 July 2011, VCI was established as a limited liability company by the Key Shareholders initially as the investment vehicle for the collaboration with the Hafary Group. On 3 October 2011, VCI was converted into a joint stock company and has chartered capital of VND10,000,000,000 (equivalent to S\$588,000). On 14 November 2011, upon the share transfers made between one of the Key Shareholders, Mr. Do Duy Huynh, and 105 Vietnamese individuals, VCI was re-organized as a public shareholding company specializing in the trading of building materials and interior decorative products.

On 1 June 2012, VCI took over the operations and major assets (including plant and equipment and inventories) from VC and commenced trading of tiles and building materials from its corporate headquarters, three showrooms in Ho Chi Minh City and a showroom in Hanoi. VC is expected to be de-registered after all its existing supply contracts are fulfilled. VC will purchase the building materials from VCI in order to fulfill these existing supply contracts.

Pursuant to the terms and conditions of the SSA, HVPL would be subscribing to additional chartered capital which represents 49% enlarged interest in VCI (the “**Subscription**”). This is the maximum percentage of shareholding in a public shareholding company (i.e. VCI) that can be held by a foreign investor (i.e. HVPL) according to the laws of Vietnam. Part of the additional chartered capital is subscribed by one of the Key Shareholders, Mr. Do Hong Phuc.

The Key Shareholders are Vietnamese citizens who are also shareholders of VC. Particulars of the Key Shareholders are as follows:

S/n	Name of Key Shareholders	Age	Position in VCI/ Area of expertise	Years of experience in the building materials industry	Position in the Board of Management of VCI (“VCI Board”)
1	Do Hong Phuc	43	General Director/ Sales and business development	12	Chairman
2	Do Hanh Minh Chau	42	Nominee board member	-	Member
3	Do Duy Huynh	45	Nominee board member	-	Member

In accordance with the terms of the SHA, HVPL will appoint 3 members to the VCI Board to act as HVPL’s corporate representatives. They are as follows:

S/n	Name	Position in the Hafary Group	Position in the VCI Board
1	Low Kok Ann	Executive Chairman	Vice Chairman
2	Low See Ching	Chief Executive Officer	Member
3	Tay Eng Kiat Jackson	Financial Controller	Member

### 3. RATIONALE FOR THE SUBSCRIPTION

In making the Subscription, the Directors have taken into account, *inter alia*, the following factors:

- (a) the Subscription will allow the Hafary Group to tap on the existing distribution network of VCI and expand its tile trading business operations into Vietnam, which has an economy that is expanding and the Directors are of the view that there will be potential for growth in the property development industry; and
- (b) VCI is helmed by strong and experienced management team led by Mr. Do Hong Phuc with significant knowledge of the Vietnam tile market and will be able to assist the Hafary Group with its regional expansion.

For these reasons, the Directors consider the Subscription to be beneficial to the Hafary Group.

The SHA is entered into to regulate the affairs of VCI and the respective rights of its shareholders on the terms and conditions set out in the SHA.

#### 4. CONSIDERATION

- 4.1 The purchase consideration for the additional chartered capital (the "**Consideration**") under the SSA is VND48,012,453,000 (equivalent to S\$2,822,000). This was arrived at following arms-length negotiations between HVPL, VCI and the Key Shareholders, on a willing-buyer willing-seller basis, taking into account the relevant track record and profitability of VC and the assets injection by the Key Shareholders into VCI.
- 4.2 The Consideration will be fully satisfied in cash and will be funded from the internal resources of the Hafary Group.

#### 5. SALIENT TERMS OF THE SUBSCRIPTION

Pursuant to the SSA, HVPL will subscribe for additional chartered capital in VCI for a consideration of VND48,012,453,000 (equivalent to S\$2,822,000), representing 49% of the enlarged chartered capital of VCI (the "**Subscription Shares**").

