

GLOBAL YELLOW PAGES LIMITED
(Company Registration No.: 200304719G)
(Incorporated in the Republic of Singapore)

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
PAKURANGA PLAZA LIMITED**

1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Global Yellow Pages Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that GYP Properties Pte. Ltd. ("**GYPP**"), a wholly owned subsidiary of the Company, has entered into a conditional sale and purchase agreement (the "**Agreement**") with Pakuranga Plaza Holdings Limited (the "**Vendor**") in relation to the proposed acquisition (the "**Acquisition**") by GYPP of the entire issued and paid-up share capital (the "**PPL Shares**") of Pakuranga Plaza Limited ("**PPL**").

The Vendor, a company incorporated in New Zealand, is controlled equally by the Chief Executive Officer of the Company (the "**CEO**") and Mr. Pang Yoke Min, a Director of the Company. The directors of the Vendor are the CEO and Mr. Pang Yoke Min. The Company understands that the Vendor was incorporated for the purpose of the Acquisition and has not carried out any other activities other than those in connection with the Acquisition.

The CEO and Mr. Pang are both party to the Agreement as guarantors, pursuant to which they have each agreed to guarantee the repayment of the First Deposit and the Second Deposit (each as defined herein) to GYPP within 40 business days from the date GYPP gives notice to the Vendor that any of the conditions precedent set out in paragraph 4.2 of this Announcement have not been satisfied.

2. INFORMATION REGARDING PPL AND THE PROPERTY

PPL, a company incorporated in New Zealand, is a wholly owned subsidiary of the Vendor. On 9 September 2014, PPL entered into a conditional sale and purchase agreement (the "**Plaza Purchase Agreement**") with Ladstone Pakuranga Limited ("**LPL**") and Ladstone Pakuranga Management Limited (together, the "**Plaza Vendors**") for the purchase (the "**Plaza Acquisition**") of the property comprising the land and the shopping mall known as Pakuranga Plaza (the "**Property**") for a purchase price of NZ\$96,000,000 (which is equivalent to approximately S\$96,240,000) (the "**Plaza Consideration**"). PPL intends to borrow approximately S\$57,744,000 to finance the Plaza Acquisition, on a non-recourse basis.

While GYPP had originally intended to acquire the PPL Shares directly from the previous shareholder of PPL, this was not possible as Chapter 10 of the Listing Manual requires, *inter alia*, that the Acquisition be conditional upon approval of the Company's shareholders (the "**Shareholders**") in general meeting, and the Plaza Vendors were not agreeable to the inclusion of any conditions precedent in the Plaza Purchase Agreement allowing PPL to defer completion of the Plaza Acquisition until all regulatory approvals are obtained by the Company as required under the Listing Manual. Further, under the terms of the Plaza Purchase Agreement, PPL is required to pay a deposit amounting to 5% of the Plaza Consideration by 8 October 2014 and another deposit amounting to 5% of the Plaza

Consideration upon PPL obtaining consent to purchase the Property under the Overseas Investment Act 2005 of New Zealand. The aforesaid deposits payable under the Plaza Purchase Agreement amount to NZ\$9,600,000. The remainder of the Plaza Consideration is payable on the settlement date stipulated in the Plaza Purchase Agreement.

Accordingly, the Vendor acquired the PPL Shares on 7 October 2014, and GYPP has, on the date hereof, entered into the Agreement with the Vendor for the acquisition of the PPL Shares.

The Property is freehold and is located in the centre of Pakuranga, Auckland, New Zealand. The Property occupies a total area of 39,209 square metres, and comprises retail and office space with a gross lettable area of 29,541 square metres, occupied by close to 100 tenants including major department stores and supermarkets.

A summary of the unaudited pro forma financial information of PPL, prepared based on the unaudited pro forma financial information of LPL for the financial year ended 31 March 2014 and the financial period for the six (6) months ended 30 September 2014, and the assumptions underlying the preparation of the pro forma financial information is set out in the Annex to this Announcement.

3. RATIONALE FOR THE ACQUISITION

The Acquisition allows the Group to achieve the following objectives:

(a) Diversification of business into two (2) identified industries

The Group has been looking for opportunities to diversify its portfolio of businesses into two (2) new core businesses, namely the real estate and food and beverage ("**F&B**") sectors. In the last 15 months, the Company has undertaken a series of acquisitions in the F&B sector. On 12 June 2013, the Company announced its acquisition of 8.48% equity interest in Yamada Green Resources Limited ("**Yamada**"), a major supplier of self-cultivated edible fungi as well as a manufacturer and distributor or processed food products in the People's Republic of China, for an aggregate consideration of S\$15.9 million. The aggregate consideration paid by the Company for shares in Yamada (both through on-market acquisitions and pursuant to a private sale and purchase agreement) was S\$24.8 million.

