

ASIAN CENTRE FOR LIVER DISEASES & TRANSPLANTATION LTD

COSTARELLA DESIGN LIMITED ACN 091 559 125 (“the Company”)

(formerly Costarella Design Limited)

INFORMATION MEMORANDUM

6th August 2009

On 27th July 2009 Members passed resolutions to implement the Proposal outlined in the Company’s Notice of Meeting and Explanatory Statement dated 24 June 2009 together with accompanying Independent Expert’s Reports. The Notice of Meeting, Explanatory Statement and accompanying Independent Expert’s Reports were lodged with ASIC before being sent to Members and announced to the market on 25 June 2009. A copy of these documents may be obtained by sending the Company Secretary, Mr. Kee Tang, a written request by email to tanghk777@yahoo.com.sg.

The substance of the Proposal that Members approved is:

- (a) the acquisition of all of the issued shares in the Asian Centre for Liver Diseases and Transplantation Inc. in consideration for the issue of post-consolidation shares in the Company; and
- (b) the sale of all of Aurelio Costarella Pty Ltd, Su Design Pty Ltd and Costarella Design Asia Pte Ltd, comprising the Company’s main undertaking, to Mr. Aurelio Costarella. The purchase price for the sale will be satisfied by the cancellation of ordinary shares in the issued capital of the Company currently held by Mr. Aurelio Costarella.

Implementation of the Proposal requires that the Company observe the Corporations Act 2001 and the Listing Rules of ASX.

Pursuant to Chapter 11 of the Listing Rules of ASX, by reason of the proposed disposal of the Company’s main undertaking and by reason of the proposed change to the nature and scale of the Company’s activities, ASX suspended quotation of CLD shares on 27 July 2009. The suspension will remain in place until the Company demonstrates that it meets the requirements of Chapters 1 & 2 in relation to quotation and admission. Upon ASX being satisfied that the requirements of Chapters 1 and 2 have been met, the Company anticipates that trading of the Company’s securities will resume. The approval to allow the Company’s securities to recommence trading will be at ASX’s sole and unfettered discretion.

One of the requirements under Chapter 1 of ASX Listing Rules is that the Company, providing ASX agrees, issues an Information Memorandum. With the agreement of ASX, the Company has prepared this Information Memorandum for release to the market.

Defined words are capitalised. The Glossary is set out in Section 5.

1. BACKGROUND INFORMATION

1.1 About the ALC Group

The Holding Company was incorporated in the British Virgin Islands on 10 December 2008. Its principal activity is an investment holding company, currently comprising the holding of all of the paid up and issued capital of the Subsidiary. The Holding Company's current capital structure comprises 1,000,010 fully paid shares, all of which are held by the Vendors in the proportions set out in Section 2.10 of this Information Memorandum.

The Subsidiary was incorporated in the Republic of Singapore on 26 July 1994. The Subsidiary's current capital structure comprises ten ordinary fully paid shares, all of which are held by the Holding Company. The Subsidiary is licensed by the Director of Medical Services of Singapore's Ministry of Health to operate a medical clinic at the Premises until 11 August 2010. It is anticipated that in the ordinary course of the Subsidiary's activities this license will be renewed.

The Subsidiary's principal activity is the provision of specialised medical services (including the operation of day surgical centers) to cater for patients seeking treatment for all types of liver diseases. Its objects include the carrying on of a business of medical practitioners providing specialist medical consultation and services in hematology practice and related fields, and to establish, carry on and maintain medical centers for the treatment of patients. Ancillary to this, the company also imports into Singapore medical equipment and supplies.

The Subsidiary was founded by Dr. KC Tan. Dr. KC Tan and his team have to date successfully operated on more than 100 living donor liver transplant patients. In 2002, Gleneagles Hospital was granted permission to perform liver transplantations, since then the Subsidiary, under the leadership of Dr. K C Tan, performed the first successful adult-adult living donor liver transplant in South East Asia.

Gleneagles Hospital is part of Singapore-based Parkway Holdings Limited, a public company incorporated in the Republic of Singapore in 1974. Founded in 1957, the Gleneagles Hospital was a 45-bed nursing home, which expanded to become a 126-bed hospital offering a complete range of services and facilities by 1979. Parkway Holdings Limited acquired the Gleneagles Hospital in 1987 and extended its healthcare services to encompass hospital management and consultancy services. By 1993, Gleneagles Hospital had become a tertiary healthcare hospital with a ten-storey hospital building and growing subsidiaries in the healthcare business. The Gleneagles Medical Centre was commissioned in 1994. Housing 150 medical specialists, it has established itself as a premier tertiary acute care hospital and regional centre for medical referrals. By 1997, it had expanded to 380 beds.

