

## 1. INTRODUCTION

The Board of Directors of Priva ("Board") is pleased to announce that Priva ("Purchaser") had on 27 December 2011 entered into a Share Sale Agreement with Sir Robert John Madejski ("Vendor") for the proposed acquisition of approximately 70% of the equity interest in RENTWISE SDN BHD ("RENTWISE") comprising 676,666 existing ordinary shares of RM1.00 each from the Vendor in RENTWISE ("Sale Shares") for a total cash consideration of RM1.00 ("Purchase Consideration") ("Share Sale Agreement").

Upon completion of the Proposed Acquisition, the shareholding structure of RENTWISE will be as follows:-

Shareholders	Number of shares held	%
Priva	676,666	70
Leanne Ooi Siew Lin	165,001	17
Colin Charles Whitehead	125,000	13
Total	966,667	100

In this regard, RENTWISE will become a subsidiary of Priva.

The Sale Shares will be purchased by Priva free from all liens, claims, charges, mortgages, equities and other encumbrances whatsoever, but with all rights and advantages attaching thereto or accruing thereon together with all dividends (including dividends declared but not paid) as at the Completion Date which is a date to be mutually agreed upon by the Vendor and Priva falling within twenty one (21) days from the date when the last of all the conditions precedent in the Share Sale Agreement is fulfilled or waived as the case may be.

## DETAILS OF THE PROPOSED ACQUISITION

### 2.1 Information on RENTWISE

RENTWISE was incorporated in Malaysia on 6 March 1998. As at 5 January 2004, the authorised share capital is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each and the issued and paid-up share capital of RENTWISE is RM966,667 comprising 966,667 ordinary shares of RM1.00 each.

RENTWISE is principally involved in the business of selling and renting refurbished computers and peripheral.

As at 30 September 2010, the shareholding structure of RENTWISE is as follows:-

Shareholders	Number of shares held	%
Leanne Ooi Siew Lin	165,001	17
Colin Charles Whitehead	125,000	13
Sir Robert John Madejski	676,666	70
Total	966,667	100

The directors of RENTWISE are Leanne Ooi Siew Lin, Colin Charles Whitehead, Bryan Stabler, Nigel Howe, Ian Michael Wood Smith and Sir Robert John Madejski.

Based on the latest audited financial statements of RENTWISE for the financial year ended

31 March 2011, the net loss and net liabilities recorded were approximately RM7,239,637 and RM16,066,298 respectively.

## 2.2 Basis of Arriving at the Purchase Consideration

The Purchase Consideration of RM1.00 was arrived at following negotiations between Priva and the Vendor on a willing buyer-willing seller basis after taking into consideration the growth and future prospects of RENTWISE in the business of selling and renting refurbished computers and peripherals.

## 2.3 Liabilities to be assumed by Priva

Save for the liabilities in the audited accounts of RENTWISE, there are no other liabilities, including contingent liabilities and/or guarantees to be assumed by Priva arising from the Proposed Acquisition. In addition, the procurement by the Purchaser of the full release of the Vendor from its guarantee in favour of RENTWISE's financier. The estimated liability is approximately RM8,950,000.

## 2.4 Sources of funds

The Proposed Acquisition will be funded by internally generated funds of Priva and its subsidiaries ("Priva Group").

## 2.5 Original Cost and Date of Investment

The original cost and date of investment of the Vendor in RENTWISE are as follows:-

Date	Details	Amount RM
22 December 2003	24,998 RENTWISE Shares	325,332
22 December 2003	145,000 RENTWISE Shares	1,000,000
22 December 2003	40,001 RENTWISE Shares	240,000
05 January 2004	466,667 RENTWISE Shares	2,034,668.12

## 3. Salient terms of the Share Sale Agreement

### 3.1 Conditions Precedent

The Share Sale Agreement is conditional upon the following conditions precedent being met within one hundred and twenty (120) days from the date of the Share Sale Agreement ("Cut-off Date") or such extended date as the parties may mutually agree to in writing:-

- a. Priva shall have carried out a legal, operational, financial and tax due diligence review on RENTWISE ("**Due Diligence Review**"), its respective assets and businesses at Priva's own cost and expense within sixty (60) days from the date of the Share Sale Agreement (or such other extended period as may be agreed to between the parties) and Priva is reasonably satisfied or deemed satisfied with the results of the Due Diligence Review;
- b. the approval of the shareholders of Priva for the sale and purchase transaction contemplated under the Share Sale Agreement (if required);
- c. the waiver in writing by the minority shareholders of RENTWISE that all their respective rights of pre-emption over the Sale Shares conferred either by the Memorandum and Articles of Association of RENTWISE or in the existing shareholders agreement signed by the current shareholders of Rentwise are waived in favour of Priva;
- d. any other consents or approvals required for the transfer of the Sale Shares from the

- relevant Malaysian regulatory authorities or statutory bodies which are otherwise found to be required during the course of the Due Diligence Review; and
- e. the procurement by the Vendor of the termination of the existing shareholders agreement; and
  - f. the agreement of the minority shareholders to enter into a shareholders' agreement with Priva on terms to be agreed; and
  - g. the procurement by the Purchaser of the full release of the Vendor from its guarantee in favour of RENTWISE's financier.

