

**VIBROPOWER CORPORATION LIMITED**  
(Company Registration Number: 200004436E)  
(Incorporated in the Republic of Singapore)

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**

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**1. INTRODUCTION**

**1.1 Proposed Rights cum Warrants Issue**

The board of directors ("**Board**" or "**Directors**") of VibroPower Corporation Limited ("**Company**" and, together with its subsidiaries, "**Group**") wishes to announce that the Company proposes to undertake a renounceable non-underwritten rights cum warrants issue ("**Proposed Rights cum Warrants Issue**").

The Rights cum Warrants Issue is proposed to be offered to the Entitled Shareholders (as defined herein) on the basis of one (1) rights share ("**Rights Share**") with one (1) free detachable and transferable warrant ("**Warrant**") for every two (2) existing ordinary shares ("**Shares**") in the share capital of the Company held by the Entitled Shareholders (as defined herein) as at the Books Closure Date (as defined herein), fractional entitlements to be disregarded.

The Proposed Rights cum Warrants Issue is subject to the approval of the Company's shareholders ("**Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened by the Company in due course.

**2. PRINCIPAL TERMS OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE**

The terms and conditions of the Proposed Rights cum Warrants Issue may be subject to such changes as the Directors may, in its absolute discretion, deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the offer information statement (the "**Offer Information Statement**") and its accompanying documents to be lodged with the Monetary Authority of Singapore (the "**MAS**") in connection with the Proposed Rights cum Warrants Issue and to be despatched by the Company to the Entitled Shareholders (as defined below) in due course. The principal terms and conditions of the Proposed Rights cum Warrants Issue are summarised below.

**(i) Basis**

The Proposed Rights cum Warrants Issue will be made on a renounceable non-underwritten basis to all Shareholders who are eligible to participate in the Rights cum Warrants Issue (the "**Entitled Shareholders**") on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing Shares held by the Entitled Shareholders as at a time and date to be determined by the Board for the purposes of determining Shareholder's entitlements under the Proposed Rights cum Warrants Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

**(ii) Size**

Based on the Company's issued share capital of 35,950,856 Shares (excluding 1,076,800 treasury shares) ("**Existing Issued Share Capital**") as at the date of this announcement, the Company is proposing to issue up to 17,975,428 Rights Shares

with 17,975,428 Warrants pursuant to the Proposed Rights cum Warrants. As at the date of this announcement, the Company has no outstanding convertible securities.

(iii) **Price**

The Rights Shares will be issued at S\$0.10 for each Rights Share (the "**Rights Issue Price**"), and the Warrants will be issued free.

Each Warrant will entitle the holder to subscribe for one (1) new ordinary share (the "**New Share**") in the share capital of the Company, at an exercise price of S\$0.10 for each New Share (the "**Warrant Exercise Price**") at any time during the period commencing on and including the date of issue of the Warrants and expiring on the day immediately preceding the fifth (5th) anniversary of such date of issue ("**Exercise Period**") and Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any and all purposes, subject to the terms and conditions of the Warrants as set out in a deed poll (the "**Deed Poll**") to be executed by the Company for the purposes of constituting the Warrants. The Warrants are detachable and are intended to be listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), subject to, among others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

The Warrant Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

The Company shall, not later than one (1) month before the expiry of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

The Rights Issue Price of S\$0.10 per Rights Share and the Warrant Exercise Price of S\$0.10 for each New Share represent:

- (a) a discount of approximately 10.71% to the closing price of S\$0.112 per Share ("**Closing Price**") on the Official List of the SGX-ST on 26 August 2019, being the last full Market Day (as defined herein) on which the Shares were traded on the Official List of the SGX-ST immediately preceding this announcement; and
- (b) represents a discount of approximately 7.41% to the theoretical ex-rights price<sup>1</sup> of S\$0.108 per Share.

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<sup>1</sup> The theoretical ex-rights price is the theoretical market price of each Share assuming all the Rights Shares are issued at the Rights Issue Price, and is calculated based on the Closing Price, and the number of Shares following completion of the Proposed Rights cum Warrants Issue. For the avoidance of doubt, the theoretical ex-rights price computations do not include the New Shares to be issued from the exercise of the Warrants.