1.2 Business Strategy

The ALC Group currently treats on average approximately 7,000 patients a year based on current arrangements with the Gleneagles Hospital. The Proposed ALC Group plans to increase this capacity by negotiating new leases so that it may offer a larger number of beds, expand its surgeries and laboratory, recruit additional staff and provide training facilities. In the long term, the Proposed ALC Group may consider expanding into other regions in Asia by establishing satellite clinics or, alternatively, by establishing satellite clinics under joint venture or other similar arrangements. The Proposed ALC Group

considers that future capital raisings may be required to finance such ventures. The Proposed ALC Group also plans to explore growth initiatives in respect of other areas of medical practice such as bone marrow examination and transplantation.

1.3 Proposed board of directors of the Company

The Proposal includes the appointment of Dr. KC Tan, Ms. Pamela Jenkins, Mr. Fong, Heng Boo and Mr. Kee Tang, as directors of the Company. The Company anticipates that the proposed directors' intentions regarding the future of the Company lie in pursuing its growth initiatives articulated above. The current Directors of the company will retire upon completion of the acquisition of the ALC Group.

Dr. KC Tan, Executive Director

Dr. KC Tan graduated from the Medical Faculty, University of Malaya in 1978, obtaining his Fellowship of the Royal College of Surgeons of Edinburgh in 1982. From 1984 to 1985, Dr. KC Tan obtained advanced training in paediatric surgery in Manchester and Southampton, United Kingdom. Dr. KC Tan obtained further training in pediatric hepatobiliary surgery and liver transplant surgery in King's College Hospital, London from 1986 to 1994. Dr. KC Tan is currently registered as a Medical Practitioner with the Singapore Medical Council.

During his tenure as the Senior Liver Transplant Surgeon at Kings College Hospital, Dr. KC Tan trained many surgeons in hepatobiliary and liver transplant surgery; he advised and helped implement the Irish National Liver Transplant Programme in St. Vincents Hospital, Dublin. Dr. KC Tan returned to South East Asia in 1994 after six years as Consultant Surgeon in Kings College Hospital to set up the Subsidiary in Singapore. In 1995, Dr. KC Tan established a living donor liver transplant program in Malaysia where to-date, more than 50 transplants have been performed. The Malaysian program remains in place with effect that all consultations are referred to the Subsidiary's Singapore operations. In 1996, Dr. KC Tan was appointed Director of the Liver Transplant Program, National University Hospital, Singapore. Dr. KC Tan performed many transplants, both adult and pediatric, in the National University Hospital before resigning in March 2002.

Dr. KC Tan has published and lectured extensively on the subjects of hepatobiliary and liver transplantation surgery. Dr. KC Tan co-edited *The Practice of Liver Transplantation* (1995), a textbook comprehensively covering all aspects of liver transplantation and in particular organisation of a liver transplant department, selection and preoperative management of transplant candidates, anaesthesia and surgical techniques, post-transplant care as well as long term outcomes.

Dr. KC Tan's appointment will be as executive director of the Company. Dr. KC Tan is currently a director of the Subsidiary. Dr. KC Tan will not be an independent director of the Company because his voting power, upon implementation of the Proposal will be above 20%. Dr. KC Tan does not have any other relationships with the Company, Directors of the Company, or proposed directors of the Company.

Ms. Pamela Jenkins, Executive Director

Ms. Pamela Jenkins is a Registered General Nurse in the Republic of Singapore. Ms. Jenkins graduated from the University of East London with a Bachelor of Science (Hons.) in 1994. Ms Jenkins obtained a Master of Business Administration from Kingston University, London, in 1994. Ms. Jenkins has significant experience in the industry, almost 15 years of which have been with the Subsidiary. Ms. Jenkins was appointed in 1994 as director of the Subsidiary and managing director in 1997. Ms. Jenkins is currently responsible for the day to day management of the Subsidiary.

Ms. Jenkins began her career with King's College Hospital, London in 1984 and gained significant operating theatre and nursing experience in neuro, cardiothoracic, vascular, orthopaedic, microvascular, eye, plastic, paediatric, urology and renal transplantation, hepatobiliary and liver transplantation surgeries. Ms. Jenkins was promoted to the position of Clinical Nurse Specialist/Department Manager (Liver Transplant Surgical Service) in 1989 and was in charge of general management for operating theatre staff, trainee nurses, administration and financial control as King's College Hospital.