Pursuant to the SHA, the VCI Board shall consist of the Key Shareholders and three board members nominated by HVPL. The Chairman of the VCI Board shall be Mr. Do Hong Phuc and he will have a casting vote in case of an equality of votes in a board meeting.

Upon the completion of the Subscription, the revised shareholding structure is illustrated in the table below:

S/n	Name of shareholders	Percentage of shareholdings (%)
1	HVPL	49.0
2	Do Hong Phuc	38.6
3	Do Hanh Minh Chau	6.2
4	Do Duy Huynh	5.8
5	105 other shareholders	0.4
	Total	100.0

#### 5.1 Conditions Precedent

- 5.1.1 Under the terms of the SSA, the Subscription is conditional upon, *inter alia*, HVPL having received:
- (a) a copy of the SSA duly executed by VCI;
  - (b) a copy of the SHA duly executed by each of the Key Shareholders;
  - (c) a certified copy of the management accounts of VCI as at 31 August 2012;
  - (d) a certified copy and English translation of a duly passed resolution (or resolutions, as the case may be) of VCI's General Shareholders Meeting, which:
    - (i) approves the plan to issue and allot Subscription Shares to HVPL under the SSA (the "**Placement Plan**");

- (ii) authorizes the VCI Board to implement the Placement Plan, define the terms for issuance of the shares under the Placement Plan (including the share price), approve this Subscription and implement the Subscription as contemplated hereunder;
  - (iii) effects the reconstitution of the VCI Board so that three (3) nominees of HVPL are successfully appointed to the VCI Board which will have six (6) VCI Board members (including three (3) current VCI Board members of VCI and three (3) newly-appointed VCI Board members), of which Mr. Do Hong Phuc will be appointed as the VCI Board's Chairman for a period of three (3) years from the completion of the Subscription and who will have a casting vote in case of an equality of votes in a VCI Board meeting;
  - (iv) effects the establishment of VCI's inspection committee which will comprise of three (3) members of which one (1) nominee of HVPL is successfully appointed to the inspection committee; and
  - (v) amends the Charter of VCI (the "**VCI Charter**") so that the VCI Charter shall give full force and effect to the terms and conditions of the SSA.
- (e) an original and English translation of a resolution of duly convened meetings of the VCI Board, which:
- (i) approves HVPL as the strategic investor of VCI for the purpose of implementation of the Placement Plan;
  - (ii) approves the SSA and the transactions contemplated under the SSA; and
  - (iii) authorizes a representative to execute and implement the SSA on behalf of VCI.
- (f) any form of evidence that VCI has duly applied for, and has duly obtained an approval or a deemed approval of the State Securities Commission of Vietnam (the "**SSC**") for VCI to conduct the Placement Plan in accordance with Decree No. 01/2010/ND-CP of the Government dated 4 January 2010 ("**Decree 01**");
- (g) evidence that VCI has complied with its obligation on disclosure of extraordinary information on VCI's website and to the SSC in respect of the duly passed resolutions at VCI's general meeting of Shareholders and the VCI Board in relation to the Placement Plan;
- (h) a certified copy and English translation of the register of shareholders of VCI with the updated list of the existing shareholders of VCI and their shareholding as of the completion date as notified by VCI in writing ("**Completion Date**");
- (i) an original copy of confirmation that since the date of this SSA until the Completion Date, no Material Adverse Effect (as defined in the SSA) have occurred;

