

TRANSPAC INDUSTRIAL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199400941K)

PROPOSED INTERNALISATION EXERCISE AND DIVIDEND PACKAGE

The board of directors (the “**Directors**”) of Transpac Industrial Holdings Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake the following corporate exercises, comprising:

(a) **The Internalisation Exercise**

The Company is proposing to undertake a reorganisation of its operations. In this connection, the Company proposes to terminate the investment management agreement (the “**Management Agreement**” and the termination, the “**Termination**”) between the Company and Transpac Capital Pte Ltd (the “**Manager**”), together with the internalisation of the investment functions of the Manager related to the investment management services it provides to the Company pursuant to the Management Agreement (the “**Internalisation Exercise**”) by taking on the employees (“**Employees**”) of the Manager.

The Directors would like to express its gratitude to the significant shareholders’ value that the Manager has created for the Company since 1994.

(b) **Strategic Alliance Arrangements**

In conjunction with the Internalisation Exercise and in order to enhance the Company’s ability to source investment opportunities, the Company has entered into strategic alliance arrangements with each of (i) Argyle Street Management Limited (“**ASM**”), an experienced Hong Kong-based fund manager and controlling shareholder of the Company; and (ii) Andaman Capital Partners (“**Andaman Capital**”), an advisory firm specializing in investments in Myanmar, pursuant to which the Company will explore various options and avenues to further mutual business co-operation and commercial benefits. The Company is working on other strategic alliance arrangements and some of them may also be coming to fruition in the near to medium term.

(c) **The Dividend Package**

A dividend package (the “**Dividend Package**”) to shareholders of the Company (the “**Shareholders**”) comprising an interim cash dividend of S\$0.05 per ordinary share in the capital of the Company (the “**Shares**”) and the issue of bonus warrants (the “**Warrants**”) to entitled shareholders on a *pro-rata* basis as at a books closure date to be determined (the “**Warrants Issue**”).

The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (the “**EGM**”) to be convened for the Internalisation Exercise and the Dividend Package. Further information on the EGM will be provided in a shareholders’ circular in due course.

The Internalisation Exercise and Dividend Package will be undertaken by the Company as part of its internal reorganization process in conjunction with the furtherance of its investment activities in the future. At the same time, the Warrants Issue will enable the Company, as an investment company primarily providing capital to companies and situations that allow providers of funds to earn significant capital return, to strengthen its cash position and to take advantage of any investment opportunities which may arise.

Please refer to Schedules A, B and C for further details of the Internalisation Exercise, the strategic alliance arrangements and the Dividend Package respectively.

Shareholders and the public are advised to exercise caution before making any decision in respect of their dealings in the Company’s shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order Of The Board
Tham Shook Han
Company Secretary

30 December 2013

Any enquiries relating to this Announcement should be directed to:

Kin Chan
Chairman
Transpac Industrial Holdings Limited
Email: kin.chan@asmhk.com
Tel: +852 2106 0888

SCHEDULE A
THE PROPOSED INTERNALISATION EXERCISE

1. OVERVIEW

1.1 The board of directors (the “**Board**”) of the Company wishes to announce that the Company has entered into a deed of termination dated 30 December 2013 (the “**Deed**”) with Transpac Capital Pte Ltd (the “**Manager**”), pursuant to which the Company will:

- (i) terminate (the “**Termination**”) the appointment of the Manager as its investment manager pursuant to the management agreement dated 12 March 1994 entered into between the Company and the Manager (as renewed and amended from time to time) (the “**Management Agreement**”), and
- (ii) continue the business of investment management carried on by the Manager as the Company’s investment manager (the “**Management Business**”) and take over the personnel in connection with the Management Business (the “**Internalisation**”).

The Company intends to establish TIH Investment Management Pte. Ltd. (“**TIH IM**”), a wholly-owned subsidiary, to manage the investment business of the Company. TIH IM will apply for the appropriate licenses in order to undertake the business of fund management and endeavor to raise other third party funds to grow its investment management business by leveraging the expertise obtained from the Internalisation Exercise and strategic alliances. The Company has been working with ASM jointly on procuring mandates to manage third party funds and shall make the appropriate announcements in the event any of the new fund management mandates is secured.