Ms. Jenkins's appointment will be as executive director of the Company. Ms. Jenkins is currently a director of the Subsidiary. Ms. Jenkins will not be an independent director of the Company because her voting power, upon implementation of the Proposal will be above 20%. Ms. Jenkins does not have any other relationships with the Company, Directors of the Company, or proposed directors of the Company.

Mr. Fong, Heng Boo, Non-executive Independent Director

Mr. Fong, Heng Boo graduated from the University of Singapore with a Bachelor of Accountancy (Hons.). Mr. Fong has over 30 years experience as a company director and manager. It is anticipated that this experience will assist with the Proposed ALC Group's planned growth initiatives and will be advantageous to the Company.

Mr. Kee Tang, Non-executive Independent Director

Mr. Kee Tang graduated from the University of Manitoba, Canada in 1978 with a Bachelor of Commerce (Hons.). Mr. Tang has over 30 years experience in senior management positions in the financial and information technology industries. It is anticipated that this experience will assist with the Proposed ALC Group's planned growth initiatives and will be advantageous to the Company.

1.4 Corporate Governance

The Company currently has in place a Corporate Governance Policy for the evaluation of the Board's performance and establishing a Directors code of conduct. The Policy also sets out a code of business conduct, dealings in the Company's securities, communications and disclosure policies and risk management procedures. The Corporate Governance Policy currently provides for an audit Committee and an Executive Committee.

Upon implementation of the Proposal it is anticipated that the Company's current Corporate Governance Policy will be reviewed to ensure that processes and procedures are in place, and that committees are convened, all of which will be appropriate with the interests of the Company's proposed activities of health care providers, equipment and services. With this in mind, it is understood that the proposed directors of the Company anticipate, where appropriate, complying with ASX Corporate Governance Principles and Recommendations, including an appropriate risk management strategy. The Company will, in any event, provide a statement in its next annual report disclosing the extent to which it has complied with ASX Corporate Governance Principles and Recommendations.

1.5 Continuous Disclosure

The Directors anticipate that the Company will continue to comply with its continuous disclosure obligations to ASX upon implementation of the Proposal. The Company anticipates that this commitment will promote transparency and investor confidence and will ensure Members and the financial markets are provided with timely information about its activities.

1.6 Financial position of the ALC Group

The following table sets out consolidated profit and loss accounts of the ALC Group in respect of financial years ending 31 August 2006, 2007, & 2008 (audited) and for the first half of 2009, ending 28 February 2009 (not audited). All amounts are expressed in Singapore currency. On or about the date of this Information Memorandum \$1=SGD1.1950.

| (\$,000) | 31 2006 | Aug 2007 | 31 Aug 2008 | 31 Aug 2009 | 28 Feb 2009 |
|---|--------------|--------------|----------------|----------------|----------------|
| Income | 11,313 | 12,487 | 21,038 | 7,539 | |
| Cost of sales | (6,509) | (7,092) | (13,945) | (4,625) | |
| Gross Profit | 4,804 | 5,395 | 7,093 | 2,914 | |
| Other operating income | 4 | 2 | 51 | 7 | |
| Operating expenses | (2,546) | (3,684) | (3,486) | (2,133) | |
| Finance cost | - | (1) | - | - | |
| Operating profit before tax | 2,262 | 1,712 | 3,658 | 788 | |
| Income tax expenses / provisions | (441) | (357) | (580) | (82) | |
| Net profit after tax (before non-operating expenses) | 1,821 | 1,355 | 3,078 | 706 | |
| Exceptional items – provisions for non-trade debts | (688) | (858) | (650) | - | |
| Net profit after tax & non-operating expenses | 1,133 | 497 | 2,428 | 706 | |

For further information in respect of the ALC Group's financial position please refer to the Independents Expert's Reports accompanying the Explanatory Statement, a copy of which may be obtained by emailing Mr Kee Tang tanghk777@yahoo.com.sg.

It is anticipated that revenue will flow into the Company in the form of dividends from the Holding Company. The Directors and the proposed directors of the Company believe that they do not have a reasonable basis to accurately forecast any financial projections. After meeting any administrative costs with operating the Company in Australia, and taking into account any working capital requirements the proposed directors may distribute a dividend at their discretion.

