

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

1. Introduction

- 1.1 The board of directors (the **"Board"**) of F J Benjamin Holdings Ltd (the **"Company"**) wishes to announce that the Company is proposing a renounceable non-underwritten rights cum warrants issue of up to 341,225,914 new ordinary shares in the capital of the Company (the **"Rights Shares"**) at an issue price of S\$0.035 for each Rights Share (the **"Issue Price"**), with up to 682,451,828 free detachable warrants (the **"Warrants"**), each Warrant carrying the right to subscribe for one (1) new ordinary share in the Company (the **"Warrant Share"**) at the Exercise Price (as defined below) for each Warrant Share, on the basis of three (3) Rights Shares for every five (5) ordinary shares in the capital of the Company (**"Shares"**) held by each shareholder of the Company (**"Shareholder"**) (the **"Rights Issue"**) and two (2) Warrants for every one (1) Rights Share validly subscribed (the **"Warrants Issue"**) as at a time and date to be determined by the directors of the Company (**"Directors"**), at and on which the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares with Warrants of the Entitled Shareholders (as defined below) (the **"Books Closure Date"**), fractional entitlements to be disregarded.
- 1.2 The Rights Issue and the Warrants Issue shall be referred to as the **"Rights cum Warrants Issue"**.
- 1.3 The Company will be seeking approval from the Shareholders for, among others, the allotment and issue of the Rights Shares, the Warrants and the Warrant Shares at an extraordinary general meeting of the Company to be convened (**"EGM"**) as the allotment and issue of the Rights Shares, the Warrants and the Warrant Shares pursuant to the Rights cum Warrants Issue exceeds the limits set under the current general share issue mandate of the Company approved by the Shareholders in the annual general meeting of the Company held earlier on 27 October 2016. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Rights cum Warrants Issue (the **"Circular"**), together with the notice of the EGM, will be despatched to the Shareholders in due course.

2. Proposed Principal Terms of the Rights cum Warrants Issue

- 2.1 Pursuant to the Rights cum Warrants Issue:
- (a) up to 341,225,914 Rights Shares will be offered at the Issue Price, on the basis of three (3) Rights Shares for every five (5) Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded; and
 - (b) up to 682,451,828 Warrants will be offered at the Exercise Price (as defined below), on the basis of two (2) Warrants for every one (1) Rights Share subscribed. Each Warrant carries the right to subscribe for one (1) Warrant Share.
- 2.2 Based on the Company's 568,709,857 issued Shares as at the date of this announcement and assuming no new Shares are issued on or prior to the Books Closure Date and all

Entitled Shareholders (as defined below) subscribe in full and pay for their *pro rata* entitlements of Rights Shares with Warrants and subsequently exercise all the Warrants, the Company will issue 341,225,914 Rights Shares with 682,451,828 Warrants and 682,451,828 Warrant Shares under the Rights cum Warrants Issue. The Rights cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

3. The Rights Issue

- 3.1 Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline, or otherwise renounce or (in the case of Entitled Depositors (as defined below) only) trade their provisional allotments of Rights Shares with Warrants on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.
- 3.2 Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ (as defined below) provisional allotments of Rights Shares with Warrants and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.
- 3.3 In the allotment of excess Rights Shares with Warrants not subscribed for in the Rights cum Warrants Issue (“**Excess Rights Shares with Warrants**”), preference will be given to the Entitled Shareholders (as defined below) for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will not make any allotment and issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- 3.4 The Rights Shares with Warrants will be payable in full upon acceptance and/or application by Entitled Shareholders (as defined below). The Rights Shares with Warrants, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares or Warrant Shares (as the case may be). For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
- 3.5 The Issue Price is proposed to be S\$0.035 for each Rights Share. The Issue Price represents a discount of approximately:
- (a) approximately 22.2% to the last transaction price of S\$0.045 per Share on the Mainboard of the SGX-ST on 17 October 2017, being the last full trading day of the Shares immediately preceding this announcement; and
 - (b) approximately 15.15% to the theoretical ex-rights price of approximately S\$0.04125 per Share.

