

TRANSPAC INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199400941K)

PROPOSED ISSUE OF CONVERTIBLE BONDS

*Reference is made to the Proposed Internalisation Exercise and Dividend Package announcement dated 30 December 2013 (the “**Previous Announcement**”) and in particular, the 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 relevant books closure date (the “**Warrants Issue**”). Capitalised terms not otherwise defined in this announcement shall bear the meanings given to them in the Previous Announcement.*

1. INTRODUCTION

The board of directors (the “**Directors**”) of Transpac Industrial Holdings Limited (the “**Company**”) wishes to announce that the Company has on 9 January 2014 entered into a subscription agreement (the “**Subscription Agreement**”) with Cosmic Ventures Limited (the “**Subscriber**”), pursuant to which the Company proposes to issue to the Subscriber up to S\$18,900,000 in principal amount of zero coupon convertible bonds (the “**Bonds**”) comprising: (i) S\$6,300,000 in principal amount of Bonds; and (ii) at the option of the Subscriber, up to a further S\$12,600,000 in principal amount of the Bonds, in accordance with the terms and conditions of the Subscription Agreement (the “**Bond Issue**”).

An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation of the new Shares to be allotted and issued upon conversion of the Bonds (the “**Conversion Shares**”). The Conversion Shares will be listed on the Main Board of the SGX-ST. The Conversion Shares are freely transferable and shall rank *pari passu* in all respects with all other Shares then in issue, but shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of their issue, and will be admitted to listing on the SGX-ST.

The Bonds will not be listed and quoted on the SGX-ST or any other exchange. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Conversion Shares has been obtained from the SGX-ST.

2. PRINCIPAL TERMS OF THE BONDS AND THE SUBSCRIPTION AGREEMENT

2.1. Summary of the Principal Terms of the Bonds

Principal Amount	:	Up to S\$18,900,000 in principal amount of the Bonds (including up to S\$12,600,000 in principal amount of the Bonds which are subject to the Subscriber Option), to be issued in three (3) series comprising Bonds Series A, Bonds Series B and Bonds Series C, with an aggregate principal value of up to S\$6,300,000 for each series.
Subscriber Option	:	The Subscriber has been granted an option to subscribe for up to S\$12,600,000 in principal value of the Bonds (the “ Subscriber Option ”) which may be exercised at any time during the period commencing from the date of the Subscription Agreement and ending five (5) business days before the date falling five (5) months from the date of the Subscription Agreement (the “ Subscriber Option Exercise Period ”), or such other period as may be agreed in writing between the Parties. If the Subscriber decides in its sole and absolute discretion to exercise the Subscriber Option, the Subscriber shall subscribe for at least S\$2,500,000 in principal value of the Bonds.
Subscription Tranches	:	<p>The issue of the Bonds shall take place in two tranches as follows:</p> <p>(a) S\$6,300,000 in principal value of the Bonds (comprising the Bonds Series A, Bonds Series B and Bonds Series C equally) on the First Closing Date⁽¹⁾ (the “Basic Subscription Tranche”); and</p> <p>(b) subject to the exercise of the Subscriber’s Option, up to \$12,600,000 and no less than S\$2,500,000 in principal value of the Bonds (comprising the Bonds Series A, Bonds Series B and Bonds Series C equally) on the Second Closing Date⁽²⁾ (the “Upsize Tranche”).</p>
Maturity Date	:	36 months after the relevant date of issue of the Bonds (the “ Issue Date ”, and the maturity date of the Bonds, the “ Maturity Date ”).
Issue Price	:	100.0 per cent. of the aggregate principal amount of the Bonds.
Interest Rate	:	The Bonds will not bear any interest.

Status of Bonds : The Bonds constitute direct, general, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable laws, remain the direct and first-priority obligations of the Company ranking *pari passu* as against the assets of the Company with (i) all other Bonds (as between themselves and between each series) from time to time issued and outstanding hereunder, without any preference among themselves, and (ii) all other present and future unsecured debt (actual or contingent) of the Issuer (except to the extent otherwise required by law).

Transferability : The Bonds may only be transferred to the Subscriber's affiliates.