1.7 Change of year end

Upon implementation of the Proposal the Company anticipates that it will make application to ASIC to change its current year end date from 30 June of each year to 31 August of each year so that it may

synchronise its financial records, accounting practices and reporting requirements under the Corporations Act 2001 with those of the ALC Group. If the application is not granted, the Company will continue to meet its reporting requirements in accordance with the requirements of the Corporations Act 2001.

2. MATERIAL AGREEMENTS

2.1 Acquisition Agreement

Pursuant to the Acquisition Agreement the Vendors have agreed to transfer all of the issued capital in the ALC Group, comprising both the Holding Company and the Subsidiary, to the Company for the purchase price \$36,926,080. A condition precedent of the Acquisition Agreement is that the Company consolidates its existing CLD securities with effect that every 16.67 securities are consolidated into one security. The purchase price will be satisfied by the issue of that number of post-consolidation CLD shares deemed fully paid at an issue price of 20 cents each and equal in value to the purchase price, in total 184,630,400 CLD shares.

The Acquisition Agreement was subject to each of the Company and the Vendors conducting due diligence enquiries to their satisfaction, receipt of all necessary Member approvals in respect of the acquisition and compliance with all necessary regulatory requirements, the disposal of the Company's 100% wholly owned subsidiary Aurelio Costarella Pty Ltd, being the Company's current main undertaking, the change of the name of the Company to Asian Centre for Liver Diseases & Transplantation Ltd, the Company changing its existing business activity so that it may carry on the business of the ALC Group, the exercise of the right of Amrita Capital Ltd to convert the Convertible Note into CLD shares, the cancellation of the Company's existing employee share option scheme, and there being no material adverse change in the financial circumstances of ALC Group. Satisfactory due diligence enquiries have been made and the Company's existing employee share option scheme has been cancelled.

Within 14 days of the last of the condition precedents having been fulfilled, the Vendors must deliver to the Company's legal representative in Singapore relevant share transfer forms, certificates, and Resolutions of approval to be held as stakeholder by the Company's legal representation in Singapore. The Company must, within 60 days of the last of the condition precedents having been fulfilled, issue the Consideration Shares. Upon receipt of confirmation from the Company's share registry of the issue of the Consideration Shares, and upon receipt of the resignation of existing Directors, the documents that the Company's legal representative in Singapore holds are to be released to the Company and the acquisition will be completed.

Before completion, the Vendors are required to ensure that the Holding Company and the Subsidiary do not issue any securities, create any encumbrances, pledges or liens over its assets, enter into any transactions with third parties other than in the ordinary course of business, does not dispose of any of its assets and does not enter into any funding arrangements.

The Vendors warrant that they have the power and authority to enter into the Acquisition Agreement, transfer all of the issued shares in the Holding Company and the Subsidiary, that all consents, licenses, approvals, authorisations, orders and exemptions of any agency, department or authority in Singapore or elsewhere which are required to be obtained by the Vendors to carry on the business of the ALC Group have been obtained and are in full force and effect, that the accounts of the ALC Group that have been disclosed to the Company give a fair view of its financial position, that its tenancy arrangements with the Gleneagles Hospital are valid, and that it shall continue to observe and perform its obligations thereunder.

Separate to the warranties collectively given as Vendors, Dr. KC Tan and Ms. Jenkins have agreed to remain employed on a full time basis with the Subsidiary for three years and that upon determination of employment they have agreed on a restriction of 12 months with the effect that they may not, during the restriction period, be involved in any other business which is in direct competition with the business of the Proposed ALC Group.

The Acquisition Agreement includes a vendor indemnity resulting from a breach of warranty for liabilities and losses exceeding SGD300,000. The warranty period expires 12 months after completion. The default clauses entitle the innocent party to specific performance or termination; they do not preclude the right to initiate any legal proceedings. The Acquisition Agreement is governed by the laws of the State of Western Australia and the parties submitted to the non-exclusive jurisdiction of the courts of Western Australia.

The Vendors under the Acquisition Agreement comprise the following:

Name and % of Company held after implementation of Proposal

| | |
|---|---------|
| Dr. Caesarean Tan Kai Chah | 54.28 % |
| Ms. Pamela Anne Jenkins | 11.32 % |
| Mr. Lee, Kang Hoe | 2.55 % |
| Mr. Ng, Guan Tee | 4.51 % |
| Mr. Tan, Aik Hee Patrick | 4.51 % |
| Mr. Tan, Siew Bin Ronnie | 4.51 % |
| Mr. Teh, Wing Kwan | 2.51 % |
| Castleridge Management Limited (and or its nominees) | 13.79 % |

2.2 Sale of Shares Deed

One of the conditions precedent of the Acquisition Agreement was the sale of the Company's 100% wholly owned subsidiary, Aurelio Costarella Pty Ltd, being the Company's current main undertaking. The sale includes the transfer of SU Design Pty Ltd and Costarella Design Asia Limited, both of which are 100% wholly owned subsidiaries of the Company.