The Company also intends to establish Killian Court Pte. Ltd. (“**Killian Court**”), a wholly-owned subsidiary, as its main investment holding vehicle in the future as part of the reorganisation.

1.2 The Company is proposing to undertake the Termination and Internalisation (together, the “**Internalisation Exercise**”) as part of an exercise to reorganise its operations, by internalising its investment functions, which is currently provided by the Manager on an external advisory basis pursuant to the Management Agreement. Following the Internalisation Exercise, the Company will be equipped with dedicated in-house investment management capability.

1.3 As the consideration for the for the Termination exceeds 5% of the Company’s latest audited net tangible assets and is a transaction with the Manager, an interested person, it will constitute an “interested person transactions” within the meaning of Chapter 9 of the Mainboard Rules. The Internalisation Exercise will also result in a change in the Company’s business model, the Company proposes to seek the approval of its shareholders (the “**Shareholders**”) of the Internalisation Exercise at an extraordinary general meeting (“**EGM**”) in the interests of transparency and good corporate governance, and as required under Rule

906 of the Mainboard Rules. Further information on the EGM will be provided in a shareholders' circular in due course.

2. INFORMATION ON THE MANAGER

The Manager presently acts solely as an investment or fund manager pursuant to the Management Agreement, in which capacity the Manager has been acting since the Company's admission to the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in 1994.

Transpac Investments Limited ("**TIL**"), the investment vehicle of the ultimate parent of the Manager, is interested in 27,230,226 the ordinary shares representing approximately 11.62% of the issued share capital of the Company as at the date of this Announcement.

3. THE INTERNALISATION EXERCISE

3.1 Pursuant to the Deed, the Company and the Manager have agreed that the Management Agreement shall be terminated in its entirety, save for the obligations expressed to survive termination, with effect from the date of completion of the Deed (the "**Completion Date**").

3.2 In this connection, the Company intends to engage the employees of the Manager who are engaged in the Management Business and occupy the office space presently used by the Manager in order to ensure continuity and a smooth transition. Data, records, documents and files relating to the Company's direct investments in the possession of the Manager which are relevant to the continuity of the Company's business and operations will also be handed over on the Completion Date.

3.3 It is proposed that the Company's newly incorporated wholly-owned subsidiary, TIH IM, will undertake and continue the Management Business following completion of the Termination Deed.

4. RATIONALE FOR THE INTERNALISATION EXERCISE

The Company believes that the reorganisation pursuant to the Internalisation Exercise will give it greater scope in strategic direction and investment policies. The Internalisation Exercise involves the termination of the Management Agreement and the Internalisation of the of the investment function of the Company, which is currently provided by the Manager on an external advisory basis. Following the completion of the Internalisation Exercise, the Company will be equipped with in-house infrastructure and capability to manage its investments.

In order to ensure continuity of operations, the Company will employ the employees of the Manager who are currently involved in providing the investment management services to the Company and occupy the office property presently used by the Manager.

5. CONSIDERATION FOR THE INTERNALISATION EXERCISE

5.1 Aggregate consideration

In consideration of the Termination of the Management Agreement, the Company has agreed to pay the Manager S\$13,750,000 (the “**Consideration**”), payable in cash.

5.2 Basis for arriving at the Consideration

The Consideration was mutually agreed by the Company and the Manager on an arm’s length basis, taking into consideration the loss to the Manager due to the early termination of the Management Agreement before 31 December 2015 and the loss of its business base by agreeing to allow the Company take over its personnel and certain assets related to the management services provided to it, which constitute the main component of the Manager’s business.

5.3 Funding for the consideration.

The Company intends to fund the Internalisation Exercise using its internal resources.

6. CONTINGENT LIABILITIES

The Company has made provisions for contingent liabilities that may arise in relation to certain investments it previously made, with a total value of up to approximately S\$63.1 million (including the sum of approximately S\$44.01 million which has been earmarked for the settlement of any such contingent liabilities) (the “**Contingent Liabilities**”).