Conversion Period : Subject to the terms and conditions of the Bonds (the "**Conditions**"), the outstanding principal amount of the Bonds may be converted in whole or in part at the option of the bondholder at any time on and from the VWAP Determination Date⁽⁴⁾ or Issue Date (whichever is later) up to the close of business (Singapore time) on the day falling five (5) business days prior to the Maturity Date (the "**Conversion Period**").

Conversion Price : The price at which each Conversion Share (the "**Conversion Price**") will be issued upon the conversion of the Bonds will be as follows:

- (a) Bonds Series A: at a 15% discount to the VWAP Price⁽³⁾ per Share (the "**Bonds Series A Conversion Price**");
- (b) Bonds Series B: at the VWAP Price per Share (the "**Bonds Series B Conversion Price**"); and
- (c) Bonds Series C: at a 15% premium over the VWAP Price per Share (the "**Bonds Series C Conversion Price**").

The Conversion Price (and where applicable, the VWAP Price) may be adjusted from time to time in the manner provided in the Conditions upon the occurrence of, amongst other things, the following events:

- (i) any alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification;

- (ii) any capitalisation of profits or reserves;
- (iii) any payment of capital distribution or dividend;
- (iv) any issues of rights, warrants, options or other securities;
- (v) any issues at less than the VWAP Price⁽⁵⁾;
- (vi) any issues at less than 90% of the Current Market Price⁽⁶⁾ on the last market day preceding the date on which the final terms of such issue is first publicly announced.;
- (vii) any modification of rights of conversion; or
- (viii) any other offers to shareholders of the Company ("**Shareholders**").

Notwithstanding the adjustment events above, neither the Cash Dividends nor the Warrants Issue will constitute an adjustment event and the applicable Conversion Price will not be subject to any adjustment upon payment of the Cash Dividends or upon the issue of the Warrants or the New Shares.

Automatic
Conversion

: At any time during the Conversion Period, subject to the Conversion Maximum (as defined below), all outstanding Bonds shall be subject to automatic conversion (the "**Automatic Conversion**") upon the occurrence of the following events:

- (a) Bonds Series A shall be automatically converted at the applicable Conversion Price in the event that the average closing price of the Shares on the SGX-ST for 10 consecutive trading days exceeds the Bonds Series A Conversion Price;
- (b) Bonds Series B shall be automatically converted at the applicable Conversion Price in the event that the average closing price of the Shares on the SGX-ST for 10 consecutive trading days exceeds the Bonds Series B Conversion Price; and
- (c) Bonds Series C shall be automatically converted at the

applicable Conversion Price in the event that the average closing price of the Shares on the SGX-ST for 10 consecutive trading days exceeds the Bonds Series C Conversion Price.

No more than the lower of (i) one third of the aggregate principal value of the issued Bonds; and (ii) S\$6,300,000 (the “**Conversion Maximum**”) may be automatically converted in any one calendar month. Notwithstanding the above, no Bonds shall be automatically converted to the extent that such conversion would result in the bondholder being obliged to make a general offer for the Shares pursuant to any applicable law or regulation (including but not limited to, the Singapore Code on Take-overs and Mergers).

In the event that more than the Conversion Maximum of the Bonds becomes automatically convertible into Conversion Shares in a single calendar month, only the number of Bonds up to the Conversion Maximum shall be automatically converted in the following order:

- (i) firstly, Bonds Series A;
- (ii) secondly, Bond Series B; and
- (iii) thirdly, Bond Series C,

and any Bonds in excess of the Conversion Maximum in that calendar month shall not be subject to the Automatic Conversion in that calendar month.

For the avoidance of doubt, the Automatic Conversion does not apply to any Bonds in respect of which a bondholder has submitted a duly completed notice of conversion (the “**Conversion Notice**”) in accordance with the terms and conditions of the Bonds.