Pursuant to the Sale of Shares Deed the Company agreed to transfer all of the issued capital in its 100% wholly owned subsidiary, Aurelio Costarella Pty Ltd to Mr. Aurelio Costarella for the purchase price of \$220,000. The Deed includes the transfer of all right, title and interest in the assets, liabilities, goodwill

and intellectual property of the Company's current main undertaking, being the ready to wear couture fashion business trading under the name Aurelio Costarella. The purchase price may be satisfied by the cancellation of 18,000,000 pre-consolidation fully paid CLD shares registered in Mr. Costarella's name at \$0.0122 each, being 1,079,784 post-consolidation CLD shares at 20 cents each, which is equal in value to the purchase price of \$220,000.

The Sale of Shares Deed was subject to receipt of all necessary Member and regulatory approvals for the purposes of the Listing Rules of ASX and the Corporations Act 2001.

Completion is articulated to take effect contemporaneous with completion of the Acquisition Agreement. At completion, subject to Member approval, in consideration of the Company's receipt of 1,079,784 post-consolidation CLD shares registered in Mr. Costarella's name, the Company will transfer to Mr. Aurelio Costarella all right, title and interest in the assets, liabilities, goodwill and intellectual property of the Company's current main undertaking and SU Design Pty Ltd and Costarella Design Asia Limited. Mr. Costarella's CLD shares will be cancelled upon registration of the transfer to the Company.

Until completion, the Company is required to ensure that it operates its current main undertaking in the ordinary course of business.

Each party to the Sale of Shares Deed made warranties in respect of their power and authority to enter into the Deed. Mr. Costarella agreed to indemnify the Company in respect of all liabilities which he suffers or incurs by reason of or in connection with any causes of action, proceedings, debts, liabilities and claims made in relation to any outstanding liabilities arising before or after completion. The Deed is not capable of assignment without the prior written consent of the other party. The Deed is governed by the laws of the State of Western Australia and the parties submitted to the non-exclusive jurisdiction of the courts of Western Australia.

2.3 Tenancy Agreements

The Subsidiary has entered into Tenancy Agreements in respect of the Premises with Parkway both of which expire on 27 June 2011. The current combined rent is the higher of the fixed amount SGD149,394 per annum plus goods and services tax (5%) or an amount equal to ten per cent of the Subsidiary's net income after deduction of all relevant expenses other than rent and any applicable taxes. For the year ending 31 August 2008, the rent under this formula was the fixed amount.

The terms and conditions of the Tenancy Agreements include the obligation to maintain the Premises, an obligation to take out building insurance not less than SGD1,000,000 and appropriate professional indemnity insurance, not to assign, part with possession, or restructure its business without first obtaining consent, not to use the Premises for any other purpose other than as medical consultation offices for the purpose of its medical practice of hepatobiliary surgery.

There are restrictive covenants under the Tenancy Agreements that the Subsidiary is required to conduct its medical practice from the Premises, to keep engaged the services Dr. KC Tan, to admit all patients to the Gleneagles Hospital as and when required and to refer all of the Company's patients requiring ancillary medical treatments to the Gleneagles Hospital.

Parkways are not responsible under the Tenancy Agreements for any interruption of the services to the Premises, or in respect of any act or negligence of Parkway or its employees. The Tenancy Agreements may be terminated, among other general default and non-observance provisions, if Dr. KC Tan ceases to

practice with the Subsidiary, if Dr. KC Tan is suspended as a medical practitioner or if the Subsidiary is suspended from carrying out its activities during the term.

At the date of this Information Memorandum, there are no known breaches or failure to observe the terms and conditions imposed on the Subsidiary under the Tenancy Agreements.

The Tenancy Agreements are subject to the laws of the Republic of Singapore.

2.4 Convertible Note Agreement

The Company entered into a Convertible Note Agreement with Amrita Capital Ltd on 31 July 2008.