6.1 Reserve Funds

On the Completion Date, the Manager shall transfer to the Company the amount of which it presently holds on trust for the Company (approximately S\$19.1 million as at the date of this Announcement). The Company has agreed to earmark a total sum of S\$50,465,000, which shall be applied towards satisfaction of the Contingent Liabilities, should any of them become actual liabilities (the “**Reserve Funds**”).

The Company has also agreed that it may incur borrowings of up to 30% of its net asset value as at the time of borrowing. In the event that the Reserve Funds are utilised for any purpose other than the satisfaction of Contingent Liabilities, the Company agreed that it shall ensure that it retains the capacity to replenish the Reserve Funds order to meet any actualised Contingent Liabilities.

Should the net asset value of the Company fall below S\$100.0 million, the Company has undertaken to maintain the full amount of Reserve Funds required. The total amount required to be earmarked as the Reserve Funds shall be reduced accordingly as and when

the Contingent Liabilities are deemed to be satisfied (as may be determined by the judgment in good faith of the general partner or trustee of the relevant funds).

6.2 TIL Bond

TIL, has undertaken to pay the Company 20% of any Contingent liabilities that crystallises and becomes an actual liability, as determined by the judgment in good faith of the general partner or trustee of the funds that have invested in the businesses giving rise to the Contingent Liabilities, subject to a limit of US\$10 million.

7. OTHER SALIENT TERMS OF THE DEED

7.1 Conditions Precedent

The Internalisation Exercise is conditional on the following conditions (amongst others) being fulfilled or waived by the relevant party, as applicable:

- 7.1.1 Shareholders' approval being obtained by the Company in respect of the Internalisation Exercise; and
- 7.1.2 the relevant third party consents necessary for the assignment or transfer of the Management Business and Assets, as the case may be, being obtained.

7.2 Voting undertaking

Under the Deed, the Manager shall deliver a duly executed irrevocable deed of undertaking from Transpac Investments Limited to Argyle Street Management Limited ("**ASM**") undertaking to (i) vote in favour of all the resolutions tabled at the general meeting to be held by TIH to approve the transactions contemplated under this Deed, to the extent permitted by the applicable laws and regulations (including the listing rules of the Singapore Exchange Securities Trading Ltd); and (ii) abstain from voting against shareholder resolutions tabled for the approval of transactions between the Company and ASM (or its associates or the funds it manages), subject to certain conditions, in a form mutually acceptable.

7.3 Change of Name

The Company has agreed to change its name from Transpac Industrial Holdings Limited to "TIH Limited" within three months of the Completion Date.

8. FINANCIAL EFFECTS OF THE INTERNALISATION EXERCISE

For illustrative purposes only, a summary of the proforma financial effects of the Internalisation Exercise is set out below. The proforma financial effects are prepared purely for illustration and do not reflect the actual financial situation of the Company after the completion of the Internalisation Exercise.

The proforma financial effects of the Internalisation Exercise on the consolidated earnings per share of the Company (the “Shares”) (“EPS”) and consolidated net tangible assets (“NTA”) per Share, are set out below, and have been prepared using the unaudited consolidated financial statements of the Company for the financial period ended 30 September 2013, and are based on the following key assumptions:

- (a) the Internalisation Exercise had been completed on 30 September 2013 (being the end of the financial period under review) for the purpose of computing the financial effects on the consolidated NTA per Share and EPS; and
- (b) the financial effects computation below have taken into account estimated transaction costs of S\$300,000.

Effect on EPS

	Nine months ended 30 September 2013 (unaudited)	After the Internalisation Exercise
Consolidated Earnings of the Company ⁽¹⁾	S\$43.46 million	S\$41.78 million
Weighted Average No. of Shares	234.31 million	234.31 million
EPS (S\$)	S\$ 0.19	S\$ 0.18

Note:

- (1) Profit after taxation and minority interests.

Effect on NTA per Share

	Nine months ended 30 September 2013 (unaudited)	After the Internalisation Exercise
NTA	S\$120.79 million	S\$119.11 million
No. of issued Shares ⁽¹⁾	234.31 million	234.31 million
NTA per Share (S\$)	S\$0.52	S\$0.51

Note:

(1) Based on the number of shares in issue as at 30 September 2013.