On 19 December 2013, the Company announced its proposed acquisition of the Jireh Group Pty Limited which owns the global "Gloria Jean's" and "It's a Grind" intellectual property rights, the global supply chain operations and the master franchisor business for all Gloria Jean's stores and It's a Grind stores worldwide (the "**Gloria Jean's Transaction**"). The consideration for the Gloria Jean's Transaction was approximately A\$35.6 million (approximately S\$40.7 million). The proposed acquisition garnered the requisite Shareholders' approval but was subsequently not completed due to the non-fulfilment of certain conditions precedent.

On 1 September 2014, the Company announced that it had entered into a conditional sale and purchase agreement to acquire all of the intellectual property rights held by Wendy's Supa Sundaes Pty Ltd and Innovation Ice Cream (IIC) Pty Ltd for an aggregate consideration of A\$10 million (approximately S\$11.67 million). This acquisition was completed on 10 September 2014.

The Acquisition marks the Group's first foray into the real estate sector, and will enable the Group to diversify its business into the real estate sector, which is an area

in which the Chairman of the Board and CEO have significant experience, and in which the Group recognises potential for long term growth. The Acquisition will therefore provide the Company with a platform to expand its operating base into the real estate sector in accordance with its diversification strategy, and to thereby enhance value to Shareholders.

(b) Generation of Profits

Based on the rental income indicated in the valuation report dated 6 February 2014 by Jones Lang LaSalle (the "**Valuation Report**"), the purchase price paid by PPL for the Property of approximately S\$96,240,000, and the occupancy rate of the Property of approximately 97%, the net rental yield of the Property is approximately 8.1%, excluding future development opportunities to add more space to the Property. The Acquisition is therefore income accretive in nature, and will generate profits that may be used to fund the working capital of the Group.

4. SALIENT TERMS OF THE ACQUISITION

4.1 Consideration and Payment

The total consideration for the Acquisition is NZ\$38,400,001 (which is equivalent to approximately S\$38,496,001) (the "**Consideration**"), comprising the following components:

- (a) a deposit of NZ\$9,600,000 (which is equivalent to approximately S\$9,624,000) (the "**First Deposit**"), which shall be paid by GYPP to the Vendor on the date that the Plaza Purchase Agreement is declared unconditional;
- (b) a deposit of NZ\$28,800,000 (which is equivalent to approximately S\$28,872,000) (the "**Second Deposit**"), which shall be paid by GYPP to the Vendor on the date falling one (1) day before the settlement date of the Plaza Purchase Agreement; and
- (c) the balance of NZ\$1.00 (which is equivalent to approximately S\$1.00), which shall be paid by GYPP to the Vendor on the date falling five (5) business days after the date on which the conditions precedent set out in paragraph 4.2 of this Announcement are either satisfied or waived by GYPP.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Company on a willing-buyer and willing-seller basis after taking into account factors such as:

- (a) the Valuation Report in respect of the valuation of the Property;
- (b) the total purchase price paid by PPL for the Property;
- (c) the rental income generated by the Property;
- (d) the future development potential of the Property; and
- (e) the net asset value of PPL, based on the total purchase price paid by PPL for the Property and the total amount of the non-recourse financing obtained by PPL to finance the Plaza Acquisition.

The Company intends to finance the Acquisition from the proceeds of the Company's rights issue completed in June 2014 and the Company's internal funds.

The purchase price to be paid by PPL for the Plaza Acquisition is approximately S\$96,240,000. Accordingly, the net asset value of the PPL Shares is approximately S\$38,496,001, taking into account the financial liabilities of PPL of approximately S\$57,744,000 due to the non-recourse financing obtained by PPL to finance the Plaza Acquisition.

Based on the rental income indicated in the Valuation Report, the purchase price paid by PPL for the Property of approximately S\$96,240,000, and the occupancy rate of the Property of approximately 97%, the net rental yield of the Property is approximately 8.1%, excluding future development opportunities to add more space to the Property.

4.2 Conditions Precedent

Completion of the Acquisition ("**Completion**") is conditional upon the satisfaction of the following conditions precedent:

- (a) the receipt by the Company of the approval of the SGX-ST for the Acquisition, if required;
- (b) the Acquisition being approved by the Shareholders at the Company's extraordinary general meeting (the "**EGM**") to be convened; and
- (c) all other consents and approvals required under any and all applicable laws for the Acquisition and to give effect to the transactions contemplated thereunder being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to GYPP in its sole and absolute discretion.