Pursuant to the Convertible Note Agreement, Amrita Capital Ltd advanced the Company funds to be applied to working capital. Amrita Capital Ltd was granted an option to convert any or all of the funds advanced, into ordinary pre-consolidation shares in the capital of the Company deemed fully paid at an issue price of 2 cents each, together with interest. The shares may be issued to Amrita Capital Ltd and or its nominees. Any amount not converted into shares must be repaid in cash. Interest accrues daily under the Convertible Note Agreement at the rate of ten per cent per annum and the full amount outstanding at the date of this Information Memorandum is \$580,000. The Convertible Note is to be reconstructed on a proportional basis in the event of a consolidation of the Company's share capital. Amrita Capital Ltd has confirmed that it will require conversion upon consolidation of the Company's securities.

Security under the Convertible Note Agreement comprised a fixed and floating charge in favour of Amrita Capital Ltd over the assets of the Company, including any rights of occupation and any intangible assets and intellectual property. Under the fixed and floating charge the Company agreed to charge all of its assets, rights, titles and interests in favour of Amrita Capital Ltd and covenanted to pay all amounts due under the Convertible Note Agreement. The fixed charge crystallizes into a floating charge if there the Company defaults under the Convertible Note Agreement or the fixed and floating charge.

Both the fixed and floating charge and the Convertible Note Agreement are subject to the laws of Western Australia.

2.5 Employment Agreements

Employment agreements are in place in respect of the employee's of the Subsidiary. Dr. KC Tan is engaged as a consultant surgeon and currently earns SGD2.4m per annum. Dr. Tan's consultancy expires in April 2012. Ms. Pamela Jenkins is engaged as the Subsidiary's manager and currently earns SGD360,000 per annum. Ms. Jenkins engagement expires in April 2012.

3. RISKS & BENEFITS

3.1 Benefits associated with the Proposal's implementation

The Subsidiary was the first private centre for treatment of livers operating from South East Asia and has performed more than 100 liver transplantations since its inception. The Subsidiary's success rate after care programs have contributed to making the Subsidiary a recognised liver transplantation center.

Other attributes include the following:

- the team of professionals that has been assembled enables integrated liver treatments;
- the Subsidiary operates in an industry that is highly-regulated to protect the interest of patients;
- the Subsidiary's recruitment, training and retention of experienced and skilled professionals has been paramount in ensuring treatment,

all of which have assisted in creating a significant barrier of entry to any potential competitors.

3.2 Risks associated with the Proposal's implementation

There are risks associated with implementation the Proposal. The following is a summary that the Directors believe are the risks of implementing the Proposal.

The ALC Group is reliant on key personnel and in particular, the Company's founder, Dr. KC Tan, and Ms. Jenkins. The ALC Group also requires experienced and specialized surgeons to perform, diagnose and treat patients. A **shortage of professionals** or the **loss of key personnel** may adversely impact the Proposed ALC Group

The ALC group conducts its business in a highly regulated industry and **legislative changes, government policies and approvals**, both in the Republic of Singapore and/or in other countries which, through proposed growth initiatives, the Proposed ALC Group may expand into, may result in **increased compliance costs**. Increased compliance costs may adversely affect the financial performance of the Proposed ALC Group. Further, the Subsidiary is licensed by the Director of Medical Services of Singapore's Ministry of Health to operate a medical clinic at the Premises until 11 August 2010. It is anticipated that in the ordinary course of the Subsidiary's activities this license will be renewed; however, there can be no guarantee that it will.

The Proposed ALC Group's planned business strategy includes growth initiatives that may require further funding. The Proposed ALC Group **may not be able to raise sufficient funds** to implement its planned business strategy.

Under existing arrangements with the Gleneagles Hospital, the ALC Group obtains the benefit and use of equipment, surgeries, beds, offices and nursing staff. A **termination of existing arrangements or failure to renegotiate them at all** may adversely affect the financial performance of the Proposed ALC Group.

The ALC Group is a medical service provider and as such is exposed to **litigation risks** in the event that its medical practitioners are negligent or unprofessional. Any litigation against the Proposed ALC Group may adversely affect its financial performance together with its reputation and standing.

Whilst the ALC Group has operated profitably in the past, its **historical performance is not indicative of its future financial performance**.

Upon implementation of the Proposal Dr. KC Tan and Ms. Pamela Jenkins will hold a **concentration of CLD shares**. By association Dr. Tan and Ms Jenkins will hold up to approximately 65% of the voting power in the Company, which may reduce trading in CLD shares on the market.

General risks include **exchange rate fluctuations, share market fluctuations** and **general economic factors**, including, but not limited, to interest rates, taxes and commodity prices.

The risks described above are not exhaustive. Members are encouraged to read this Information Memorandum in full and, if they require further information, seek professional advice.