8. FURTHER INFORMATION RELATING TO THE INTERNALISATION EXERCISE

8.1 Interest of Directors and Substantial Shareholders

Cheong Kok Yew (Stanley), a director of the Company, is also a director of the Manager and a partner of the parent company of Transpac Investments Limited.

TIL, a substantial shareholder of the Company, is the investment holding company of the parent of the Manager.

Leong Ka Cheong Christopher, a substantial shareholder of the Company, is the controlling shareholder of Transpac Investments Limited and the Manager.

Other than through their respective shareholdings in the Company and save as disclosed above, none of the directors and/or substantial shareholders of the Company has any interest (direct and deemed) in the Manager, the Management Business or the Internalisation Exercise.

Accordingly, TIL will undertake to abstain, and ensure that its associates abstain, from voting in respect of the Internalisation Exercise at the EGM.

8.2 Interested Person Transactions for Financial Period Ended 30 September 2013

The current total for the financial period ended 30 September 2013 of all transactions between the Company and the Manager is S\$529,000.

The current total of all interested person transactions entered into by the Company for the financial period ended 30 September 2013 is S\$529,000.

8.3 Independent Financial Adviser

The Company will appoint an independent financial adviser (the “**IFA**”) to advise the directors of the Company who are not interested in the Internalisation Exercise on whether the financial terms of the Internalisation Exercise are on normal commercial terms and whether they are prejudicial to the interests of the Company and its independent shareholders.

A circular containing further details of the (the “**Circular**”), which contains more information on the Internalisation Exercise and the opinion of the IFA, as well as the notice of EGM, will be issued and despatched to shareholders in due course.

8.4 **Statement from the Audit Committee**

The audit committee of the Company will, after reviewing the opinion of the IFA, state its opinion in the Circular on whether the terms of the Internalisation Exercise are on normal commercial terms and whether they are prejudicial to the interests of the Company and the independent shareholders.

SCHEDULE B

STRATEGIC ALLIANCE ARRANGEMENTS

1. INTRODUCTION

The Board would also like to announce that the Company has entered into a strategic alliance arrangements with Argyle Street Management Limited (“**ASM**”) and Andaman Capital Partners (“**Andaman Capital**”) to explore various options and avenues to further mutual business-co-operation and commercial benefits.

2. STRATEGIC ALLIANCE ARRANGEMENT WITH ASM

The Company is looking towards working with ASM to tap on its advisory expertise and support services to supplement its investment strategies, particularly in the areas of deal sourcing, investment monitoring, and additional expertise in different markets and investment structures. The Company believes that this strategic alliance will supplement and be complementary to the investment management expertise it will gain pursuant to the Internalisation Exercise.

ASM is a privately owned fund manager founded in 2002 and based in Hong Kong. The firm invests in public equity and fixed income markets of Asia, specialising in special situation investment strategies. As at the date of this announcement, ASM is interested in 128,525,774 Shares representing approximately 54.85% of the share capital of the Company.

3. STRATEGIC ALLIANCE ARRANGEMENT WITH ANDAMAN CAPITAL

The Company has also entered into a strategic alliance with Andaman Capital which contemplates, *inter alia*, the provision of sourcing and advisory services by Andaman Capital in respect of Myanmar-based investment opportunities.

Andaman Capital is a Yangon based advisory firm which provides investment advisory, market entry and transactional services to local and foreign investors in respect of investment opportunities in light of Myanmar’s political and economic reforms. It has a decade of investment advisory experience in Myanmar and strong local business and government networks.

The Company has entered into a memorandum of understanding to form a strategic alliance with Andaman Capital to explore investment opportunities in Myanmar. Andaman Capital is expected to provide deal sourcing and execution capabilities for Myanmar investment opportunities.

4. RATIONALE

Following the Internalisation Exercise, the Company will have terminated the investment management services of the Manager and brought some of its investment management capabilities in-house. Transpac Capital Pte Ltd and its affiliates (the “**Transpac Group**”) have been instrumental to the success and strong performance of the Company. Transpac Group is a significant shareholder of the Company and the Company expects to maintain close collaboration with Transpac Group (in future) after the Termination.