Note:

The theoretical ex-rights trading price is the theoretical market price of each Share (before the exercise of the Warrants) assuming the maximum 341,225,914 Rights Shares are issued pursuant to the Rights cum Warrants Issue, and is computed based on the last transacted price of S\$0.045 per Share on the Mainboard of the SGX-ST on 17 October 2017, being the last full trading day of the Shares immediately preceding this announcement.

4. The Warrants Issue

- 4.1 The Company also proposes to issue two (2) Warrants for every one (1) Rights Share validly subscribed for no consideration receivable by the Company. The exercise price ("**Exercise Price**") of each Warrant shall be S\$0.04 per Warrant.
- 4.2 The terms and conditions governing the Warrants will be set out in an instrument by way of a deed poll ("**Deed Poll**") and, subject to the terms therein, each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price during the exercise period, which shall commence from and including the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the third (3rd) 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 relevant Exercise Periods shall lapse and cease to be valid for any purpose.
- 4.3 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. After the issue of the Warrants, in the event of any material alteration to the terms of Warrants to the advantage of the holders of the Warrants, approval by Shareholders for such alteration(s), except where the alterations are made pursuant to the terms of the issue of the Warrants, shall be sought.
- 4.4 The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form, subject to the terms and conditions to be set forth in the Deed Poll. The Warrants will be listed and traded separately on the SGX-ST under the book entry (scripless) settlement system. The listing of and quotation for the Warrants on the Mainboard of the SGX-ST, if approved, is expected to be subject to there being a sufficient spread of holdings for the Warrants to provide an orderly market for the Warrants. Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.
- 4.5 The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions. The Exercise Price and/or the number of Warrants to be held by each warrant holder will, after their issue, be subject to adjustments under certain circumstances (such circumstances will be set out in the Deed Poll) and appropriate announcements on the adjustments will be made by the Company.
- 4.6 Subject to the Deed Poll, the Exercise Price as stated above for the Warrants, represent a discount of approximately 11.1% to the last transacted price of S\$0.045 per Share on the Mainboard of the SGX-ST on 17 October 2017, being the last full trading day of the Shares immediately preceding this announcement.
- 4.7 The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights cum Warrants Issue including procedures, acceptances and renunciations of applications for the Rights Shares with Warrants will be contained in the offer information statement ("**OIS**") to be lodged with the Monetary Authority of Singapore ("**MAS**") and to be despatched by the Company to Entitled Shareholders (as defined below) in due course.

- 4.8 In the reasonable opinion of the Directors, and in view of the Irrevocable Undertakings (as defined below), there is no minimum amount which must be raised from the Rights cum Warrants Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not necessary for the Rights cum Warrants Issue to be underwritten by a financial institution.
- 4.9 The Undertaking Shareholders (as defined below) have undertaken to subscribe for and pay in full for and/or procure the subscription and payment in full for the Undertaking Shareholders' *pro rata* entitlements to the Rights Shares with Warrants under the Rights cum Warrants Issue in relation to Shares held by the Undertaking Shareholders as at the Books Closure Date subject to the approval of the Independent Shareholders (as defined below) of the Whitewash Resolution (as defined below) at the EGM. Please refer to paragraphs 8 and 9 of this announcement for further details.

5. Rationale for the Rights cum Warrants Issue

- 5.1 The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Company, together with its subsidiaries (collectively, the "**Group**"). In view of the current financial circumstances, the Company believes that the Proposed Rights cum Warrants Issue will strengthen the Company's balance sheet and a stronger financial position will also allow the Group to seize opportunities for business growth through acquisition opportunities and expansion into other business areas in a timely manner and as and when the opportunities arise.
- 5.2 In addition, the Rights cum Warrants Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to subscribe for additional Shares.