Listing Status and Transferability	:	The Bonds will not be listed and quoted on the SGX-ST.
Redemption upon Event of Default	:	If any Event of Default (as defined in the Conditions) has occurred, including: <ul style="list-style-type: none">(a) a default is made by the Company in the payment of any principal due in respect of the Bonds within five (5)

business days after the same shall become due and payable in accordance with the Conditions;

- (b) (i) any present or future material indebtedness of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (ii) the Company or any of its subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;
- (c) a resolution is passed or an order for winding up or dissolution of the Company otherwise than for the purposes of consolidation, amalgamation, merger, reconstruction or reorganization which is approved by Shareholders and the Bondholders (as the case may be), and upon which the continuing corporation effectively assumes the entire obligations of the Company under the Bonds;
- (d) when it is or will be unlawful for the Company to perform or comply with its obligations under the Bonds or Subscription Agreement or any consent or approval required for such obligations to be binding and enforceable is not obtained;
- (e) (i) the Company does not perform or comply with any of its obligations under the Bonds or Subscription Agreement; or (ii) ARF (as defined herein) does not perform or comply with one or more of its obligations set out in the Share Lending Agreement (as defined herein); or (iii) any of the representations, warranties or undertakings set out in the Bonds or the Subscription Agreement (which are continuing at the relevant date) are unfulfilled, untrue or incorrect and not remedied within 14 days after written notice of such default has been given to the Company;
- (f) trading suspension of the Shares on the SGX-ST for 10 or more consecutive trading days; or

- (g) the Shares are delisted from the SGX-ST or the Company fails to maintain or procure the maintenance of the listing of all the issued and outstanding Shares (including the Conversion Shares to be issued upon conversion of the Bonds) on the SGX-ST,

the outstanding Bonds shall immediately become due and repayable at their principal amount to the bondholders.

Redemption on Maturity	:	On the relevant Maturity Date, all relevant outstanding Bonds shall automatically be redeemed by the Company at their principal amount.
Redemption on Change of Control	:	In the event of a Change of Control ⁽⁷⁾ , the Company has undertaken to redeem all outstanding Bonds at their principal amount.
Governing Law	:	The laws of Singapore.

Notes:-

- (1) **“First Closing Date”** means the date falling within five (5) business days after all the conditions precedent set out in Section 2.2(b) of this Announcement, with the exception of the Upsize Tranche Condition Precedent (as defined below), are satisfied and/or waived, or such later date as may be agreed between the parties.
- (2) **“Second Closing Date”** means the date falling within five (5) business days after all the conditions precedent set out in Section 2.2(b) of this Announcement are satisfied and/or waived, or such later as may be agreed between the parties.
- (3) **“VWAP Price”** means in respect of a Share, the volume weighted average price for trades done on the SGX-ST for a period of thirty (30) days commencing one (1) week from the date of issue of the Warrants.
- (4) **“VWAP Determination Date”** means the business day falling immediately after the thirty (30) day period required for determination of the VWAP Price.
- (5) Please refer to the following for details of the adjustment of the applicable Conversion Price in the event of issues at less than the VWAP Price:

Upon (i) the issue by the Company of any Shares (other than the Conversion Shares issued on the exercise of the Bonds by the bondholder in accordance with the term of the Subscription Agreement), (ii) the issue or grant by the Company or any of its subsidiaries of options, warrants or other rights to subscribe or purchase Shares, or (iii) the issue by the Company or any of its subsidiaries of any securities (other than

the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company on conversion, exchange or subscription, in each case for any reason at a consideration or price per Share which is less than the VWAP Price (the “**Adjusted Price**”), the applicable Conversion Price will be adjusted as follows:

- (i) Bonds Series A Conversion Price: to 85% of the Adjusted Price for each Share;
- (ii) Bonds Series B Conversion Price: to the Adjusted Price for each Share; and
- (iii) Bonds Series C Conversion Price: to 115% of the Adjusted Price for each Share.

Such adjustment shall become effective on the date of issue of such securities. Following such adjustment, the “**VWAP Price**” for the purpose of subsequent adjustments under this Condition shall be construed as the last Adjusted Price applied for the previous adjustment.