In addition to expertise brought in-house by the Internalisation Exercise, the Company believes that the strategic alliance arrangements with ASM, Andaman Capital and other relationship that the Company is working on will enable it to expand on the network, support and deal sourcing capability that Transpac Group has help the Company built in the past. The Company believes that entering into these strategic alliance arrangements will be beneficial to the group as a whole. These collaborations with ASM and Andaman Capital are also in line with the Company’s plans to further and expand its investments in Asia.

5. FURTHER INFORMATION

The Company is actively exploring avenues to enter into specific agreements with ASM and Andaman Capital to formalize such strategic co-operation between both parties. If required under the relevant provisions of the Listing Manual, the Company will seek approval from shareholders for such specific agreements and the transactions contemplated thereunder.

SCHEDULE C

THE PROPOSED DIVIDEND PACKAGE

1. INTRODUCTION

The Dividend Package to Shareholders will comprise of:

- (a) **Cash Dividend:** an interim tax-exempt one-tier ordinary dividend of S\$0.05 per Share for the financial year ending 31 December 2013, to be declared and paid to Shareholders as at a books closure date to be determined (the “**Books Closure Date**”, and such Shareholders, the “**Entitled Shareholders**”); and
- (b) **Warrants Issue:** a renounceable non-underwritten bonus issue of up to 702,942,318 bonus warrants (the “**Warrants**”) on the basis of three (3) Warrants for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date,

The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (the “**EGM**”) to be convened for *inter alia*, the Dividend Package.

An application will be made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Warrants and the New Shares (as defined herein) on the Main Board of the SGX-ST. The listing and quotation of the Warrants on the Main Board of the SGX-ST will be subject to such conditions as may be imposed by the SGX-ST including but not limited to there being an adequate spread of holdings for the Warrants to provide for an orderly market for the trading of the Warrants. Each board lot of the Warrants will consist of 1,000 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.

ASM and its affiliated investment companies and funds managed by it (the “**ASM Group**”) and parties acting in concert with the ASM Group will also be seeking from the Securities Industry Council (“**SIC**”) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) for the Shares not owned, controlled or agreed to be acquired by the ASM Group and/or parties acting in concert with it as a result of or in connection with the Warrants Issue, including the issue of the New Shares upon the exercise of the Warrants (the “**Whitewash Waiver**”). Once the Whitewash Waiver has been obtained, the Company will appoint an independent financial adviser for the purposes of advising the independent Shareholders of the Company on the passing of the whitewash resolution to waive their rights to receive a mandatory general offer from the ASM Group and parties acting in concert with it.

In view of the exemption accorded under Regulation 24(1) of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, there will not be any prospectus, profile statement or offer information statement to be issued in relation to, and for the purpose of, the issue of the Warrants to the Shareholders.

2. PRINCIPAL TERMS OF THE WARRANTS

The Warrants will be issued in registered form and listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Main Board of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

Each Warrant will, subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the “**Deed Poll**”), entitle its holder to subscribe for one (1) new Share (the “**New Shares**”) during two (2) distinct exercise periods:

- (a) at S\$1.28 (the “**First Exercise Price**”) during the six (6) month period commencing on (and including) the date of issue of the Warrants (“**Issue Date**”) (the “**First Exercise Period**”); or
- (b) at S\$2.28 (the “**Second Exercise Price**”) during the 12 month period commencing on (and including) the second anniversary of the Issue up to the third anniversary of the Issue Date (the “**Second Exercise Period**”).

Any Warrant remaining unexercised at the expiry of the Second Exercise Period shall lapse and cease to be valid for any purpose.

The First Exercise Price, the Second Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances in accordance with the Deed Poll. The New Shares to be issued upon the exercise of the Warrants will rank *pari passu* in all respects with the Shares existing then, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the relevant date of exercise of the Warrants.

Fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The terms and conditions of the Warrants Issue are subject to such change(s) as the Directors may deem appropriate.

As at the date hereof, the existing issued and paid-up share capital of the Company is 234,314,106 Shares (the “**Existing Issued Share Capital**”). As at the date of this announcement, the Company has no treasury shares or any existing warrants or other convertible securities. Assuming all the Warrants are fully exercised into New Shares at either at the First Exercise Price during the First Exercise Period or at the Second Exercise Price during the Second Exercise Period (as the case may be), the issued share capital of the

Company would increase by 702,942,318 Shares, representing approximately 300.0% of the Existing Issued Share Capital.