(iv) **Ranking**

The Rights Shares and the New Shares are payable in full upon acceptance and/or application and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of allotment and issue of the Rights Shares or the New Shares.

(v) **Option to scale down**

Depending on the level of subscription for the Rights Shares, the Company will, if necessary and upon approval of the SGX-ST, scale down the subscription and/or the excess applications by any Shareholder under the Proposed Rights cum Warrants Issue to:-

- (i) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual of the SGX-ST, unless prior approval of Shareholders is obtained in a general meeting; or
- (ii) avoid placing the relevant Shareholder and parties acting in concert with him (as defined in The Singapore Take-over Code of Takeovers and Mergers (the "**Code**")) in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlements fully.

For the avoidance of doubt, the option to scale down referred to in this Paragraph 2(v) shall not apply to the Undertaking Shareholders' acceptance and/or applications to subscribe for the Rights Shares (including excess Rights Shares) pursuant to the Irrevocable Undertakings (as defined herein).

(vi) **Eligibility of Shareholders to Participate in the Proposed Rights cum Warrants Issue**

The Company proposes to provisionally allot the Rights Shares with Warrants to the Entitled Shareholders, comprising the Entitled Depositors and the Entitled Scripholders (both as defined below). Entitled Shareholders will be entitled to participate in the Proposed Rights cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of The Central Depository (Pte) Limited (the "**CDP**") or the Share Registrar (as defined herein), as the case may be.

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) market days (a "**Market Day**" being a day on which the SGX-ST is open for securities trading) prior to the Books Closure Date provided CDP with addresses in Singapore for the service of notices and documents ("**Entitled Depositors**").

Entitled Scripholders are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company's share registrar, Boardroom

Corporate & Advisory Services Pte. Ltd. (“**Share Registrar**”) valid transfers of their Shares and the share certificates relating thereto for registration up to 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date provided the Share Registrar with addresses in Singapore for the service of notices and documents (“**Entitled Scripholders**”).

(vii) **Acceptance, Excess Application and Payment Procedures**

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares with Warrants and will also be eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Proposed Rights cum Warrants Issue.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ 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, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Listing Manual.

In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled Shareholders for rounding of odd lots, and 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 Proposed Rights cum Warrants Issue, or have 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 also not make any allotment and issue of any 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.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

(viii) **Trading of Odd Lots**

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Rights Shares will comprise 100 Shares. Following the Proposed Rights cum Warrants Issue, Shareholders who hold odd lots of Shares and who wish to trade in odd lots are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market of the SGX-ST.

The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading

of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

(ix) **SGX-ST Watch-List**

The Company was placed on the SGX-ST Watch-List under the minimum trading price ("**MTP**") entry criteria on 5 June 2017.

The Company must take active steps to meet the requirements of Rule 1314(2) of the listing manual of the SGX-ST ("**Listing Manual**") within 36 months from 5 June 2017, failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

Rule 1314(2) of the Listing Manual states that the Company will be assessed by the SGX-ST for removal from the MTP watch-list if it records a volume-weighted average price of at least S\$0.20 and an average daily market capitalization of S\$40 million or more over the last 6 months ("**MTP Exit Criteria**").

The Board continues to make all efforts and consider various options available to the Company to meet the MTP Exit Criteria and will update the Shareholders as and when appropriate. The Company will continue to comply with its obligations under Rule 1313(2) of the Listing Manual to provide the Shareholders with quarterly update on its efforts and the progress made in meeting the MTP Exit Criteria.

**3. SHAREHOLDERS' COMMITMENT TO THE PROPOSED RIGHTS CUM WARRANTS ISSUE**

3.1 **Undertaking Shareholders.** As at the date of this announcement, the shareholdings of Benedict Chen Onn Meng ("**Benedict Chen**") and Chen Siew Meng ("**CSM**") (together, the "**Undertaking Shareholders**") are as follows:

- (a) Benedict Chen holds 8,087,720 Shares representing approximately 22.50% of the Existing Issued Share Capital; and
- (b) CSM holds 1,554,200 Shares representing approximately 4.32% of the Existing Issued Share Capital.