4. OTHER INFORMATION

4.1 Directors interests

The full nature and extent of Director's interests at the date of this Information Memorandum is as follows.

| Director | Number of Shares held directly | Number of Shares held by association |
|------------------------|--------------------------------|--------------------------------------|
| Mr. Aurelio Costarella | 18,239,545 | Nil |
| Mr. Sam Di Giacomo | 1,115,500 | Nil |
| Mr. Ravi Govindan | 950,000 | Nil |
| Mr. Richard Chan | 1,666,667 | Nil |

Mr. Aurelio Costarella also holds a direct interest in 2,000,000 options and Mr. Sam Di Giacomo holds a direct interest in 269,250 options

Upon the cancellation of Mr. Aurelio Costarella's CLD Shares, upon the issue of the consideration shares to Dr. KC Tan and Pamela Jenkins, and upon the reconstitution of the Board, the full nature and extent of of Director's interests will be as follows.

| Director | Number of Shares held directly | Number of Shares held by association |
|--------------------|--------------------------------|--------------------------------------|
| Dr. KC Tan | 102,298,250 | 123,622,949 |
| Ms. Pamela Jenkins | 21,324,699 | 123,622,949 |
| Mr. Fong Heng Boo | Nil | Nil |
| Mr. Kee Tang | Nil | Nil |

4.2 Expert's interests

There are no experts in the promotion of the Company that have any interest in the Company or in any property acquired by the Company or proposed to be acquired by the Company.

4.3 Content of Information Memorandum

ASX does not take responsibility for the content of this Information Memorandum. The fact that ASX lift the current suspension from trading in the Company's securities is not to be taken in any way as an indication of the merits of the Company.

4.4 Capital Raising

The Company has not raised any capital for the three months before the date of the Information Memorandum and will not need to raise any capital for three months after the date of the issue of this Information Memorandum. All the information that would be required under section 710 of the Corporations Act if the Information Memorandum were a prospectus offering for subscription the same number of securities for which quotation will be sought is contained in this Information Memorandum.

4.5 Supplementary Information Memorandum

A Supplementary Information Memorandum will be issued if the Company becomes aware of any of the following between the issue of this Information Memorandum and the date the current suspension from trading in the Company's securities is removed:-

- A material statement in this Information Memorandum is misleading or deceptive.
- There is a material omission from this Information Memorandum.
- There has been a significant change affecting a matter included in this Information Memorandum.
- A significant new circumstance has arisen and it would have been required to be included in this Information Memorandum.

4.6 Capital Structure upon Implementation of the Proposal

The Company's capital structure upon implementation of the Proposal is set out in the tables below.

| Shares | Number |
|--|---------------------|
| Total shares on issue pre-consolidation | 52,739,477 |
| Total shares on issue post-consolidation | 3,163,735 |
| Post-consolidation shares to be issued under Resolution 3 and 4 | 184,630,400 |
| Post-consolidation shares to be cancelled under Resolution 5 | 1,079,784 |
| Post-consolidation shares to be issued pursuant to Convertible Note Agreement | 1,739,650 |
| Total number of post-consolidation shares on issue upon implementation of Proposal | 188,454,000 |
| Total market capitalisation at 20 cents each | \$37,690,800 |

The effect of the consolidation on CLD options is illustrated in the table below:

| Pre-consolidation options | Exercise Price | Expiry Date |
|----------------------------------|-----------------------|--------------------|
| 22,430,200 | \$0.20 | 30 Sep 2010 |
| 2,750,000 | \$0.07 | 11 June 2013 |

Total pre-consolidation options on issue:**25,180,200**

| Post-consolidation options | Exercise Price | Expiry Date |
|-----------------------------------|-----------------------|--------------------|
| 1,345,542 | \$3.33 | 30 Sep 2010 |
| 164,967 | \$1.17 | 11 June 2013 |

Total post-consolidation options on issue:**1,510,509****4.7 Time frame to implement the Proposal**

The Company announced to ASX that Members approved the consolidation on 27 July 2009. The Company lodged a copy of the resolution to consolidate its securities with ASIC on 31 July 2009. Trading in the Company's securities will not start until the Company meets the requirements of Chapters 1 & 2 of ASX Listing Rules and the current suspension on trading in the Company's securities is removed. The Record date for the purpose of identifying holdings is 13 August 2009. Securities will be registered on a consolidated basis on 14 August 2009 and dispatch of new holding statements will take place on 20 August 2009.