3. ENTITLEMENTS TO WARRANTS

The Warrants Issue is proposed to be made on a renounceable basis to the Entitled Shareholders whose names appear in the Register of Members of the Company or whose names appear in the records of The Central Depository (Pte) Limited (“**CDP**”), as the case may be, as at the Books Closure Date. Notice will be given at a later date on the Books Closure Date in order to determine the entitlements of the Entitled Shareholders, after all the necessary approvals have been obtained.

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Warrants will **NOT** be offered to Shareholders whose registered addresses are outside Singapore as at the Books Closure Date and who had not, within the relevant number of Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”).

Warrants which would otherwise have been allotted to Foreign Shareholders will, if practicable to do so, be sold by the Company at its sole discretion on the SGX-ST. The net proceeds from such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such Warrants are sold on the SGX-ST, they will be sold at such price and at such time as the Company may, in its absolute discretion, decide and deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or the Directors or share registrar in respect of such sale.

If such Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason, the Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

4. RATIONALE FOR THE WARRANTS ISSUE AND USE OF PROCEEDS

The First Exercise Price of S\$1.28 and the Second Exercise Price of S\$2.28 for each Warrant represent a discount and premium of approximately 23.16% and approximately 36.87% respectively to the volume weighted average price for trades done on the SGX-ST of S\$1.6658 per Share on 30 December 2013.

The Board is of the view that the Warrants Issue is beneficial to the Company as it will allow the Company to strengthen its cash position and enable the Company to take advantage of any investment opportunities which may arise.

Assuming that all the Warrants are subsequently converted, the estimated proceeds of the Warrants Issue will range from approximately S\$900 million (where the Warrants are fully exercised at the First Exercise Price) to S\$1.6 billion (where the Warrants are fully exercised at the Second Exercise Price).

The Company intends to undertake the Warrants Issue to strengthen its cash position and use the net proceeds for any investments if the opportunities arise and/or general corporate and working capital purposes. As an investment company, the Company is constantly seeking prospective investment opportunities. The Company believes that the proceeds from the Warrants Issue will allow the Company to seize larger and more exciting investment opportunities to maximise shareholder returns.

Assuming the Warrants are fully exercised and cost and expenses incurred in relation to the Warrants Issue and the transactions described in this Announcement of S\$300,000, the amount of net proceeds expected to be used for general corporate and working capital purposes is insignificant. The net proceeds from the Warrants will primarily be used for making investments.

Pending the deployment of the net proceeds from the Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Directors are of the opinion that:

- (i) there is no minimum amount which must be raised from the Warrants Issue; and
- (ii) after taking into consideration the Company's present banking facilities, the working capital available to the Company is sufficient to meet its present requirements. Nevertheless, the Company is undertaking the Warrants Issue to strengthen its financial position.

In view of the above and the savings in cost by the Company in respect of underwriting fees, the Company has decided to proceed with the Warrants Issue on a non-underwritten basis.

The Company will make periodic announcements on the utilisation of the proceeds of the Warrants Issue, as and when the funds from the Warrants Issue are disbursed or utilised.

5. APPROVALS

The Warrants Issue is subject to, *inter alia*, the following:

- (a) the approval-in-principle of the SGX-ST for the dealing in, listing and quotation of the Warrants and the New Shares on the Official List of the SGX-ST having been obtained; and
- (b) the Warrants Issue having been approved by Shareholders at the EGM.

A circular containing, *inter alia*, the notice of the EGM and the details of the Warrants Issue will be despatched to Shareholders in due course.

6. DOCUMENTS FOR INSPECTION

The Deed Poll may be inspected at the registered office of the Company during normal business hours at 79 Robinson Road, #11-06 CPF Building, Singapore 068897 for a period of 3 months from the date of this announcement.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and any subsequent announcements made by the Company in relation to the Warrants Issue, none of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates has any interest, whether direct or indirect, in the Warrants Issue.

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.