If the abovementioned conditions precedent are not satisfied, each of the Vendor, and the CEO and Mr. Pang Yoke Min (as guarantors), has jointly and severally undertaken to repay the First Deposit and the Second Deposit within 40 business days from the date GYPP gives notice that the conditions have not been met.

5. FINANCIAL EFFECTS

The unaudited pro forma financial effects analysis of the Acquisition has been prepared on the following key bases and assumptions:

- (a) based on, *inter alia*, the latest announced audited consolidated financial statements of the Group for the financial year ended 31 March 2014;
- (b) for the purposes of illustrating the financial effects of the Acquisition on the net tangible assets ("**NTA**") per Share of the Group, it is assumed that the Acquisition had been completed on 31 March 2014;
- (c) for the purposes of illustrating the financial effects of the Acquisition on the earnings per Share ("**EPS**") of the Group, it is assumed that the Acquisition had been completed on 1 April 2013;
- (d) the NTA per Share is computed based on the 681,754,820 Shares in issue, excluding 55,000,000 treasury shares, as at 31 March 2014, and the EPS of the Group is computed based on the weighted average price of 634,329,076 Shares in issue as at 31 March 2014; and

- (e) the financial effects of the Acquisition are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Acquisition on the NTA per Share and EPS of the Group, nor do they represent the future financial performance and/or position of the Group immediately following Completion.

5.1 Effect of the Acquisition on the NTA per Share

On the bases and assumptions set out above, the pro forma effect of the Acquisition on the NTA per Share of the Group is as follows:

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	30,827.8	30,827.8
NTA per Share (Singapore cents)	4.52	4.52

5.2 Effect of the Acquisition on EPS

On the bases and assumptions set out above, the pro forma effect of the Acquisition on the EPS of the Group is as follows:

	Before the Acquisition	After the Acquisition
Profit attributable to shareholders (S\$'000)	5,133.8	8,954.8 ⁽ⁱ⁾
EPS (Singapore cents)	0.81	1.41

Notes:

- (i) Excludes management fees, head office costs and depreciation

6. RELATIVE FIGURES OF THE ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for the first quarter ended 30 June 2014 (being the most recent available unaudited consolidated financial statements of the Group), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows for the Acquisition:

<u>Listing Rule</u>	<u>Bases</u>	<u>Acquisition</u> <u>(S\$'000)</u>	<u>Group</u> <u>(S\$'000)</u>	<u>Relative</u> <u>Figures</u>
1006(a)	The NAV of the assets to be disposed of, compared with the Group's NAV	Not applicable to an acquisition of assets.		
1006(b)	The net profits ⁽ⁱ⁾ attributable to the assets acquired, compared with the	1,326.7 ⁽ⁱⁱ⁾	(828.5)	(160.1)%

	Group's net profits			
1006(c)	The aggregate value of the consideration, compared with the Group's market capitalisation	96,240.0 ⁽ⁱⁱⁱ⁾	74,993.0	128.3%
1006(d)	The number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable as no equity securities will be issued by the Company in connection with the Acquisition.		

Notes:

- (i) Net profits refer to profit before income tax, minority interests and exceptional items.
- (ii) Excludes management fees, head office costs and depreciation
- (iii) The aggregate value of the consideration is based on the Plaza Consideration. If the aggregate value of the consideration is based on the Consideration of approximately S\$38,496,001, the relative figure computed under Rule 1006(c) is 51.3%.

As the relative figure computed under Rule 1006(c) exceeds 100%, the Acquisition constitutes a "very substantial acquisition" under Chapter 10 of the Listing Manual and is subject, *inter alia*, to the approval of the SGX-ST and of the Shareholders. However, if the aggregate value of the transaction is based on the Consideration of approximately S\$38,496,001, the relative figure computed under Rule 1006(c) will exceed 20% but will not exceed 100%, and the Acquisition will therefore constitute a "major transaction" subject, *inter alia*, to the approval of the Shareholders.

The Company has made an application to the SGX-ST for a waiver in respect of Rule 1015 of the Listing Manual (the "**Waiver Application**"), and will update Shareholders in due course on the outcome of the Waiver Application.

7. INTERESTED PERSON TRANSACTION

The Vendor is controlled equally by the CEO and Mr. Pang Yoke Min, a Director of the Company. Accordingly, the Acquisition constitutes an "interested person transaction" within the meaning of Chapter 9 of the Listing Manual.

