

# ASX Announcement



## GPS ALLIANCE HOLDINGS LIMITED

6 December 2013

### Acquisition of S\$112 million Singapore Property Group

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#### 1. Sale and Purchase Agreement

The Board of Directors (the **Board**) of GPS Alliance Holdings Limited (ASX: GPS) (**Company**) is pleased to announce that it has entered into a sale and purchase agreement (**SPA**) with the shareholders of Manufacture Element Prefabricate Pte Ltd (Co. Reg. No. 197601746H) (**Target Company**) being BD Cranetech Pte Ltd and Poh Ah Tee for the acquisition of the entire issued and paid-up share capital of the Target Company (**Proposed Transaction**). The Target Company is unlisted and is incorporated in the Republic of Singapore.

#### 2. Completion of the Proposed Transaction

The Board is also pleased to announce that completion of the Proposed Transaction is presently planned for 31 March 2014, and that following such completion, the Target Company will become a wholly owned subsidiary of GPS Alliance Holdings Pte. Ltd. (Company Registration No. 201020508Z).

Pursuant to the SPA, the aggregate consideration to be paid by the Company for the Proposed Transaction (the **Consideration**) will be S\$112,000,000, of which:

- (a) S\$62,000,000 will be paid in cash;
- (b) S\$20,000,000 will be satisfied by the issue of notes which are convertible into shares in the Company (**Convertible Notes**); and
- (c) S\$30,000,000 will be satisfied by the issue of shares in the Company at AU\$0.20 per share (**Consideration Shares**).

The Consideration was determined on a willing buyer-willing seller basis and will be funded partially by the internal resources of the Group and debt to be secured over properties the Target Company owns and partially by the above-mentioned allotment and issue of shares in the Company.

The issue of the Convertible Notes have the following key terms:

- (a) interest bearing at 6 months Singapore Interbank Offered Rate + 2.0% p.a.;
- (b) payable semi-annual in arrears;
- (c) nine year term;

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For personal use only

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- (d) redeemable at the Company's option at any time;
  - (e) convertible into the Company's shares at the holder's option at any time during the term of the Convertible Notes, with an exercise price as follows:
    - (i) up to 3rd anniversary of issuance, higher of 10% discount off market price or A\$0.30 per share;
    - (ii) after 3rd anniversary and up to 6th anniversary of issuance, higher of 10% discount off market price or A\$0.40 per share;
    - (iii) after 6th anniversary and up to 9th anniversary of issuance, higher of 10% discount off market price or A\$0.50 per share.

Accordingly, the same shareholder approvals under section 611-item 7 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and ASX Listing Rules 7.1 and 11.1.2 sought for the Consideration Shares will also be sought for the issue of the Convertible Notes.

Completion of the Proposed Transaction is subject to the satisfaction of a number of conditions, including:

- (a) completion of financial, business and legal due diligence on the Target Company;
- (b) the valuation of Private Lot A1803 at 23 Neythal Road Singapore 628588 being no less than S\$112,000,000;
- (c) all necessary board, regulatory, Corporations Act and ASX Listing Rules approvals;
- (d) all necessary shareholder approval, if required under the ASX Listing Rules, the Corporations Act or otherwise, for the:
  - (i) Proposed Transaction, the issue of Convertible Notes and issue of the Consideration Shares to BD Cranetech Pte Ltd and Poh Ah Tee;
  - (ii) appointment of Mr Lim Pang Hern as a non-executive director of the Company and a member of each of the Audit and Risk and Nomination and Remuneration Committees of the Company;
  - (iii) appointment of Ms See Mei Li as an executive director of the Company.

As noted above, the Proposed Transaction is subject to relevant government and regulatory approvals, including shareholder approval under ASX Listing Rules 7.1 and 11.1.2 as well as section 611, item 7 of the Australian *Corporations Act 2001* (Cth), with an independent expert's report as to whether the Proposed Transaction is fair and reasonable to the Company's shareholders intended to accompany the notice of shareholder meeting.

### 3. Information on the Target Company

The Target Company:

- (a) is incorporated in Singapore;
- (b) has its principal place of business at 23 Neythal Road, Singapore, 628595; and

- (c) has principal activities of investment holdings in property and leasing of office and industrial space. Through its subsidiaries, MEP also conducts logistics and equipment hire businesses that support the current use of Private Lot A1803 at 23 Neythal Road Singapore 628588 (**Key Property**), as well as other properties. Upon completion of the acquisition of the Target Company, the Company intends to further develop the Key Property to maximise the Key Property's land/plot ratio in joint venture with other third parties, similar to its involvement in the "Watercolours development" disclosed in the Company's IPO prospectus earlier this year.

The Target Company and its subsidiaries is expected to have a combined net tangible assets of S\$49 million as at the date of completion of the Proposed Transaction.

#### **4. Rationale for the Proposed Transaction**

The Proposed Transaction not only offers positive returns for the Company, but also creates natural synergies with the existing property business undertaken by the Company.

For and on behalf of the Board.

**Tan Thiam Hee**  
Chairman  
GPS Alliance Holdings Limited

**Leanne Ralph**  
Company Secretary  
GPS Alliance Holdings Limited