- (j) proof and English translation satisfactory to HVPL that VCI received all relevant consents and approvals from relevant government and regulatory agencies in Vietnam as may be necessary in connection with the proposed change in shareholding of VCI so as to ensure that VCI maintains all its existing contractual and other rights following the transfer of the Subscription Shares;
- (k) a certified copy of the duly signed original and English translation of the amendment to the VCI Charter in the form and substance satisfactory to HVPL, which reflects the major following changes, *inter alia*:
  - (i) increase of the Charter Capital of VCI (as defined in the SSA) as a result of issue and allotment of the Subscription Shares stipulated herein;
  - (ii) re-constitution of VCI Board which will comprise six (6) VCI Board members including three (3) current VCI Board members of VCI and three (3) nominees of HVPL as newly-appointed VCI Board members and appointing Mr. Do Hong Phuc as the VCI Board's Chairman for a period of three (3) years from the completion of the Subscription and who will have a casting vote in case of an equality of votes in a VCI Board meeting;
  - (iii) a resolution duly approved by the majority of the attending members of VCI Board is required. In case of an equality of votes in a VCI Board meeting, the Chairman will have a casting vote;
  - (iv) a resolution duly approved by the majority of the attending members of VCI Board in VCI Board's meetings shall be required for all pledges, mortgages and/or securities of VCI's assets. The Chairman will have a casting vote in case of an equality of votes in such VCI Board meeting;
  - (v) establishment of the inspection committee which will comprise of three (3) members, including one (1) nominee of HVPL;
  - (vi) all meeting minutes and resolutions of VCI's shareholder meetings and its Board shall be prepared and recorded in both Vietnamese and English with both versions being of equal validity; and
  - (vii) meetings of VCI Board may be conducted by telephone or video conference or any other form of communications if so agreed by all members of the VCI Board.
- (l) a certificate setting out the names and specimen signatures of the person(s) authorised to execute and deliver the SSA and any other documents required in connection with the SSA on behalf of VCI;
- (m) a certified copy of the balance sheet of VCI as at 31 August 2012 or other date acceptable to HVPL;

- (n) a list of all assets of VCI (including, *inter alia*, all inventory and other fixed assets transferred by VCL) as duly signed and issued by the legal representative of VCI, and copies of the relevant contracts for such transferred assets duly signed by VCL (as the seller) and VCI (as the purchaser), accompanied with invoices or receipts acceptable to HVPL, and copies of all approvals, consents of relevant banks and any relevant state authority of Vietnam (if required), proving that such asset transfers are successfully completed; and
  - (o) a list of VCI's employees (including, *inter alia*, manpower already transferred from VC to VCI) as duly signed and issued by the legal representative of VCI, accompanied with relevant evidence, if so required by HVPL, including, *inter alia*, the relevant labour contracts and agreements signed with such employees, proving that the transfer of such employees has been successfully completed without any liabilities to VCI, and that the terms and conditions between VCI and such employees must be the same as the original contracts signed with VC.
- 5.1.2 VCI is to use best efforts to ensure fulfilment of the above conditions precedent within ninety (90) days from the date of the SSA ("**Conditional Date**") unless otherwise agreed by HVPL and VCI in writing.
- 5.1.3 VCI is to procure the fulfilment of the above conditions precedent applicable to it as soon as possible after the date of the SSA, and shall promptly notify HVPL if it becomes aware that any of the above conditions precedent is satisfied or becomes incapable of being satisfied.
- 5.1.4 VCI will undertake to obtain in terms acceptable to HVPL, all consents, approvals, clearances and authorizations of any relevant State authority of Vietnam (if required) or other relevant government and regulatory agencies in Vietnam as may be considered necessary or desirable by HVPL for the execution and implementation of the SSA.
- 5.1.5 If any of the above conditions precedent has not been fulfilled (or waived by HVPL) by the Conditional Date, then HVPL shall have the right to terminate the SSA by written notice to VCI (without prejudice to any rights that may have accrued to HVPL before such rescission). In such event, neither party shall have any claim under the SSA for any nature whatsoever against the other party.

## **5.2 Completion**

- 5.2.1 On Completion, VCI is to:
- (a) deliver, or cause the shareholders' registrar to deliver, to HVPL the original share certificate evidencing HVPL's ownership of the Subscription Shares; and
  - (b) register, or cause the shareholders' registrar to register, HVPL as a shareholder of the Subscription Shares in the register of shareholders of VCI.
- 5.2.2 Against compliance with VCI's completion deliverables, HVPL shall forthwith cause its bank to transfer the Consideration to its investment capital account ("**Payment Account**") opened at a commercial bank or bank branch duly licensed and operating in Vietnam, and then procure the release of the Consideration from such said Payment Account to the bank account specified by VCI to pay for the Subscription Shares in accordance with the SSA.

