

## NSX ANNOUNCEMENT

2 July 2018

### **MARKET UPDATE – ACTION PLAN FOR THE RE-QUOTATION OF THE COMPANY'S SECURITIES**

I Synergy Holdings Berhad (NSX:ISY) (the **Company**) wishes to provide the following market update on its plans to obtain re-quotation of its securities on NSX.

#### Introduction

On 28 July 2016, Shareholders approved a restructuring of the Company's assets to list those assets on the ASX. This restructuring was completed on 30 March 2017. On completion of this restructuring, NSX considers that the Company no longer have a sufficient level of operations or have tangible assets of sufficient value to warrant the continued listing of the Shares on NSX as is required under Listing Rule 6.54. As a result of this, NSX suspended quotation of the Shares with immediate effect on 22 September 2017.

On 24 February 2018, the Company announced that it was in discussion with X Spa Beauty Sdn Bhd (**X-Spa**) with the intention for the Company to acquire X-Spa. The Company viewed that the acquisition of X-Spa will allow it to comply with Listing Rule 6.54 and therefore allow it to seek re-quotation of the Shares. However, these discussions did not result in a firm transaction, and, as on 28 June 2018, the Company and X-Spa agreed to terminate further discussion.

Having terminated discussions to acquire X-Spa, the Company continued to seek viable alternatives, and the Company is now pleased to announce that it has formulated a detailed and firm action plan for it to comply with Listing Rule 6.54 and to obtain re-quotation of the Shares on NSX (the **Re-quotation Plan**). Salient details of this Re-quotation Plan is set out in this market update.

#### Defined terms

Unless the context otherwise permits, defined terms used in this market update have the meanings given to them as follows:

<b>Acquisition</b>	The acquisition of a 100% interest in the equity capital of Target Company, to be satisfied in full by way of issuance of new Shares, on the terms and subject to the conditions set out in the Definitive Agreement.
<b>Definitive Agreement</b>	The legally binding agreement for the sale and purchase of Target Company to be entered into by the Company and the Vendors, setting out detailed terms and conditions of the Acquisition.
<b>Placement Agreement</b>	The subscription agreement for the subscription of 265,000 new Shares at a subscription price of A\$0.1888 per new Share, to raise a sum of A\$50,032.
<b>Shareholders</b>	Holders of Shares.

<b>Shares</b>	CHESS Depositary Interests issued by the Company, each in and over one ordinary share in the issued and paid up share capital of the Company.
<b>Target Company</b>	A <u>profitable</u> company in China with <u>more than three years operating track record</u> which manufactures and sells non-alcoholic beverages, or its offshore holding company.
<b>Vendors</b>	The vendor(s) of Target Company, being its legal and/or beneficial shareholders of the equity capital of Target Company

#### The Acquisition

Subject to satisfactory due diligence, the Company will acquire Target Company from the Vendors on the terms and subject to the conditions set out in the Definitive Agreement. The purchase consideration for the acquisition of Target Company will be satisfied in full by the issue of new Shares to the Vendors or persons nominated by them. On completion of the Acquisition, the Company expects that:

- (1) the Vendors will become majority shareholders of the Company; and
- (2) it will comply with Listing Rule 6.54 and hence able to apply for re-quotation of the Shares.

The Company envisages that the Definitive Agreement will set out a long stop date, that is to say the latest date that the Acquisition must be completed, no later than 17 December 2018.

The Acquisition, if it takes place, will represent a significant change to the nature and scale of the Company's activities. Therefore, the Company will obtain shareholders' approval for it and will make this a condition precedent for completion of the Acquisition.

#### Costs and expenses to implement the Re-quotation Plan

In conjunction with the Acquisition, the Company will issue 265,000 new Shares at an issue price of A\$0.1888 per Share to an unrelated investor to be procured by the Company. A substantial portion of the proceeds from this placement of shares will be used to meet the costs and expenses to implement the Re-quotation Plan, including to pay for due diligence investigations on Target Company and to pay advisers' fees for the preparation of submissions and applications to NSX in relation to the Acquisition. The balance of the proceeds will be used for the Company's operating expenses, including the payment of the annual listing fee to NSX.

#### Next steps

Shareholders and investors can expect in the coming weeks and as the Company implements the Re-quotation Plan, the Company will:

1. enter into the Placement Agreement;
2. finalize detailed terms of the Acquisition, including conditions precedent which must be fulfilled before the Acquisition is completed, and enter into the Definitive Agreement;
3. commence due diligence investigations after the Definitive Agreement is signed;
4. conditional upon satisfactory completion of due diligence, make a Suitability for Listing Submission in relation to Target Company to NSX in accordance with Practice Note 20; and
5. conditional upon NSX's acceptance of the Company's Suitability for Listing Submission, convene an extraordinary general meeting to seek shareholders' approvals for, among others, the proposed acquisition of Target Company.

Indicative time-table

The Company expects to reach significant milestones in the implementation of the Re-quotation Plan on or about the dates set out in the table below:

<b>Milestone</b>	<b>Target date</b>
Sign Placement Agreement	2 July 2018
Complete the subscription of new Shares under the Placement Agreement	10 July 2018
Sign Definitive Agreement	13 July 2018
Complete due diligence on Target Company	24 August 2018
Submit Suitability for Listing Submission to NSX @	31 August 2018
Submit draft of notice of extraordinary general meeting for NSX's perusal @	14 September 2018
Dispatch notice of extraordinary general meeting	12 October 2018

@ The Company envisages that it will submit these for NSX's concurrent review

The Company will make announcements to update Shareholders and the market on significant developments as it implements the Re-quotation Plan.

For and on behalf of  
**I Synergy Holdings Berhad**



Dato' Teo Chee Hong  
Director