3.2 **Irrevocable Undertakings.** To show their support for the Proposed Rights cum Warrants Issue, the Undertaking Shareholders have provided the Company with irrevocable undertakings (collectively, the "**Irrevocable Undertakings**" and each an "**Irrevocable Undertakings**") that:

- (a) in the case of Benedict Chen,
  - (i) he will, by way of acceptance, subscribe and pay in full for all his pro-rata entitlements of 4,043,860 Rights Shares with 4,043,860 Warrants based on his existing shareholding (the aggregate value of which is S\$404,386 based on the Rights Issue Price); and
  - (ii) he will, by way of excess application, subscribe and pay in full for all excess Rights Shares with Warrants which are not taken up by the other Entitled Shareholders who are eligible to participate in the Proposed Rights cum

Warrants Issue or their renounees by way of acceptances and/or excess applications (subject to availability) (the aggregate number of rights shares of which is up to 13,154,468 Rights Shares, equivalent to the value of up to S\$1,315,446.80 based on the Rights Issue Price), on the basis that he will rank last in priority in the rounding of odd lots and allotment of excess Rights Shares with Warrants which are not taken up by other Entitled Shareholders.

- (b) in the case of CSM, he will, by way of acceptance, subscribe and pay in full for all his pro-rata entitlements of 777,100 Rights Shares with 777,100 Warrants based on his existing shareholding (the aggregate value of which is S\$77,710 based on the Rights Issue Price);
- (c) each of them will not sell, transfer or otherwise deal with any of the Shares that he owned or controlled as at the date of the Irrevocable Undertakings, during the period commencing from the date of Irrevocable Undertakings and ending on the completion of the Proposed Rights cum Warrants Issue; and
- (d) each of them will vote all his Shares in favour of the Proposed Rights cum Warrants Issue at the EGM.

3.3 **Confirmation of Financial Resources.** Benedict Chen Onn Meng has provided a confirmation from a financial institution that he has sufficient financial resources to fulfil his Irrevocable Undertaking.

The Company had received S\$77,710 from Chen Siew Meng as prepayment in respect of the amounts payable by him for the Rights Shares with Warrants subscribed and/or applied pursuant to his Irrevocable Undertaking.

3.4 **Conditions.** The Undertaking Shareholders' obligations under the Irrevocable Undertakings are subject to and conditional upon, *inter alia*, the following:

- (a) the whitewash waiver ("**Whitewash Waiver**") having been granted by the Securities Industry Council of the requirement on the part of the Undertaking Shareholders and their concert parties (collectively, the "**Concert Party Group**") to make a mandatory general offer for all the Shares not already owned or controlled by them as a result of (i) the Undertaking Shareholders subscribing for their *pro-rata* entitlement of the Rights Shares with Warrants pursuant to the Irrevocable Undertakings; (ii) Benedict Chen subscribing for excess Rights Shares pursuant to his Irrevocable Undertaking; and/or (iii) the Undertaking Shareholders exercising their Warrants in respect of the Rights Shares with Warrants acquired and the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue;
- (b) approval having been obtained from the Shareholders at a general meeting for (i) the Proposed Rights cum Warrants Issue, including the allotment and issue of the Rights Shares, the Warrants and the New Shares; (ii) the proposed whitewash resolution for waiver of the rights of the independent shareholders of the Company to receive a general offer from the Concert Party Group for all the Shares not already owned or controlled by them as a result of the Proposed Rights cum Warrants Issue and subsequently, the exercise of the Warrants;
- (c) the approval in-principle ("**AIP**") having been granted by the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST, and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue (other than in a case where the AIP for the listing of and quotation for the Warrants is revoked due to

insufficient number of holders) and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;

- (d) all conditions of the Whitewash Waiver and the AIP having been complied with;
- (e) all other necessary consents, approval and waivers 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 Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights cum Warrants Issue; and
- (f) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Proposed Rights cum Warrants Issue with the MAS.

3.5 The Undertaking Shareholders confirm that they have not been offered additional terms or benefits in connection with the giving of the Irrevocable Undertakings.

3.6 **Non-Underwritten Rights Issue.** In light of the Irrevocable Undertakings, the savings in costs by the Company in respect of underwriting fees and commission, and there being no minimum amount to be raised from the Proposed Rights cum Warrants Issue, the Directors have decided to proceed with the Proposed Rights cum Warrants Issue on a non-underwritten basis.

