



4 October 2013

GHL Systems Berhad (GHL) announces offer for e-pay Asia Limited (ASX: EPY)

GHL Systems Berhad (**%GHL+** or **%Bidder+**), a company listed on Bursa Malaysia Securities Berhad (**%Bursa Securities+**), proposes to make an off-market takeover offer (**%Offer+**) to acquire all of the shares in EPY (**%Bidder+**).

Under the terms of the Offer, EPY shareholders will receive cash of AUD0.40 per EPY Share (**Cash Consideration**).

The Cash Consideration values EPY at approximately AUD22.8 million.

The proposed Cash Consideration of AUD0.40 per EPY Share was arrived at after taking into consideration, amongst others, the following:-

- (i) the range of traded market prices of EPY Shares of AUD0.315 to AUD0.38 for the past one (1) month up to 2 October 2013, being the latest practicable date prior to the finalisation of the Offer proposal; and
- (ii) the earnings potential of EPY.

The Offer Price represents a premium of AUD0.025 or 6.67% to the closing price of EPY Shares on 3 October 2013 (the last trading date prior to this announcement).

As an alternative to the Cash Consideration, EPY shareholders will have the choice to elect to receive 2.75 GHL shares for each EPY share held (**Scrip Consideration**).

For clarification, EPY shareholders who accept the Offer will have to elect for either the Cash Consideration or the Scrip Consideration, but not a combination of both considerations. Fractional entitlements for Scrip Consideration, if any, will be rounded down.

The major beneficial shareholder of EPY, Tobikiri Capital Limited (a company controlled by Mr Simon Loh Wee Hian) (**%TCL+**) has entered into an agreement with GHL under which TCL has agreed to accept the Offer in respect of 11,386,063 of the EPY Shares owned or controlled by it, subject to the terms of such agreement. This represents 19.99% of the total issued shares of EPY. TCL has agreed to accept the Scrip Consideration in respect of these EPY Shares. A copy of this agreement has been separately released to the ASX today under cover of a substantial shareholder notice.

TCL has also stated today that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder of the issued ordinary shares in EPY owned or controlled by it. These further shares consist of 23,684,541 EPY shares (representing 41.61% of the total EPY shares on issue) (**%Remainder Shares+**). TCL has stated that if it accepts the Offer in respect of the Remainder Shares, it will elect to receive the Scrip Consideration in respect of all such shares. A copy of this letter is attached as **Annexure B**.

The Offer is not conditional on any minimum level of acceptances being received]. The Offer will, however, be subject to a number of conditions set out in **Annexure A**, including the approval of GHL's shareholders and certain Malaysian regulatory approvals.

The Cash Consideration for the transaction will be funded by proceeds to be raised from bank borrowings and internally generated funds as well as GHL's proposed share issuance to a strategic investor (Cycas) (discussed further below).



The Company has entered into a share subscription agreement (**SSA**) with Cycas for the proposed issuance and allotment of new GHL shares (**New Issue Shares**) to be satisfied in cash for purposes of part financing the Offer (**Proposed Share Issuance**). Pursuant to the SSA, the issuance of the New Issue Shares to Cycas shall represent twenty percent (20%) of the enlarged share capital of the Company ie. upon completion of the Offer (including the issue of Scrip Consideration) and the Proposed Share Issuance.

GHL and EPY have certain directors in common. GHL expects that EPY will put in place certain protocols to ensure that the Offer is considered separately by the independent directors. EPY will also be required to appoint an independent expert to provide an opinion on the Offer.

It is GHL's intention that, if it acquires a relevant interest in 90% or more of EPY shares and is entitled to proceed to compulsory acquisition, GHL will proceed to compulsory acquisition of the remaining EPY shares. Alternatively, if GHL acquires majority control of EPY but is not entitled to proceed to compulsory acquisition, GHL will seek to delist the company if it is entitled to do so.

The Offer is in line with the GHL group's plan to expand its electronic payment business. The EPY group is one of Asia's largest regional electronic payment networks consisting of 18,000 points of sale that can accept cash payments for pre-paid mobile, reload, bills payment and process debit and credit card transactions. Pursuant to the Proposed Acquisition, the enlarged group should have an Electronic Data Capture (**EDC**) terminal network of about 60,000 terminals in Malaysia alone. GHL believes this shall open up opportunities for the Group to increase revenue through the cross-selling of products and services both in Malaysia as well as regionally.