5.2.3 The Completion is to take place at VCI's registered office in Ho Chi Minh City.

### **5.3 Post-Completion**

5.3.1 Within ten (10) days of Completion, VCI and HVPL are to carry out the necessary procedures as required under the relevant laws of Vietnam, including but not limited to the following:

- (a) submitting a report of the results of the Placement Plan to the SSC in accordance with Decree 01;
- (b) making a public announcement on the results of the Placement Plan in the website of VCI regarding the issue and allotment of the Subscription Shares to HVPL as the strategic investor; and
- (c) filing notice to the SSC and the Department of Planning and Investment of Ho Chi Minh City in relation to HVPL becoming a major shareholder holding 5% or more of VCI's shares as a result of the issuance and allotment of the Subscription Shares to HVPL.

5.3.2 Within forty five (45) days of Completion, or any extended period as agreed by HVPL and VCI in writing due to any delay or extending caused by the relevant State authorities' decisions, lack of legislations or force majeure event(s) arisen (if any), VCI shall be responsible for obtaining, as soon as practicable the amended Enterprise Registration Certificate which amends the Charter Capital of VCI as a result of the issuance and allotment of the Subscription Shares stipulated therein.

VCI shall have to provide the evidence on the issue of the amended Enterprise Registration Certificate mentioned above. If this obligation is not satisfied within ninety (90) days from the Completion Date or other date as agreed by HVPL in writing, HVPL shall have the right to terminate the SSA, and to return all the Subscription Shares back to VCI to the extent not prohibited by the laws of Vietnam and, upon such return, the Consideration shall be transferred back to HVPL, and VCI shall be responsible to take all actions and procedures to de-register the Subscription Shares at its own costs and expense.

### **5.4. Put Option**

If any of the events set out below occur within two (2) years from the date of Completion, HVPL will have the right at any time and from time to time to request VCI to redeem a number of the Shares of which HVPL owns at the time at market price as determined by an independent professional valuer:

- (a) if any representations and warranties made by VCI as of the date of the SSA and as of the date of Completion under the SSA prove to be untrue at any time, notified by HVPL and not resolved within two (2) months of such notification;
- (b) if VCI is in breach of any undertakings made in the SSA at any time, and having been notified of the breach by HVPL, fails to resolve the breach within two (2) months of such notification; or



- (c) if all or part of the subscription of Subscription Shares by HVPL is invalidated or disallowed due to a valid and binding decision by the State authorities of Vietnam that HVPL is not legally entitled to own the Subscription Shares (the “**Invalidated Shares**”) and/or prevented from fully exercising their rights as shareholders thereof, then HVPL may exercise the put option in connection with such Invalidated Shares.

Shares not redeemed by VCI due to prohibitions by the laws of Vietnam shall be converted to unsecured debt due to HVPL which takes precedence over all other unsecured debts of VCI.

## **6. SALIENT TERMS OF THE SHA**

### **6.1 Management and Control of VCI**

- 6.1.1 The VCI Board shall consist of six (6) Board Members, three (3) of which shall be the current Board Members of VCI and three (3) of which shall be newly-appointed Board Members by HVPL.
- 6.1.2 The Chairman of the Board shall be Mr. Do Hong Phuc (General Director of VCI) for a period of the initial three (3) years from Completion of the SSA, who will have a casting vote in case of an equality of votes in a Board meeting.
- 6.1.3 The Inspection Committee of VCI shall have three (3) members of which one (1) inspector shall be nominated by HVPL. The nominee of HVPL shall be appointed as the inspector of VCI.
- 6.1.4 The legal representative of VCI shall be Mr. Do Hong Phuc.