### **3.2 Terms of Payment**

The Purchase Consideration shall be paid upon execution of the Share Sale Agreement.

## **4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED ACQUISITION**

The principal activity of Priva is investment holding and its subsidiaries are principally engaged in provision of system integration services for ports and logistics, IT outsourcing, e-procurement and wireless communications solutions.

Upon completion of the Proposed Acquisition, RENTWISE shall be a subsidiary of Priva, and this will enable the Company to expand its offering of businesses of selling and renting refurbished computers and peripherals.

Currently, Priva's Information Communication Technology ("ICT") outsourcing model involves providing new IT hardware to large corporations. As such, the acquisition of RENTWISE is not only an extension of the Priva's market reach to Small and Medium Enterprises ("SME") market, but is also synergistic in that it extends the deployment lifespan of the Priva's IT hardware provided, by leasing out refurbished equipment to RENTWISE's network of customers. Further, Priva will be able to consolidate the profits of RENTWISE which is expected to contribute positively to the earnings of the Priva Group.

## **5. PROSPECTS OF RENTWISE**

RENTWISE is involved in the business of selling and renting refurbished computers and peripherals to the corporate and SME sectors. Over the years, RENTWISE has built a clientele consisting of SMEs in diverse industries.

With SMEs in Malaysia continuing to increase their IT spending in order to be more efficient operationally and competitive, RENTWISE is poised to tap into opportunities of leasing IT equipment to companies without their having to spend heavy capital expenditure.

Furthermore, Priva plans to integrate RENTWISE with the Group and aims to streamline the cost structure to be more competitive by increasing cost-sharing and benefitting from lower IT equipment costs as a result of economies of scale by being part of a larger IT outsourcing company

## **6. RISK FACTORS**

### **6.1 Acquisition Risk**

There is no assurance that the anticipated benefits of the Proposed Acquisition will be realized or that the Priva Group will be able to generate revenues or increase its client base from the Proposed Acquisition. There is also no assurance that RENTWISE is able to maintain or improve the standards of its services.

To mitigate this risk, Priva and RENTWISE will actively manage their clients' expectations and keep pace with rapid changes in IT industrial trends as well as establish and maintain strong

business relationship with their existing clients.

## **6.2 Political, economic and regulatory considerations**

Like all business entities, changes in political, economic and regulatory conditions in Malaysia could materially and adversely affect the financial and business prospects of the Priva Group. Amongst the political, economic and regulatory uncertainties are the changes in nullification of existing sales orders and contracts, changes in interest rates and method of taxation and currency exchange rules and contracts.

The Priva Group may continue to take effective measures to mitigate such risks. However, there is no assurance that adverse economic, political and regulatory conditions will not materially affect the business activities of the Priva Group.

## **7. EFFECTS OF THE PROPOSED ACQUISITION**

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of Priva as the Proposed Acquisition will be fully satisfied in cash. In addition, the Proposed Acquisition is not expected to have a material effect on the earnings per share, net assets per share and gearing of the Priva Group for the financial year ending 31 December 2011. Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the Priva Group's earnings in the future.

## **8. HIGHEST PERCENTAGE RATIO APPLICABLE**

Pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Proposed Acquisition is the aggregate value of the consideration given in relation to the Proposed Acquisition, compared with the audited net assets of Privasia as at 31 December 2010, amounting to 14.53%.

## **9. APPROVALS REQUIRED**

The Proposed Acquisition does not require the approval of the shareholders of the Company or any other regulatory bodies' approval.

## **10. DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors and/or substantial shareholders of the Company and/or persons connected to them have any interests, direct or indirect, in the Proposed Acquisition.

## **11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring unforeseen circumstances and subject to fulfilment of all the conditions precedents as set out in Section 3.1 of this announcement, the Proposed Acquisition is expected to be completed by the end of the first quarter of 2012.

## **12. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is fair and reasonable, and is in the best interest of Priva and its shareholders and none of the Directors have disagreed with this statement.

### **13. DOCUMENTS FOR INSPECTION**

The Share Sale Agreement will be made available for inspection at the registered office of Priva at 13A Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

**This announcement is dated 27 December 2011.**