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## TRS INVESTMENTS LIMITED

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NZX Limited  
Wellington

### AGREEMENTS SIGNED TO CLEAR THE WAY FOR NEW CORNERSTONE SHAREHOLDER

Further to the announcement of 21 March 2016, the Board of TRS Investments Ltd (TRS) is very pleased to announce that binding, conditional agreements have been signed for transactions that will see a new cornerstone shareholder take a 55% stake in TRS. As previously announced, the new majority shareholder will be HuaHan International Holdings (Hong Kong) Co. Ltd (HuaHan) or persons and entities nominated by HuaHan.

These transactions are subject to shareholder approval at a special meeting, TRS obtaining any necessary waivers from NZX Ltd and TRS entering settlement deeds in relation to existing loans. A notice of special meeting to approve the transactions, together with an independent advisers report under the Takeovers Code and the Listing Rules, will be circulated to shareholders as soon as possible. Simmons Corporate Finance Limited has been approved by the Takeovers Panel to prepare the independent advisers report.

### Details of Agreements

A number of agreements have been entered to facilitate these transactions. They are all subject to the conditions noted above.

Beconwood Superannuation Pty Ltd (TRS's largest shareholder) has entered into an agreement to sell 350,963,879 shares to HuaHan for \$299,928.

Beconwood Securities Pty Ltd (TRS's second largest shareholder) has entered into deeds whereby it will transfer a total of 399,000,000 shares to the 3 existing directors of TRS. The Board wishes to thank Paul Choiselat of Beconwood Securities Pty Ltd for this action which compensates the directors and facilitates the transaction at no cost to TRS or other TRS shareholders.

In turn, the 3 existing TRS directors have entered into agreements to sell a total of 316,026,887 shares to HuaHan for a total of \$270,072.

In addition, the 3 existing directors are proposing, subject to shareholder approval, to receive aggregate director's fees (as a pool) of \$90,000 and that this be satisfied in full by way of an issue of 105,314,331 shares. This is based on the directors not having received any director's fees for at least the past 7 years.

In addition to the above share transactions, a conditional agreement has also been entered into whereby HuaHan will provide TRS with a Working Capital Facility of up to \$1,000,000 to be drawn down as needed by TRS (denominated in New Zealand dollars). Interest of 5% per annum will be payable on drawn funds. At the end of a two year period, if any funds remain drawn on the facility, HuaHan has the option to convert the balance to shares in TRS at 0.3 cents per share or to continue the facility on the same terms. This facility agreement is subject to the share transactions above all being completed and to shareholder approval under the Takeovers Code and Listing Rules.

As a condition to the transactions, TRS must also settle all of its term liabilities for a total of \$80,000. Beaconwood Securities Pty Ltd, who is owed \$94,233 by TRS, will enter into an agreement to settle this loan in full in return for a payment of \$20,000, provided all of the other transactions are completed at the same time. Tasman Capital Ltd, who are entitled to convert term debt for an issue of 80,000,000 shares have entered into an agreement to settle this loan in full in return for a payment of \$60,000 and will receive no shares. The Board wish to thank both Beaconwood Securities and Tasman Capital for their financial accommodation which has sustained TRS to reach the point of a transaction such as this with HuaHan. The \$80,000 total required to settle these term liabilities will be paid by way of a drawdown from the \$1 million Working Capital Facility.

HuaHan has also agreed to pay costs of the transaction up to \$120,000. This is an additional payment and is not a drawdown from the Working Capital Facility.

### **New Independent Director**

The Board are delighted to announce the appointment of John Cilliers as an independent director effective today. John is a qualified accountant and has considerable experience as a CFO in the listed company environment. The Board felt it was necessary to appoint a further independent director who is not party to the agreements relating to the transaction as all of the existing 3 directors are.

### **Final Outcome of Transaction**

Taken collectively, all of the agreements make up the full transaction which will be completed 5 days after the required shareholder approvals are granted. On completion, TRS will have increased its shares on issue by 105,314,331 to a total of 1,212,710,484 shares. HuaHan (and/or nominee) will have a total of 666,990,766 shares which will represent 55% of the shares on issue for a total payment of \$570,000. TRS will have settled all obligations with directors and cleared all of its term liabilities and drawn down a total of \$80,000 from the \$1 million Working Capital Facility.

### **Future Outlook**

The Board is delighted that this transaction will give TRS a new start. TRS will have a clean balance sheet and have access to working capital. TRS will have a strong cornerstone shareholder with the commitment and capacity to drive the success of TRS. HuaHan will work with TRS to achieve a high level of co-operation between China and New Zealand for the benefit of TRS. HuaHan has considerable assets and experience in property development, real estate, agriculture and other businesses. HuaHan will work with TRS to seek investment and growth opportunities leveraging HuaHan's experience, distribution channels and resources.

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