### **6.2 Transfer of Shares**

- 6.2.1 HVPL and the Key Shareholders shall not transfer any shares in the capital of VCI otherwise than in accordance with the provisions of the SHA.
- 6.2.2 For a period of the first three (3) years from the Completion Date of the SSA, HVPL and the Key Shareholders shall not transfer or assign any or all of its shares in VCI, without prior written consent of the Key Shareholders or HVPL, notwithstanding any listing of VCI in a stock exchange, save for a transfer among the parties and/or to the Key Shareholders or his/her relatives (but not to any third parties), provided that such transfer must be informed in advance to HVPL and such relatives of the Key Shareholders entering into an agreement with HVPL to become an additional party to this Agreement and VCI Charter subject to appropriate modification in terms (in the case of a partial transfer) or shall enter into an agreement with HVPL to assume all rights and to be bound by all obligations imposed by the SHA and VCI Charter in place of the Key Shareholders (in the case of a complete transfer).
- 6.2.3 After three (3) years from the Completion Date of the SSA, HVPL and the Key Shareholders shall have the right to assign or transfer all or any part of its shares (the “**Offered Shares**”) to a third party (the “**Third Party Transferee**”), provided the HVPL and Key Shareholders first offer to transfer the Offered Shares to HVPL and/or the nominees of HVPL and other Key Shareholders (the “**Non-Transferring Parties**”) in proportion to their respective ordinary shares in VCI on equal terms in accordance with the pre-emption procedures set out in the SHA and the Non-Transferring Parties have declined to exercise its rights hereunder.

6.2.4 Notwithstanding any other provision in the SHA or the VCI Charter, any transfer shall not be effective unless it is approved by the relevant authority to the extent that the same is required by the laws of Vietnam and, in this regard, the Parties shall procure that the said transfer is submitted to the relevant authority for its approval and use their respective best efforts to obtain such approval, if required.

### 6.3 Anti-Dilution

Unless decided otherwise at VCI's general shareholders' meeting, if VCI increases the Charter Capital or issues additional securities, HVPL shall have a pre-emptive right pro rata to their holding of the Common Shares to maintain its percentage ownership in the fully diluted equity of VCI. HVPL will have the right to purchase such Charter Capital or additional securities on terms (including price) at least equivalent to those of an offer made to another investor.

## 7. VALUATION OF VCI

The net book value of VCI based on its unaudited financial statements as at 31 August 2012 was approximately VND12,188,720,000 (equivalent to S\$716,000).

## 8. FINANCIAL EFFECTS

### 8.1 Assumptions

The financial effects on the net tangible assets ("**NTA**") per share and the earnings per share of the Company are set out below. The financial effects, which have been prepared based on the audited consolidated financial statements of the Company for its most recently completed financial year ended 30 June 2012 ("**FY2012**") and the unaudited management financial statements of VCI for the period from its date of establishment (being 30 July 2011) to 31 August 2012, are purely for ILLUSTRATIVE PURPOSES ONLY and do not reflect the actual financial position of the Hafary Group after the completion of the Subscription.

### 8.2 NTA

For the purposes of illustration only and assuming the Transaction had been completed at the end of FY2012, the estimated financial effects of the Transaction on the consolidated NTA of the Hafary Group as at the end of FY2012 are as follows:

	As at 30 June 2012	Assuming completion of the Transaction as at the end of FY 2012
NTA (S\$'000)	30,497	29,684 <sup>(1)</sup>
Number of shares ('000)	194,500	194,500
NTA per Share (cents)	15.7	15.3

**Note:**

- (1) After deducting provisional goodwill arising from the acquisition of VCI amounting to S\$813,000.

Provisional goodwill is the difference between consideration paid for 49% of chartered capital of VCI amounting to VND48,012,453,000 (equivalent to S\$2,822,000) and the Company's 49.0% share of adjusted net assets of VCI as at 31 August 2012 amounting to VND34,186,452,000 (equivalent to S\$2,009,000). The net assets of VCI have been adjusted for increase in chartered capital.