6. Use of Proceeds

- 6.1 On the assumption that:
- (a) (i) none of the Shareholders except for the Undertaking Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares with Warrants under the Rights cum Warrants Issue and (ii) the Undertaking Shareholders subscribe for the Rights Shares with Warrants under the Rights cum Warrants Issue pursuant to the Irrevocable Undertakings (the "**Minimum Subscription Scenario**"), the Company expects to receive gross proceeds of approximately S\$11,942,907 in aggregate (if none of the Warrants are exercised) and approximately S\$39,240,980 in aggregate (if all of the Warrants are exercised) from the Rights cum Warrants Issue, and net proceeds of approximately S\$7,817,907 in aggregate (if none of the Warrants are exercised) and S\$35,115,980 (if all of the Warrants are exercised), after accounting for the conversion into equity of certain debts¹ owing by the Company and its subsidiaries (the "**Conversion**") and deducting the estimated expenses to be incurred in relation to the Rights cum Warrants Issue of approximately S\$300,000 (the "**Expenses**"); and
 - (b) all Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares under the Rights cum Warrants Issue (the "**Maximum Subscription Scenario**"), the Company expects to receive gross proceeds of approximately S\$11,942,907 in aggregate (if none of the Warrants are exercised) and approximately S\$39,240,980 in aggregate (if all of the Warrants are exercised) from the Rights cum Warrants Issue, and net proceeds of approximately S\$7,817,907 in aggregate (if none of the Warrants are exercised) and S\$35,115,980 (if all of the Warrants are exercised), after accounting after accounting for the Conversion and deducting the Expenses.

¹ These refer to the loans due to the Benjamin Family (as defined below) and Raffles (as defined below) of the aggregate amount of S\$3,825,000, as disclosed in the Company's Annual Report 2016/2017.

- 6.2 The Company intends to use the net proceeds from the Rights cum Warrants Issue in the following manner:
- (a) approximately 50% to support the expansion of the Group's business activities; and
 - (b) approximately 50% for general corporate purposes including general working capital, including but not limited to funding of new projects, capital improvements and making strategic investments and/or acquisitions.
- 6.3 As and when there is any significant disbursement of the proceeds raised from the Rights cum Warrants Issue, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with details on how the proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason(s) for such deviation.
- 6.4 Pending the deployment of the proceeds for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments, corporate financing or loans or for any other purposes on a short-term basis as the Directors may deem fit.

7. Eligibility to Participate in the Rights cum Warrants Issue

- 7.1 The Company proposes to provisionally allot Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights cum Warrants Issue on the basis of their shareholdings in the Company as at the Books Closure Date ("**Entitled Shareholders**"). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (both as defined below).
- 7.2 "**Entitled Depositors**" are Entitled Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided CDP, at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 139589, with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Books Closure Date.
- 7.3 "**Entitled Scripholders**" are Entitled Shareholders whose share certificates are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd. ("**Share Registrar**") valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Share Registrar as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided the Share Registrar, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, with a registered address in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) market days prior to the Books Closure Date.

7.4 CPF Investment Scheme

Shareholders who have previously purchased Shares using their Central Provident Fund ("**CPF**") account savings ("**CPF Funds**") under the Central Provident Fund Investment Scheme ("**CPFIS**"):

- (a) should note that CPF Funds cannot be used to purchase shares of issuers on the SGX-ST watch-list with effect from 1 March 2016. The Company was placed on the SGX-ST watch-list under the financial criteria and MTP criteria on 5 December 2016 and 5 June 2017 respectively;

- (b) and who wish to accept provisional allotments of the Rights Shares with Warrants or apply for Excess Rights Shares with Warrants will need to contact their respective approved CPF agent banks with whom they hold their CPF investment accounts on how they may do so; and
- (c) may not use their CPF Funds to purchase provisional allotments of nil-paid Rights Shares with Warrants directly from the market.

7.5 Foreign Shareholders

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and the OIS and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

8. Irrevocable Undertakings

- 8.1 As at the date of this announcement, the number of Shares and the percentage proportion in the issued Shares of the Benjamin Family (as defined below), Lim Eng Hock and Raffles (as defined below) ("**Undertaking Shareholders**") are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Frank J Benjamin, Eli Manasseh Benjamin, Segulah Pte Ltd, Douglas Benjamin, Samuel Benjamin and Ben-Judah Benjamin (collectively, the " Benjamin Family ")	56,613,050	9.96	99,134,900	17.43
Lim Eng Hock	65,000,000	11.43	35,641,000	6.27
Raffles Investments Limited (" Raffles ")	62,280,000	10.95	-	-

Note:

- (1) Based on the existing issued and paid-up share capital of the Company as at the date of this announcement.