Further information

GHL will dispatch to shareholders a Bidder's Statement containing the terms of the Offer and other material information relevant to EPY shareholders consideration of the Offer. EPY shareholders should consider the information contained in the Bidder's Statement before taking any action in relation to the Offer.

About GHL

GHL is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. The GHL Group is involved in the electronic payment industry as a provider of support and sale of Electronic Data Capture (EDC) terminal sale, provision of payment network solutions and transaction payment acquisition, which comprises of revenue earned from transactional based activities undertaken by merchants.

About EPY

EPY operates in the electronic payment industry as a provider of electronic top-up services for mainly prepaid mobile users and the sale of software services. The principal activity of the EPY Group is the provision of point-of-sale terminals to their network of retail agents, provision of customised software solutions, software licenses and the provision of ongoing software maintenance services.

ANNEXURE A

Bid Conditions

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- 1 **(Bidder shareholder approval)** Bidder shareholder approval is obtained for the Offer in accordance with Malaysian regulatory requirements. (Note: To avoid any doubt, the Bidder may not treat any failure to obtain such approval as a defeating condition for the purposes of the Corporations Act unless:
 - (a) the Bidder convenes a meeting of Bidder shareholders and the Bidder board of directors recommends that the Bidder shareholders vote in favour of the resolution;
 - (b) each director of the Bidder who is entitled to vote as a Bidder shareholder on that resolution votes in favour of the resolution; and
 - (c) notwithstanding paragraphs (a) and (b), shareholder approval is not obtained.)

(Bidder Shareholder Approval).

- 2 **(Approval for issuance of shares)** Approval of Bursa Malaysia Securities Berhad (**Bursa Securities**) is obtained for the listing of and quotation on the Main Market of Bursa Securities of the Bidder Consideration Shares and New Issue Shares to be issued pursuant to the Offer and the Proposed Share Issuance.
- 3 **(Exemption granted to Mr Simon Loh Wee Hian)** The Securities Commission, Malaysia granting an exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers 2010 to Mr Simon Loh Wee Hian and the parties acting in concert with him from the obligation to extend a mandatory takeover offer for the remaining Bidder Shares not already held by them pursuant to the issuance of new Bidder shares to them upon accepting the Scrip Consideration of the Offer (**Proposed Exemption**).
- 4 **(Regulatory Approvals) Before the end of the Offer Period, all approvals that are required by law or by any Government Agency as are necessary to permit:**
 - (a) the Offer to be lawfully made to, and accepted by, Target Shareholders; and
 - (b) any transaction contemplated by the Offer to be completed,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same. In each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this condition and, at the end of the Offer Period, all of those approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to remove, suspend, restrict, modify or not renew those approvals.

5 (Absence of regulatory actions) Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any court, the Takeovers Panel or any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any court, the Takeovers Panel or any Government Agency; and
- (c) no application is made to any court, the Takeovers Panel or any Government Agency (other than by Bidder or its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Takeover Bid or which requires the divestiture by Bidder of any Target Shares or the divestiture of any material assets of the Bidder or Target or their subsidiaries.

6 (No superior proposal recommended) The Target board of directors or any independent board committee appointed by it in relation to the Offer does not recommend a competing proposal that it considers to be more favourable to Target Shareholders than the Offer.

7 (Conduct of Target business) Except for any proposed transaction or matter the material terms of which have been publicly announced by Target to the ASX before the Announcement Date or in the ordinary course of business, during the period commencing on the Announcement Date and ending at the end of the Offer Period, none of the following events occurs nor is an intention to do any of the following announced:

- (a) a member of the Target Group through its action or omission acquires, offers to acquire, agrees to acquire or comes under an obligation to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than AUD250,000;
- (b) a member of the Target Group enters into, offers to enter into or announces that it proposes to enter into any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by one or more members of the Target Group which is, in aggregate, more than AUD250,000;
- (c) a member of the Target Group incurs or commits to, or grants to another person a right the exercise of which would involve the Target Group incurring or committing to, any capital expenditure or liability in respect of one or more related items of greater than AUD250,000 other than as a consequence of the transaction (excluding, without limitation, fees payable to its Advisers and the Independent Expert); or