**8.3 Earnings**

For illustrative purposes only and assuming that the Transaction had been completed at the beginning of FY2012, the estimated financial effects of the Transaction on the earnings per share of the Hafary Group for FY2012 are as follows:-

	FY2012	Assuming completion of the Transaction as at the beginning of FY 2012
Profit, net of tax attributable to owners of the Company (S\$'000)	4,547	4,610 <sup>(1)</sup>
Weighted average number of Shares ('000)	181,648	181,648
Earnings per Share (cents)	2.5	2.5

**Note:**

- (1) Based on a 49% share of the unaudited profit before tax, non-controlling interest and extraordinary items of VCI amounting to VND1,072,473,000 (equivalent to S\$63,000) from the date of establishment of 30 July 2011 to 31 August 2012. As VCI was dormant from 30 July 2011 to 31 May 2012, the amount relates to pre-operating expenses and profits for the three months of operations from 1 June 2012 to 31 August 2012.

**9. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006**

In compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the relative figures computed on the bases pursuant to Rule 1006 of the Catalist Rules in relation to the Subscription, based on the latest announced consolidated financial statements of the Hafary Group for FY2012, are as follows:-

(a) *Rule 1006(a)*

Net asset value of the asset to be disposed of (S\$'000)	Not applicable
Net asset value of the Hafary Group as at 30 June 2012 (S\$'000)	Not applicable
Size of relative figure	Not applicable

(b) <i>Rule 1006(b)</i>	
Net profits attributable to the assets to be acquired (S\$'000)	63 <sup>(1)</sup>
Net profits of the Hafary Group <sup>(2)</sup> (S\$'000)	6,038
Size of relative figure	1.0%
(c) <i>Rule 1006(c)</i>	
Aggregate value of the consideration given (S\$'000)	2,822 <sup>(3)</sup>
The Company's market capitalization as at 24 September 2012 based on the total number of issued shares, excluding treasury shares (S\$'000)	46,680 <sup>(4)</sup>
Size of relative figure	6.0%
(d) <i>Rule 1006(d)</i>	
Number of equity securities issued by the Company as consideration for an acquisition	Not applicable
Number of equity securities previously in issue	Not applicable
Size of relative figure	Not applicable
(e) <i>Rule 1006(e)</i>	
The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is not applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

**Notes:**

- (1) Based on a 49% share of the unaudited profit before tax, non-controlling interest and extraordinary items of VCI amounting to VND1,072,473,000 (equivalent to approximately S\$63,000) from date of establishment on 30 July 2011 to 31 August 2012.
- (2) Net profit of the Hafary Group for FY2012 is based on the Hafary Group's audited profit before tax, non-controlling interests and extraordinary items of S\$6,038,000 for FY2012.
- (3) Based on the Consideration for the Subscription of VND48,012,453,000 (equivalent to approximately S\$2,822,000).
- (4) Based on 194,500,000 shares and closing share price of S\$0.24 on 24 September 2012, being the day preceding the date of the SSA.

As the relative figures under Rule 1006 of the Catalist Rules exceed 5% but are less than 75%, the Subscription constitutes a discloseable transaction for the purposes of Chapter 10 of the Catalist Rules. The Company is not required to obtain shareholders' approval for the Subscription.

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

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Subscription, save for their respective shareholdings in the Company.

**11. FURTHER INFORMATION**

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

**12. MISCELLANEOUS**

A copy of the SSA and the SHA are available for inspection by prior appointment during normal business hours at the registered office of the Company at 15 Defu Avenue 1, Singapore 539538 for 3 months from the date of this announcement.

**13. TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Subscription is subject to certain conditions as at the date of this announcement and there is no assurance or certainty that the Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Tay Eng Kiat Jackson  
Financial Controller  
26 September 2012

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan Tiong Huat, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.