

**KOH BROTHERS ECO ENGINEERING LIMITED**  
(Company Registration No. 197500111H)  
(Incorporated in the Republic of Singapore)

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**UPDATE ON THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Company's announcement dated 15 May 2017 ("Announcement") in relation to the Proposed Rights cum Warrants Issue.*

**1. INTRODUCTION**

- 1.1. The board of directors ("**Board**") of Koh Brothers Eco Engineering Limited ("**Company**") and together with its subsidiaries, the "**Group**") refers to the announcement made on 15 May 2017 in relation to the Proposed Rights cum Warrants Issue.
- 1.2. The Board wishes to update the shareholders of the Company on the following proposed changes in respect of the Warrants Issue:

(a) Amendment of Exercise Period

The Warrants will be exercisable during the exercise period, which shall be from and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the **4<sup>th</sup> (fourth) anniversary** of the date of issue of the Warrants unless such date is a date on which the register of members and/or register of warrant holders of the Company is/are closed or is not a market day, in which event the Warrants shall expire on the date prior to the closure of the register of members and/or register of warrant holders of the Company or on the immediately preceding market day, as the case may be (but excluding such period(s) during which the register of members and/or the register of warrant holders of the Company may be closed) (the "**Exercise Period**"). The Warrants which have not been exercised at the end of the Exercise Period shall lapse and cease to be valid for any purpose.

(b) Amendment of Exercise Price

The exercise price is proposed to be tiered at the following rates:

- (i) S\$0.09 per Warrant during the period from and including the date of issue of the Warrants and up to the date immediately preceding the 2<sup>nd</sup> (second) anniversary of the date of issue of the Warrants (the "**1<sup>st</sup> Tranche Exercise Period**");
- (ii) S\$0.10 per Warrant during the period from and including the date of the 2<sup>nd</sup> (second) anniversary of the date of issue of the Warrants and up to the date immediately preceding the 3<sup>rd</sup> (third) anniversary of the date of issue of the Warrants (the "**2<sup>nd</sup> Tranche Exercise Period**"); and
- (iii) S\$0.11 per Warrant during the period from and including the date of the 3<sup>rd</sup> (third) anniversary of the date of issue of the Warrants and up to the date immediately preceding the 4<sup>th</sup> anniversary of the date of issue of the Warrants (the "**3<sup>rd</sup> Tranche Exercise Period**").

The tiered exercise prices as set out above (the “**Exercise Prices**”) represent a premium of approximately 11%, 23% and 36% respectively to the last transacted price of S\$0.081 per Share on the Catalist on 12 June 2017, being the last full trading day of the Shares immediately preceding this Announcement.

- 1.3. Save for the changes to the Exercise Period and the Exercise Prices as stated above, there are no changes to the structure or other terms of the Proposed Rights cum Warrants Issue.
- 1.4. In relation to the tiered pricing and the changes in the Exercise Prices during the Exercise Period, the Company will make the relevant announcements and notices will be sent to all holders of the Warrants at least one (1) month before expiry of each of the 1<sup>st</sup> Tranche Exercise Period and the 2<sup>nd</sup> Tranche Exercise Period respectively. Also, an announcement on the expiry of the Warrants will be made and a notice will be sent to all holders of the Warrants at least one (1) month before the expiry of the Exercise Period.

## **2. RATIONALE**

- 2.1 The Company believes that the revised Exercise Period and Exercise Prices will provide a stronger impetus for existing Shareholders who are confident of the future prospects of the Company to subscribe for additional Shares at a faster rate. Shareholders who wish to exercise their Warrants (if any) will now be able to subscribe for the New Shares at a lower price during the 1<sup>st</sup> Tranche Exercise Period than as previously announced on 15 May 2017. As such, the Company may also be able to receive the requisite funds earlier, which will enhance the Group’s financial position and provide the Group with greater financial capacity to pursue business opportunities.
- 2.2 Through the tiered pricing of the Exercise Prices, Warrant holders who exercise their Warrants earlier will also benefit from the lower Exercise Prices.

## **3. PROCEEDS ARISING FROM THE EXERCISE OF THE WARRANTS**

- 3.1. Taking into account the revised Exercise Prices of the Warrants and on the assumption that:
  - (a) (i) none of the Shareholders except for the Undertaking Shareholder subscribe for the Rights Shares with Warrants under the Proposed Rights cum Warrants Issue; and (ii) the Undertaking Shareholder subscribes for the Right Shares with Warrants under the Proposed Rights cum Warrants Issue pursuant to the Irrevocable Undertaking (the “**Minimum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$10,622,000 (if none of the Warrants are exercised) and S\$28,003,000 (if all of the Warrants are exercised during the 1<sup>st</sup> Tranche Exercise Period) from the Proposed Rights cum Warrants Issue; and
  - (b) all Shareholders subscribe for their respective pro rata entitlements to Rights Shares under the Proposed Rights cum Warrants Issue (the “**Maximum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$16,446,000 (if none of the Warrants are exercised) and S\$49,338,000 (if all the Warrants are exercised during the 3<sup>rd</sup> Tranche Exercise Period) from the Proposed Rights cum Warrants Issue.
- 3.2. Save for the changes to the amount of net proceeds approximated to arise from the exercise of the Warrants, there are no changes to the use of proceeds as previously set out in the Announcement.

#### **4. APPROVAL**

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

- (a) the receipt by the Company of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the Catalist; and
- (b) the lodgment of the OIS with the SGX-ST, acting as an agent on behalf of the Authority.

An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Catalist. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Rights Shares, the Warrants and the New Shares from the SGX-ST.

#### **5. IRREVOCABLE UNDERTAKING**

As an indication of its support and commitment to the Company, the Undertaking Shareholder has confirmed that it continues to intend to provide the Irrevocable Undertaking on the same terms as set out in the Announcement.

#### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Rights cum Warrants Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

#### **7. FURTHER ANNOUNCEMENTS**

The Company will make further announcements in relation to the Proposed Rights cum Warrants Issue when appropriate or necessary.

BY ORDER OF THE BOARD

**KOH KENG SIANG**

Non-Executive and Non-Independent Chairman

13 June 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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