- 8.2 As an indication of their support and commitment to the Company and the Rights cum Warrants Issue, the Undertaking Shareholders have entered into undertakings with the Company ("**Irrevocable Undertakings**") pursuant to which each Undertaking Shareholder has, subject to certain conditions, irrevocably undertaken to the Company that, among others:

- (a) as at the Books Closure Date, the direct interest and deemed interest of the relevant Undertaking Shareholder in the Shares will not be less than the direct interest and deemed interest of such Undertaking Shareholder in the Shares on the date of the respective Irrevocable Undertaking, and such Shares shall be held by the relevant Undertaking Shareholder free from any mortgages, liens, charges, pledges, options, debentures, assignments, title retention, security interest, encumbrances, claims and

other equities or third party rights (including rights of pre-emption) of any nature whatsoever;²

- (b) save except for Raffles, take up all Excess Rights Shares with Warrants *pro rata* to the relative shareholdings between Benjamin Family and Lim Eng Hock, on the basis that Benjamin Family and Lim Eng Hock will rank last³ in priority in the allotment of Excess Rights Shares with Warrants which have not been taken up by the other Shareholders;
- (c) it will, not later than the last day for acceptance and payment of the Rights Shares with Warrants and subject to the approval of the Independent Shareholders (as defined below) of the Whitewash Resolution (as defined below), subscribe for and pay in full for and/or procure the subscription of and payment in full for:
 - (i) its *pro rata* entitlement to the Rights Shares with Warrants in relation to the Shares held by him as at the Books Closure Date ("**Rights Shares with Warrants Entitlement**"); and
 - (ii) all Excess Rights Shares with Warrants that it will be taking up, in accordance with paragraph 8(b) above,

in compliance with the terms and conditions of the Rights cum Warrants Issue; and

- (d) it will vote and/or procure the voting of all its Shares in favour of the Rights cum Warrants Issue at the EGM (including an adjournment thereof) to approve, among others, the Rights cum Warrants Issue, the issue of the Rights Shares, the Warrants and the Warrant Shares, and any other matter necessary or proposed to implement or assist the implementation of the Rights cum Warrants Issue;

8.3 Each Undertaking Shareholder shall procure confirmations from its relevant financial institutions that it has sufficient financial resources to fulfil its obligations under its respective Irrevocable Undertaking.

8.4 The Company and each of Benjamin Family and Raffles have agreed that a portion of the subscription monies payable by each of them for its Rights Shares with Warrants Entitlement and the Excess Rights Shares with Warrants, if applicable, shall be offset fully against the amount due to each of them as a result of the Conversion. Accordingly, each of Benjamin Family and Raffles will only be providing a confirmation of financial resources in connection with its respective Irrevocable Undertaking to the Company for the remaining balance of the subscription monies which are not set off against the entire amount due to it as a result of the Conversion.

8.5 The Irrevocable Undertakings are conditional upon, among others, the following:

- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company, and such approval not having been withdrawn or revoked on or prior to the date of completion of the Rights cum Warrants Issue;

² Save except for the existing pledge over 7,000,000 Shares by Eli Manasseh Benjamin in favour of UOB Kay Hian Pte Ltd.

³ Please see paragraph 3.3. Frank J Benjamin is the Non-Executive Chairman of the Company, Eli Manasseh Benjamin is the Chief Executive Officer of the Company, Douglas Benjamin is a Director and Chief Operating Officer of the Company, Samuel Benjamin and Ben-Judah Benjamin are executives of the Company. The shareholder of Segulah Pte Ltd is DBS Trustee Limited (acting as trustee of the Frank and Mavis Benjamin Trust), which is a trust set up by Frank J Benjamin for the benefit of his wife and children. The director of the Segulah Pte Ltd is Kendrick Services Limited, a company incorporated and existing under the laws of the British Virgin Islands.