- (6) “**Current Market Price**” in respect of a Share at a particular time on a particular date, refers to the average of the closing prices quoted on the SGX-ST for one Share for the 20 consecutive market days ending on the market day immediately preceding such date.
- (7) “**Change of Control**” occurs when (a) Argyle Street Management Limited (“**ASM**”), Argyle Street Management Holdings Limited, Kin Chan and/or funds managed or advised by ASM and/or its affiliates together collectively cease to (i) hold directly or indirectly at least 20 per cent. of the voting rights of the issued share capital of the Company, or (ii) remain, whether directly or indirectly, as (collectively) the single largest shareholder of the Company, (b) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other Person⁽⁸⁾, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Company or the successor entity, or (c) one or more Persons acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Issuer.

Pursuant to Rule 704(31) of the SGX-ST Listing Manual, the Change of Control condition makes reference to the shareholding interest of ASM and/or its affiliates (the “**ASM Funds**”) and accordingly, upon a Change of Control, (i) the aggregate amount of Bonds that may be affected amounts to up to S\$18,900,000 (assuming the Basic Subscription Tranche and Upsize Tranche are issued in full and no Bonds are converted); and (ii) the operations of the Company may be affected as a result of the part or full redemption of the outstanding Bonds held by the Subscriber.

In compliance with Rule 728 of the Listing Manual of the SGX-ST, the Company has procured an undertaking from ASM for it to notify the Company, as soon as it

becomes aware, of any share pledging arrangements relating to the Shares held by the ASM Funds and of any event which may result in a Change of Control.

- (8) **“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

2.2. Principal Terms of the Subscription Agreement

(a) *Consideration*

The aggregate consideration payable for the subscription of the Bonds shall be up to S\$18,900,000, payable in the following manner:

- (i) in respect of the Basic Subscription Tranche, S\$6,300,000 in cash upon the issue of the Basic Subscription Tranche on the First Closing Date; and
- (ii) in respect of the Upsize Tranche, such amount in cash representing the principal value of the Bonds as set out in the option notice (**“Subscriber Option Notice”**) served to the Company for the subscription of the Subscriber Option (the **“Consideration Sum”**), or alternatively and subject to the written consent of the Company (which consent may be given at the Company’s sole and absolute discretion), the Consideration Sum may be satisfied in full or in part by the transfer shares or securities specified by the Subscriber (the **“Equity Consideration Shares”**).

(b) *Conditions Precedent to the Subscription Agreement*

The closing of the Bond Issue (the **“Closing”**) in respect of the Subscription Agreement shall be conditional upon the following conditions precedent being satisfied on or before the date falling five (5) months from the date of the Subscription Agreement (the **“Long Stop Date”**):

- (i) the approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares being obtained and not having been revoked as of the First Closing Date or the Second Closing Date (as the case may be);
- (ii) the approval of the Shareholders for the issuance of the Bonds and Conversion Shares being obtained;
- (iii) (a) the approval of the Shareholders for the Cash Dividends, Internalisation Exercise and the Warrants Issue being obtained; and (b) the issuance of the Warrants;

- (iv) the warranties, representations and undertakings of the Company remaining true and correct in all respects at all times from execution of the Subscription Agreement until (and including at) the First Closing Date or the Second Closing Date (as the case may be);
- (v) the warranties, representations and undertakings of the Subscriber remaining true and correct in all respects at all times from execution of the Subscription Agreement until (and including at) the First Closing Date or the Second Closing Date (as the case may be); and
- (vi) no Material Adverse Change⁽¹⁾ having occurred between the date of the Subscription Agreement and the First Closing Date or the Second Closing Date (as the case may be);
- (vii) the issue of the Bonds on the Issue Date not being prohibited by (a) any statute, order, rule or regulation promulgated by any legislative executive or regulatory body or authority of Singapore which is applicable to the Company or (b) any injunction or other orders issued by any court of competent jurisdiction;
- (viii) the execution of the Share Lending Agreement (as defined herein) by, *inter alia*, the Subscriber, such Share Lending Agreement to be in a form satisfactory to the Subscriber in its sole and absolute discretion; and
- (ix) in respect of the Upsize Tranche subject to the Subscriber Option, the exercise of the Subscriber Option during the Subscriber Option Exercise Period (the “**Upsize Tranche Condition Precedent**”).

