



(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 199802709E)

PROPOSED ACQUISITION OF ASSETS (AS DEFINED BELOW) FROM IUT SINGAPORE PTE LTD (IN CREDITORS' VOLUNTARY LIQUIDATION) ("VENDOR") ACTING THROUGH ITS LIQUIDATORS

1. Introduction

The board ("**Board**") of directors ("**Directors**") of the Company wishes to announce that Enviro Property Pte. Ltd. ("**Purchaser**"), the wholly-owned subsidiary of Enviro-Power Pte. Ltd., a subsidiary of the Company in which the Company owns a 95% shareholding interest as at the date of this announcement ("**Announcement**"), has on 27 May 2011 entered into a sale and purchase agreement ("**Agreement**") with the Vendor acting through its liquidators, Mr. Chee Yoh Chuang and Mr. Abuthahir Abdul Gafoor of Stone Forest Corporate Advisory Pte Ltd ("**Liquidators**"), for the purchase of the following assets ("**Assets**") by the Purchaser from the Vendor acting through the Liquidators, free from all Encumbrances (as defined in the Agreement), together with all rights attaching to them ("**Acquisition**"):

- (a) The Vendor's rights, estate, title and interest in and over Private Lot A2177101 (comprised in Government Survey 3829C of Mk 7 and known as 99 Tuas Bay Drive Singapore 637426) ("**Property**") pursuant to the building agreement between Jurong Town Corporation ("**JTC**") and the Vendor dated 25 October 2006 ("**Building Agreement**"), which granted a lease for a period of twenty-nine (29) years and three (3) months commencing from 9 May 2006 in the Property to the Vendor;
- (b) Plant and equipment used in the processes of recycling; and
- (c) Four main buildings covering a total floor area of 9,882.15 square meters.

The Agreement was entered into between the Purchaser and the Vendor acting through the Liquidators in connection with the tender conducted by the Vendor acting through the Liquidators, pursuant to which a written notice of acceptance of a tender was issued by the Liquidators to the Purchaser in accordance with paragraph 20 of the invitation to participate in tender provided by the Liquidators to the tenderers ("**Invitation to Tender**").

2. Rationale and Benefits for the Acquisition

The Acquisition will provide the Company and its subsidiaries ("**Group**") with the necessary premises for its environmental restoration business.

3. Total Consideration and Source of Funds

The purchase price of the Assets, being the sum of S\$15.8 million ("**Purchase Price**") was the tender price submitted by the Purchaser to the Vendor acting through the Liquidators (excluding Goods and Services Tax or any other applicable taxes to be borne by the Purchaser), which shall be paid in immediately available funds and free of bank charges, commissions, fees or other

deductions, to the Vendor acting through the Liquidators, by way of a cashier's order. The Purchase Price to be paid shall not include the property taxes and any such accrued interest on the property taxes, up to but excluding the date of completion of the Acquisition ("**Completion Date**") (as defined below), whether the tax is levied or increased before, on or after the Completion Date in relation to the Assets ("**Property Tax**") and any applicable taxes payable by the Purchaser.

The Purchaser has paid a 10% deposit of the Purchase Price to the Vendor acting through the Liquidators constituting the sum of S\$1.58 million in accordance with paragraph 19 of the Invitation to Tender. The remaining 90% of the Purchase Price constituting the sum of S\$14.22 million shall be payable by the Purchaser to the Vendor acting through the Liquidators on the Completion Date in accordance to the terms and conditions of the Agreement.

The Purchase Price was arrived at on a "willing-buyer and willing-seller" basis after due arms' length negotiations, and will be funded by a combination of internal resources and bank borrowings.

4. Salient Terms and Conditions of the Agreement

(A) Conditions Precedent

The Agreement is subject to *inter alia*, the approval of the relevant authorities for the Acquisition by the expiry of the three (3) month period from the date of the Agreement or by such extended period of not more than sixty (60) days as may be extended by the Vendor acting through the Liquidator or mutually agreed to in writing between the Purchaser and the Vendor acting through the Liquidator.

(B) No warranties and risk of the Assets

No Warranties

- (a) The Assets are sold on an "as is where is" basis in its present state and condition as at the date of the Agreement and the Purchaser having inspected the Assets shall be deemed to have actual notice and to have satisfied himself by conducting its own enquiries and investigations as to the present state and condition in relation to the dimensions, area, access, repair, light, air, equipment and drainage and in all other respects and shall accept the Assets in the state and condition in which the same shall be on the date of the Agreement and the Purchaser shall not be entitled to make or raise any objection or requisition whatsoever in respect thereof. No representation, warranty and condition on the part of the Vendor or the Liquidators is given or implied as to the correctness of the description or suitability for any particular purpose or purposes or condition or state of repair of the Assets and any equipment situated therein and the Purchaser shall have no claim of any kind whatsoever in respect of any deficiencies or defects which may exist at the date of the Agreement or may become apparent thereafter and the Purchaser shall not be entitled to make or raise any enquiry, requisition or objection whatsoever in respect thereof. If any error, mis-statement, mis-description or omission of whatever nature regardless of degree shall be discovered herein the same shall not annul the Acquisition or provide grounds for the Purchaser to rescind the Acquisition and shall not prejudice the rights of the Vendor and the Liquidator under the Agreement and at law or in equity nor shall the Purchaser be entitled to any abatement or compensation in respect thereof and the Purchaser shall have no right to claim for damages or remedy of whatsoever nature. However, for the avoidance of doubt, in the event that any part(s) of the Assets are acquired pursuant to the notices, orders or schemes relating to the road works along the Pan Island Expressway, Tuas Road, Pioneer Road, Tuas West Road and Tuas South Avenue 3 as stated in the Notice of Land Acquisition dated 11 January 2011 issued pursuant to Notification No. 86 dated 5 January 2011 first published in the Government Gazette, Electronic Edition on 11 January 2011 ("**Notice**"), any compensation received by the Liquidators resulting from the acquisition will be set-off against the Purchase Price.