- (d) a member of the Target Group enters into or agrees to enter into any contract of service or management contract, or varies or agrees to vary any existing contract of service or management contract with any director or officer of the Target Group, or pays or agrees to pay any retirement benefit or allowance to any director or officer of the Target Group, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, officer or other employee of the Target Group (except as required by law or provided under any agreement or arrangement as in effect and publicly disclosed as at the Announcement Date).
- 8 (Distributions)** That during the period commencing on the Announcement Date and ending at the end of the Offer Period, Target does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- 9 (Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs in relation to Target. Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring or reasonably likely to occur) that is announced or becomes known to Bidder that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Target and its subsidiaries taken as a whole.
- 10 (Prescribed occurrences)** That none of the occurrences specified in section 652C of the Corporations Act happens in relation to Target or any member of the Target Group during the period commencing on the Announcement Date and ending at the end of the Offer Period.

Definitions

In this document:

Announcement Date means 4 October 2013, being the date on which Bidder notified details of the Takeover Bid to Target;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Bidder means GHL Systems Berhad;

Bidder Consideration Shares means the Bidder Shares to be issued Target Shareholders who accept Scrip Consideration under the Offer;

Bidder Shares means fully paid ordinary shares in the capital of Bidder;

Bidder's Statement means the bidder's statement, being the statement of Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer;

Cash Consideration means AUD 0.40 per Target Share;

Corporations Act means the Corporations Act 2001 (Cth);

Cycas means Cycas;

Government Agency means a government or governmental, semi-governmental, administrative, fiscal or judiciary body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local;

New Issue Shares means the Bidder Shares to be issued to Cycas pursuant to the Proposed Share Issuance;

Offer means the offer for Target Shares under the Takeover Bid to be contained in the Bidder's Statement;

Offer Period means the period commencing on the date the Bidder's Statement is sent to Target Shareholders and (unless the Offer is withdrawn) ending on the closing date to be set out in the Bidder's Statement or such later date to which the Offer has been extended;

Proposed Share Issuance means the proposed issuance and allotment of new Bidder Shares to Cycas in exchange for cash for the purposes of part financing the Offer;

Related Body Corporate has the meaning given to that term in the Corporations Act;

Scrip Consideration means 2.75 Bidder Shares for each Target Share;

Takeover Bid means the proposed off-market bid in accordance with Part 6.5 of the Corporations Act under which Bidder proposes to offer to acquire all Target Shares;

Target means epay Asia Limited ABN 99 089 227 887;

Target Group means Target and its Related Bodies Corporate;

Target Shareholder means a holder of Target Shares; and

Target Shares means fully paid ordinary shares in the capital of Target.

ANNEXURE B

STATEMENT OF INTENTION

Tobikiri Capital Limited (Co no. 627619)

16-18, Jalan PJS11/28A, Jalan PJS11/28A, Bandar Sunway, Petaling Jaya, Selangor,
Malaysia.

4 October 2013

The Directors
GHL Systems Berhad
Level 18, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

Dear Directors

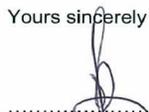
We refer to the proposed takeover offer for all of the issued ordinary shares in e-pay Asia Limited ABN 99 089 227 887 (**Target**) announced today by GHL Systems Berhad (**Bidder**) (the **Offer**).

We note that Tobikiri Capital Limited (**Tobikiri**) has entered into an agreement with the Bidder to (through its nominee HSBC Custody Nominees (AUST) Limited) accept the Offer in respect of 11,386,063 of the Target shares owned or controlled by it, subject to the terms of such agreement.

Tobikiri wishes to inform the Bidder that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder 23,684,541 issued ordinary shares owned or controlled by it representing 41.61% of the total Target shares on issue.

If Tobikiri accepts the Offer in respect of the Remainder Shares, it will elect to receive the Scrip Consideration in respect of all such shares.

Yours sincerely


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Simon Loh, Director
Tobikiri Capital Limited