Notes:

- (1) Material Adverse Change means any change, circumstance, development or event involving a prospective change that has or is reasonably likely to have a Material Adverse Effect.⁽²⁾
- (2) Material Adverse Effect means a material adverse effect on the assets, business, earnings, management or financial position, condition or liabilities of the Company and its subsidiaries, taken as a whole.

(c) *Undertakings*

The Company undertakes to the Subscriber, amongst other things, that:

- (i) it will use the net proceeds of the Bonds for (i) future investments as and when opportunities arise; and (ii) general corporate and working capital purposes;

- (ii) save as publicly disclosed as part of the Internalisation Exercise, during the period from the date of the Subscription Agreement to the First Closing Date, it will procure that it and each of its subsidiaries will continue its respective businesses in the ordinary course in substantially the same manner as previously conducted, and to the extent consistent therewith, use all commercially reasonable endeavours to preserve the relevant relationships with key lenders and regulators; and
- (iii) save for the Dividend Package, to procure that it and each of its subsidiaries will not alter its capital structure in any way during the period from the date of the Subscription Agreement to the First Closing Date.

The Subscriber undertakes to the Company that it shall not transfer, sell or otherwise dispose of more than 15% of the Conversion Shares it holds in any one calendar month for the three (3) year period commencing on the Issue Date. This undertaking shall not apply to the transfers of Conversion Shares to the Subscriber's affiliates.

(d) Termination of the Subscription Agreement

The Subscriber may, by written notice to the Issuer, terminate the Subscription Agreement at any time prior to the Long Stop Date, in any of the following circumstances:

- (i) if it comes to the Subscriber's notice any breach of, or any event rendering untrue or incorrect any of the representations and warranties of the Company, or any failure in any respect to perform any of the Company's undertakings in the Subscription Agreement;
- (ii) if any of the conditions precedent set out in Section 2.2(b) (save for the conditions precedent set out in (v) and (ix)) above is not satisfied or waived,

provided that if the above are capable of remedy or satisfaction, the Subscriber shall within the notice of termination extend the Company a 14-day grace period to remedy or satisfy them.

Upon termination, the Subscription Agreement shall have no further effect and no party shall have any claim against the other. Termination shall not affect the accrued rights and obligations of the parties at the date of termination nor the continued existence and validity of the rights and obligations of the parties under the surviving provisions as set out in the Subscription Agreement.

3. INFORMATION ON THE SUBSCRIBER

Cosmic Ventures Limited is an investment holding company indirectly owned by Mr. Li Tzar Kai Richard, Executive Chairman of Pacific Century Regional Developments Limited ("**PCRD**"). PCRD is a company listed on the SGX-ST, and has interests in telecommunications and media, financial services and property and infrastructure investment and development, in the Asia-Pacific region.

In addition, the Bonds will not be issued to any of the persons set forth in Rule 812(1) of the SGX-ST Listing Manual.

4. SHARE LENDING AGREEMENT

The Company has also been informed that in connection with the Bond Issue, the Subscriber and ASM Asia Recovery (Master Fund) ("**ARF**") have on 9 January 2014 entered into a share lending agreement (the "**Share Lending Agreement**"), pursuant to which ARF shall lend to the Subscriber such number of Shares equal to the number of Conversion Shares into which the Bonds may be converted from time to time under the Subscription Agreement. ARF is a substantial shareholder of the Company.

5. FINANCIAL EFFECTS

The financial effects of the Bond Issue and the Warrants Issue (together, the “**Fund Raising Exercises**”) set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company following the Fund Raising Exercises. The tables below set out the financial effects of the Fund Raising Exercises based on the following bases and assumptions:-

- (i) the audited consolidated financial statements of the Group for the full year ended 31 December 2012 and the unaudited consolidated financial statements of the Group for the third quarter ended 30 September 2013;
- (ii) the financial impact on the consolidated net tangible assets (“**NTA**”) per Share is computed based on the assumption that the Fund Raising Exercises were completed on 31 December 2012 and 30 September 2013 respectively;
- (iii) the financial impact on the consolidated earnings per Share (“**EPS**”) is computed based on the assumption that the Fund Raising Exercises were completed on 1 January 2012 and 1 January 2013 respectively;
- (iv) the conversion price of the Bonds is computed based on the volume weighted average price of trades done on the SGX-ST for a period of 30 days preceding the date of this Announcement;
- (v) there are no transactions costs arising from the Warrants Issue and Bond Issue;
- (vi) total borrowings is recorded based on fair value of conversion upon the issuance of the Bonds and the accretion effect is ignored; and
- (vii) the Cash Dividend of S\$0.05 per Share for the financial year ending 31 December 2013 has been declared and paid to Entitled Shareholders.