- (b) the Whitewash Waiver (as defined below) being granted by the Securities Industry Council ("**SIC**");
- (c) the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrant Shares being approved by Shareholders at the EGM; and
- (d) the Whitewash Resolution (as defined below) being approved by the Independent Shareholders (as defined below) at the EGM.

9. Waiver of Mandatory Takeover

- 9.1 Assuming the Maximum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholders after the close of the Rights cum Warrants Issue will remain unchanged.
- 9.2 Assuming the Minimum Subscription Scenario, pursuant to which Raffles will subscribe to 37,368,000 Rights Shares with Warrants and the Benjamin Family and Lim Eng Hock will subscribe to a maximum of 303,857,914 Rights Shares with Warrants, the aggregate voting rights of the Benjamin Family and Lim Eng Hock will increase from approximately 27.39% and 17.7% respectively to approximately 37.4% and 24.2% respectively immediately following the allotment and issue of such Rights Shares with Warrants and 44.6% and 28.8% respectively upon the full exercise of all 682,451,828 Warrants by Raffles, the Benjamin Family and Lim Eng Hock. In the event that either Raffles or the Benjamin Family do not fully exercise their Warrants, the aggregate voting rights of Lim Eng Hock may exceed 30%.
- 9.3 Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (the "**Code**"), where (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30% or more of the voting rights in the Company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control ("**Mandatory Offer**").
- 9.4 Accordingly, the fulfilment by the Benjamin Family and Lim Eng Hock of their obligations under the Irrevocable Undertakings and subscription for the Rights Shares with Warrants and Excess Rights Shares with Warrants, if applicable, in connection with the Rights cum Warrants Issue may result in the Benjamin Family and/or Lim Eng Hock acquiring 30% or more of the voting rights of the Company. In such event, the Benjamin Family and/or Lim Eng Hock, as the case may be, and parties acting in concert with it/them would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless the approval of a resolution ("**Whitewash Resolution**") for the waiver of the rights of the independent shareholders (being Shareholders other than the Benjamin Family and/or Lim Eng Hock, as the case may be, and parties acting in concert with it/them) ("**Independent Shareholders**") to receive the Mandatory Offer for the Company from the Benjamin Family and/or Lim Eng Hock, as the case may be, and parties acting in concert with it/them is obtained from the Independent Shareholders.
- 9.5 In view of the above, an application will be made to the SIC for, among others, a waiver of the obligations of the Benjamin Family and Lim Eng Hock, and the parties acting in concert with them to make the Mandatory Offer as a result of the subscription of Rights Shares with Warrants pursuant to the Rights cum Warrants Issue and the Irrevocable Undertakings (the "**Whitewash Waiver**").
- 9.6 The Company will appoint an independent financial adviser ("**IFA**") to advise the Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Whitewash Resolution for their approval at the EGM. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Circular.

9.7 Upon receipt of the SIC's ruling on the Whitewash Waiver, the Company shall immediately make the relevant announcements.

10. Approvals

10.1 Shareholders should note that the Rights cum Warrants Issue is subject to, among others, the following conditions:

- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST and if such approval is granted to subject to conditions, such conditions being acceptable to the Company, and such approval not having been withdrawn or revoked on or prior to the date of completion of the Rights cum Warrants Issue;
- (b) the SIC having granted the Whitewash Waiver and such waiver not having been withdrawn or revoked up to the date of completion of the Rights cum Warrants Issue;
- (c) the Rights cum Warrants Issue, the issue of the Rights Shares with Warrants and the Warrant Shares being approved by Shareholders at the EGM;
- (d) the Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
- (e) the lodgement of the OIS with the MAS;
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the date of completion of the Rights cum Warrants Issue.

10.2 An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the approval in-principle for the Rights Shares, the Warrants and the Warrant Shares from the SGX-ST.

11. Interests of Directors and Substantial Shareholders

Save as disclosed herein, neither the Directors nor any substantial Shareholder has any interest, whether direct or indirect, in the Rights cum Warrants Issue other than through his shareholdings in the Company (if any).

12. Trading Caution

Shareholders and potential investors are advised to exercise caution in trading in the Company's Shares as there is no certainty or assurance that the proposed Rights cum Warrants Issue will materialise. Shareholders and investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
23 October 2017