The Consideration represents approximately 124.9% of the latest audited consolidated NTA of the Group as at 31 March 2014, while the Plaza Consideration represents approximately 312.2% of the latest audited consolidated NTA of the Group as at 31 March 2014. In accordance with Chapter 9 of the Listing Manual, the Acquisition is an interested person transaction, the value of which is more than 5% of the latest audited NTA of the Group, and is hence subject to the approval of Shareholders at the EGM. The CEO and Mr. Pang Yoke Min,

as well as their respective associates, will abstain from voting on the Acquisition in respect of their respective shareholdings in the Company.

The total value of all interested person transactions, excluding transactions which are less than S\$100,000 and those transactions that are exempted from compliance with Rule 905, Rule 906 and Rule 907 of the Listing Manual, with (a) the Vendor and its associates; and (b) all interested persons of the Company, for the current financial year, and the percentage of the Group's latest audited consolidated NTA as at 31 March 2014 represented by such values are as follows:

	Before the Acquisition		After the Acquisition			
	Amount (\$)	Percentage of NTA	Based on the Consideration		Based on the Plaza Consideration	
			Amount (\$)	Percentage of NTA	Amount (\$)	Percentage of NTA
Total value of all transactions with the Vendor and its associates	Nil	Nil	38,496,001	124.9%	96,240,000	312.2%
Total value of all transactions with all interested persons of the Company	324,000	1.1%	38,820,001	125.9%	96,564,000	313.2%

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition. No person is proposed to be appointed as a Director of the Company in connection with the Acquisition.

9. INDEPENDENT FINANCIAL ADVISER

An independent financial adviser will be appointed by the Company to advise the Audit Committee of the Company as to whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

10. SHAREHOLDERS' CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

The Shareholders' Circular containing, *inter alia*, further details of the Acquisition and enclosing the notice of the EGM will be despatched to Shareholders in due course.

Copies of the Agreement and the Valuation Report may be inspected at the registered office of the Company at 1 Lorong 2 Toa Payoh, Yellow Pages Building, Singapore 319637 during normal business hours for a period of three months from the date of this Announcement.

For the purposes of this Announcement, conversion of NZ\$ into S\$ is based on the exchange rate of NZ\$1.00 to S\$1.0025.

By Order of the Board
GLOBAL YELLOW PAGES LIMITED

Stanley Tan Poh Leng
Chief Executive Officer and Executive Director
8 October 2014

ANNEX
FINANCIAL INFORMATION

The unaudited pro forma financial information of PPL set out below:

- (a) is for illustrative purposes only and does not reflect a projection of the actual future financial performance or financial position of PPL after the completion of the Plaza Acquisition;
- (b) is based, in respect of the pro forma income statements, on the unaudited pro forma financial information of LPL for the financial year ended 31 March 2014 and the six (6) months ended 30 September 2014, as PPL was a dormant company with no assets prior to its acquisition of the Property, and the financial information in respect of the Property prior to 1 April 2013 is not readily available as the Property was only acquired by LPL in December 2012;
- (c) assumes, in respect of the pro forma income statements, that the Plaza Acquisition had taken place on 1 April 2013 in accordance with the terms contemplated under the Plaza Purchase Agreement, and assumes, in respect of the pro forma balance sheet, that the Plaza Acquisition had taken place on 30 September 2014 in accordance with the terms contemplated under the Plaza Purchase Agreement;
- (d) has not taken into account any expenses incurred in connection with the Plaza Acquisition; and
- (e) save for the Plaza Acquisition, has not been adjusted for the impact of any other transactions or events.

SUMMARY PRO FORMA INCOME STATEMENTS OF PPL⁽ⁱ⁾

	FY ended 31 March 2014 (S\$'000)	6 Months ended 30 Sept 2014 (S\$'000)
Revenue	11,273.5	5,577.2
Profit before tax	5,115.3	2,653.4
Profit after tax	3,683.0	1,910.5
Profit after tax and minority interest	3,683.0	1,910.5

Note:

- ⁽ⁱ⁾ The summary pro forma income statements of PPL exclude management fees, head office costs and depreciation. Interest has been computed on the basis of an interest rate of 5.25% per annum, and tax has been computed on the basis of a corporate tax rate of 28% in New Zealand.

SUMMARY PRO FORMA BALANCE SHEET OF PPL

**As at 30 September 2014
(S\$'000)**

Assets

Non-current assets	96,240.0
Current assets	0.1
Total assets	<u>96,240.1</u>

Liabilities

Non-current liabilities	96,240.0
Current liabilities	0
Total liabilities	<u>96,240.0</u>

Equity

Equity attributable to owners of company	<u>0.1</u>
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