Risk of Assets

- (b) As from the Completion Date, the Assets shall be at the sole risk of the Purchaser in relation to deterioration, non-occupation, loss, destruction, or damage by fire or other risk contingency happening or otherwise. For the avoidance of doubt and notwithstanding this paragraph, title to the Assets shall only pass on the Completion Date subject to the compliance with the requirements set out in clause 4 of the Agreement relating to, *inter alia*, completion of the Acquisition, and the Purchaser shall not have any claim or demand against the Vendor acting through the Liquidators, for any costs and expenses incurred by the Purchaser in relation to the Assets during the period from the date of the Agreement to the Completion Date.
- (c) Each party shall bear its own legal costs and expenses in connection with the Invitation to Tender and the Acquisition and neither party shall have any claim or demand against the other whether for costs, damages, compensation or otherwise whatsoever in respect of the Agreement and/or the Assets. Where such destruction or damage stipulated under paragraph 4(B)(b) above have been caused by or are attributable to any act or default of the Purchaser, or the Vendor's policy or policies of insurance in relation to the Assets are vitiated or payment of the policy monies withheld in whole or in part in consequence of, any act or default of the Purchaser, its servants, agents or independent contractors, the destruction or damage shall not annul the Acquisition herein or provide grounds for the Purchaser to rescind the Agreement and shall not prejudice the rights of the Vendor and the Liquidator under the Agreement and at law or in equity. Where the Agreement is not rescinded due to this paragraph, the Purchaser shall not be entitled to any abatement or compensation and the Purchaser shall have no right to claim for damages or remedy of whatsoever nature.

5. Financial Effects of the Acquisition

5.1 Illustrative effects of the Acquisition on the Net Tangible Assets ("NTA") and Earnings per Share ("EPS") of the Group

The pro forma financial effects of the Acquisition on the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2010. These pro forma financial effects are purely for illustrative purposes only and do not reflect the future actual financial position and results of the Group after the completion of the Acquisition.

(A) NTA

Assuming that the Acquisition had been completed on 31 December 2010, the pro forma financial effects of the Acquisition on the NTA per share of the Group as at 31 December 2010 would have been as follows:

	Before the Acquisition	After the Acquisition
NTA ⁽¹⁾ (S\$'000)	59,503,495	59,503,495
Number of issued shares ('000)	865,831,440	865,831,440
NTA per share (cents)	6.87	6.87

Note:

⁽¹⁾ "NTA" means total assets less total liabilities after minority interests.

(B) EPS

Assuming that the Acquisition had been completed on 1 January 2010, the pro forma financial effects of the Acquisition on the EPS of the Group for the financial year ended 31 December 2010 would have been as follows:

	Before the Acquisition	After the Acquisition
Profit attributable to shareholders ⁽¹⁾ (S\$'000)	1,383,717	503,717
Basic EPS		
Weighted average number of issued shares ('000)	865,829,874	865,829,874
Basic EPS (cents)	0.16	0.06
Diluted EPS		
Weighted average number of issued shares ('000)	865,829,874	865,829,874
Diluted EPS (cents)	0.16	0.06

Note:

- (1) "Profit attributable to Shareholders" means profit or loss after income tax, minority interests and extraordinary items.

5.2 Relative Figures Calculated on the Bases set out in Rule 1006 of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")

(a)	Rule 1006(a) The net asset value (" NAV ") of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	Rule 1006(b) The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits ⁽²⁾	Not applicable
(c)	Rule 1006(c) The aggregate value of consideration given or received, compared with the issuer's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares	13%
(d)	Rule 1006(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on the audited profit and loss accounts for the financial year ended 31 December 2010.
- (3) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreements.

As the relative figure calculated under Rule 1006(c) of the Listing Manual is more than 5% but is not more than 20%, the Acquisition is considered a discloseable transaction under Chapter 10 of the Listing Manual.

6. Directors' and Controlling Shareholders' Interests

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Acquisition, save through his shareholding in the Company (if any).

7. Agreement Available for Inspection

A copy of the Agreement will be made available for inspection during normal business hours at the Company's registered office for a period of three months from the date of this Announcement.

Note:

- (1) **The total aggregated figures included in this Announcement may not be the same as the arithmetic addition of the figures. Any discrepancies therefore are due to rounding.**

By Order of the Board

Raymond Ng
Executive Chairman
30 May 2011