Table 1: Assuming that (i) all Warrants are exercised at the First Exercise Price during the First Exercise Period; and (ii) the Bond Issue refers to the issue of the Basic Subscription Tranche before the exercise of the Subscriber's Option

	Before the Cash Dividend, Warrants Issue and Bond Issue (assuming that there is no change to the Existing Share Capital)		After the Warrants Issue but before the Bond Issue (but before exercise of the Warrants)		After the Warrants Issue but before the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period)		After the Warrants Issue and the Bond Issue, but before exercise of the Warrants and before conversion of the Bonds		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period and after conversion of the Bonds)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
Share capital										
Issued and paid-up share capital (S\$'000)	47,496	47,496	47,496	47,496	947,262	947,262	47,496	47,496	953,027	953,027
Number of Shares	234,314,106	234,314,106	234,314,106	234,314,106	937,256,424	937,256,424	234,314,106	234,314,106	940,971,101	940,971,101
NTA (S\$'000)	91,273	120,788	79,557	109,072	979,323	1,008,838	80,092	109,607	985,623	1,015,138
NTA per share (Singapore cents)	38.95	51.55	33.95	46.55	104.49	107.64	34.18	46.78	104.75	107.88

	Before the Cash Dividend, Warrants Issue and Bond Issue (assuming that there is no change to the Existing Share Capital)		After the Warrants Issue but before the Bond Issue (but before exercise of the Warrants)		After the Warrants Issue but before the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period)		After the Warrants Issue and the Bond Issue, but before exercise of the Warrants and before conversion of the Bonds		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period and after conversion of the Bonds)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
EPS (Singapore cents)	2.83	18.55	2.83	18.55	0.71	4.64	2.83	18.55	0.71	4.62
Gearing										
Total Borrowings (S\$'000)	-	-	-	-	-	-	5,765	5,765	-	-
Shareholders' Funds (S\$'000)	91,273	120,788	79,557	109,072	979,323	1,008,838	80,092	109,607	985,623	1,015,138
Gearing Ratio (times)	-	-	-	-	-	-	0.07	0.05	-	-

Table 2: Assuming that (i) all Warrants are exercised at the First Exercise Price during the First Exercise Period; and (ii) the Bond Issue refers to the issue of both the Basic Subscription Tranche and the Upsize Tranche after the exercise of the Subscriber's Option

	Before the Cash Dividend, Warrants Issue and Bond Issue (assuming that there is no change to the Existing Share Capital)		After the Warrants Issue but before the Bond Issue (but before exercise of the Warrants)		After the Warrants Issue but before the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period)		After the Warrants Issue and the Bond Issue, but before exercise of the Warrants and before conversion of the Bonds		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period and after conversion of the Bonds)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
Share capital										
Issued and paid-up share capital (S\$'000)	47,496	47,496	47,496	47,496	947,262	947,262	47,496	47,496	964,558	964,558
Number of Shares	234,314,106	234,314,106	234,314,106	234,314,106	937,256,424	937,256,424	234,314,106	234,314,106	948,400,456	948,400,456
NTA (S\$'000)	91,273	120,788	79,557	109,072	979,323	1,008,838	81,161	110,676	998,223	1,027,738
NTA per share (Singapore cents)	38.95	51.55	33.95	46.55	104.49	107.64	34.64	47.23	105.25	108.37