The Company announced to ASX that Members approved the selective reduction of capital on 27 July 2009. A copy of the resolution was lodged with ASIC on 31 July 2009. The Company anticipates that it will notify ASX that it is 14 days after it lodged the resolution with ASIC on 14 August 2009 and on that day Mr. Aurelio Costarella's 18,000,000 CLD shares will be cancelled. Trading in the Company's securities will not start until the Company meets the requirements of Chapters 1 & 2 of ASX Listing Rules and the current suspension on trading in the Company's securities is removed.


It is to be noted that the Company has already changed its name and adopted its new activities as the Proposal contemplated. To complete the implementation of the Proposal it is anticipated that the following transactions required to put the Proposal into effect will happen contemporaneously in the following order on 14 August 2009:-

1. Cancellation to Mr. Aurelio Costarella's CLD shares.
2. Transfer of Subsidiary's to Mr. Aurelio Costarella.
3. Consolidation of Company's securities.
4. Issue of CLD shares to vendors of the ALC Group.
5. Resignation of Board and appointment of new Board.

5. DIRECTORS SIGNATURES

This Information is dated the 6th of August 2009.

By Order of the Board.



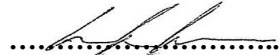
.....
Mr. Aurelio Costarella (Managing Director)



.....
Mr. Richard Chan (Non-executive Director)



.....
Mr. Sam Di-Giacomo (Non-executive Director)



.....
Mr. Ravindran Govindan (Non-executive Director)

6. GLOSSARY

For the purpose of this Information Memorandum:

“ALC Group” means both the Holding Company and the Subsidiary;

“Acquisition Agreement” means the Acquisition Agreement described in Section 2.1;

“ASX” means ASX Limited ACN 008 624 691;

“ASIC” means the Australian Security and Investment Commission;

“CLD share “or CLD shares” means ordinary shares in the issued capital of the Company;

“CLD option” means one option entitling the holder to acquire a CLD share upon exercise;

“CLD securities” means CLD shares and CLD options;

“Convertible Note Agreement” means the Convertible Note Agreement described in Section 2.4;

“Consideration Shares” means the CLD shares to be issued in the consideration of the acquisition of the Holding Company pursuant to the Acquisition Agreement;

“Deed” means the Sale of Shares Deed;

“Gleneagles Hospital” means Gleneagles Hospital Pte Ltd of 6A Napier Road, Singapore;

“Holding Company” means Asian Centre for Liver Disease and Transplantation Inc. of PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands;

“Independent Expert’s Reports” both the Independent Expert’s Report (Acquisition) and Independent Expert’s Report (Disposal);

“Independent Expert’s Report (Acquisition)” means the Independent Expert’s Report – Acquisition of Asian Centre for Liver Diseases and Transplantation Inc. dated 17 June 2009 prepared by DMR Corporate Pty Ltd and appended to the Explanatory Statement;

“Independent Expert’s Report (Disposal)” the Independent Expert’s Report Sale of the Fashion Design Subsidiaries dated 17 June 2009 prepared by DMR Corporate Pty Ltd and appended to the Explanatory Statement;

“Member” or “Members” mean a shareholder of the Company or the shareholders of the Company (as the case may be);

“Notice” means the Notice of Meeting of the Company to be held on 27 July 2009 at Level 15, 333 Collins Street, Melbourne, Victoria and dated 24 June 2009, which the Explanatory Statement accompanies;

“Premises” means collectively wards 36B and 37 on level 2 at the Gleneagles Hospital;

“Proposed ALC Group” means the Company and its subsidiaries upon implementation of the proposal described in the Explanatory Statement;

“Parkway” means Parkway Holdings Limited and or its group of companies including Gleneagles Hospital Pte Ltd;

“Proposal” means the Companies proposed acquisition of the ALC as described at the beginning of this Information Memorandum;

“Reports” means the Independent Expert’s Report (Acquisition) and the Independent Expert’s Report (Disposal);

“Sale of Shares Deed” means the Sale of the Shares Deed described in Section 2.2;

“Section” means a section of this Information Memorandum;

“SGD” means Singapore dollar;

“Subsidiary” means Asian Centre for Liver Diseases & Transplantation Pty Ltd Co. No. 199405221E of 10 Anson Road #13-16, International Plaza, Singapore.

“Tenancy Agreements” means the tenancy agreements described in Section 2.3 in respect of the Premises;

“Vendor’s” means the vendors set out in Section 2.1;

“\$” means Australian dollar.