	Before the Cash Dividend, Warrants Issue and Bond Issue (assuming that there is no change to the Existing Share Capital)		After the Warrants Issue but before the Bond Issue (but before exercise of the Warrants)		After the Warrants Issue but before the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period)		After the Warrants Issue and the Bond Issue, but before exercise of the Warrants and before conversion of the Bonds		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the First Exercise Price during the First Exercise Period and after conversion of the Bonds)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
EPS (Singapore cents)	2.83	18.55	2.83	18.55	0.71	4.64	2.83	18.55	0.70	4.58
Gearing										
Total Borrowings (S\$'000)	-	-	-	-	-	-	17,296	17,296	-	-
Shareholders' Funds (S\$'000)	91,273	120,788	79,557	109,072	979,323	1,008,838	81,161	110,676	998,223	1,027,738
Gearing Ratio (times)	-	-	-	-	-	-	0.21	0.16	-	-

Table 3: Assuming that all Warrants are exercised at the Second Exercise Price during the Second Exercise Period

	After the Warrants Issue but before the Bond Issue (and assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period)		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period and after conversion of the Basic Subscription Tranche only)		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period and after conversion of the Basic Subscription Tranche and the Upsize Tranche)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
Share capital						
Issued and paid-up share capital (S\$'000)	1,650,204	1,650,204	1,655,969	1,655,969	1,667,500	1,667,500
Number of Shares	937,256,424	937,256,424	940,971,101	940,971,101	948,400,456	948,400,456
NTA (S\$'000)	1,682,265	1,711,780	1,688,565	1,718,080	1,701,165	1,730,680
NTA per share (Singapore cents)	179.49	182.64	179.45	182.59	179.37	182.48
EPS (Singapore cents)	0.71	4.64	0.71	4.62	0.70	4.58
Gearing						
Total Borrowings (S\$'000)	-	-	-	-	-	-

	After the Warrants Issue but before the Bond Issue (and assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period)		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period and after conversion of the Basic Subscription Tranche only)		After the Warrants Issue and the Bond Issue (assuming all Warrants are exercised at the Second Exercise Price during the Second Exercise Period and after conversion of the Basic Subscription Tranche and the Upsize Tranche)	
	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013	As at 31 December 2012	As at 30 September 2013
Shareholders' Funds (\$\$'000)	1,682,265	1,711,780	1,688,565	1,718,080	1,701,165	1,730,680
Gearing Ratio (times)	-	-	-	-	-	-

6. RATIONALE FOR THE BOND ISSUE AND USE OF PROCEEDS

The Board is of the view that the Bond Issue is beneficial to the Group as it will allow the Group to strengthen its cash position and enable the Company to take advantage of any investment opportunities which may arise. In addition, the Bond Issue also offers the Company the opportunity to welcome the Subscriber as a strategic investor, with an option to convert its investment into an equity stake in the Company. Through this Bond issue, the Company and the Subscriber are building on their strategic partnership to explore various options and avenues to further their business co-operation for each other's mutual commercial benefit, including deal sourcing.

As there is no certainty that the Company will see proceeds from conversion of the Warrants in the short term, the Company intends to undertake the Bond Issue to strengthen its cash position during this immediate period and to 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 Bond Issue, in addition to the proceeds from the Warrants Issue will allow the Company to seize larger and more exciting investment opportunities to maximise shareholder returns.

Assuming the exercise of the Subscriber's Option in full, the estimated proceeds of the Bond Issue will be S\$18,900,000. The net proceeds (assuming cost and expenses incurred in relation to the Bond Issue of approximately S\$100,000) is S\$18,800,000.

Pending the deployment of the net proceeds from the Bond 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 after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company is undertaking the Bond Issue to strengthen its financial position.

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

7. APPROVALS

The Bond 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 Conversion Shares on the Official List of the SGX-ST having been obtained; and
- (b) the Internalisation Exercise and the Dividend Package; and
- (c) the Bond Issue having been approved by Shareholders at an extraordinary general meeting to be convened ("**EGM**").

A circular containing, amongst other things, the notice of the EGM and the details of the Bond Issue will be despatched to Shareholders in due course.

8. DOCUMENTS FOR INSPECTION

The Subscription Agreement 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.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and any subsequent announcements made by the Company in relation to the Bond 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 Bond Issue. Save as disclosed, none of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates have any connection (including business relationship) with the Subscriber.

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.

By Order Of The Board
Tham Shook Han
Company Secretary

9 January 2014