The Proposed Rights cum Warrants Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Listing Manual.

#### 4. **WHITEWASH WAIVER AND WHITEWASH RESOLUTION**

Under Rule 14.1 of 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) carry 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**").

Assuming that (i) only the Undertaking Shareholders subscribe for their respective entitlements to the Rights Shares with Warrants pursuant to the Irrevocable Undertakings; (ii) Benedict Chen subscribes for all excess Rights Shares not otherwise subscribed for by the other Entitled Shareholders under the Rights cum Warrants Issue pursuant to his Irrevocable Undertaking and (iii) none of the other Entitled Shareholders subscribes for its/his entitlement to the Rights Shares with Warrants and applies for any excess Rights Shares with Warrants under the Proposed Rights cum Warrants Issue, the Undertaking Shareholders' aggregate shareholding in the Company will increase from approximately 26.82% of the Existing Issued Share Capital to approximately 51.21% of the enlarged share capital of the Company comprising 53,926,284 Shares (excluding treasury shares) following the completion of the Proposed Rights cum Warrants Issue, and further increase to approximately 63.41% of the enlarged share capital of the Company comprising 71,901,712 Shares (excluding treasury shares) after the exercise of all their Warrants.

Accordingly, the fulfilment of the obligations under the Irrevocable Undertakings by Undertaking Shareholders may result in the Concert Party Group obtaining shareholding interest in the Company of more than 30%. In such event, the Concert Party Group would incur an obligation to make a Mandatory Offer for the Company pursuant to Rule 14 of the Code unless such obligation is waived by the Securities Industry Council ("**SIC**") on such terms and conditions as it may impose.

In view of the above, an application was made by the Company, on behalf of the Undertaking Shareholders, to the SIC for, *inter alia*, the Whitewash Waiver.

Upon receipt of the SIC's ruling on the Whitewash Waiver, the Company will update the Shareholders through announcement.

## **5. USE OF PROCEEDS AND RATIONALE OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE**

### **5.1 Rationale**

The Company is proposing to undertake the Rights cum Warrants Issue to raise funds mainly to fund the expansion of its existing businesses which may include amongst others, the acquisition of and/or strategic investment in a similar business in Southeast Asia.

The proceeds arising from the Rights cum Warrants Issue will also help strengthen the financial position of the Group by enlarging the Group's working capital base to further enhance the financial flexibility of the Group. As and when the Warrants are exercised, the Group's financial position will be improved further.

### **5.2 Use of Proceeds**

Under the Proposed Rights cum Warrants Issue, up to 17,975,428 Rights Shares with 17,975,428 Warrants are to be issued by the Company. The net proceeds of the Proposed Rights cum Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) ("**Net Proceeds**"), after deducting the estimated expenses of approximately S\$0.26 million, is expected to be approximately S\$1.54 million.

The Company intends to use the Net Proceeds as follows:

- (a) 78% for expansion and growth of existing business; and
- (b) 22% for working capital requirements of the Group.

The Company intends to utilise part of the Net Proceeds for general working capital purposes which includes, but not limited to, operating costs of the Group. The Company envisages more cash to be utilised for the Group's operating activities in view of the recently secured exclusive distribution rights for a range of Lister Petter brand of products including engines and spare parts.

For the avoidance of doubt, the figures set out above do not take into account any proceeds from the exercise of any Warrants. Up to S\$1.80 million (based on 17,975,428 Warrants) ("**Exercise Proceeds**") may be raised from the exercise of all the Warrants. As and when the Warrants are exercised, the Exercise Proceeds raised, may, at the discretion of the Directors, be used for working capital and/or such other purposes as the Directors may deem fit.



Pending deployment of the Net Proceeds for the purposes stated, the Net Proceeds will be deposited with banks and/or financial institutions, invested in short term money markets or used for other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in this announcement and the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and annual reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

The Directors are also of the opinion that, barring any unforeseen circumstances:

- (a) the Group has sufficient resources to meet its capital commitments; and
- (b) after taking into consideration the present bank facilities and operating cash flows the Group as well as the Net Proceeds of the Proposed Rights cum Warrants Issue (based on the Irrevocable Undertakings), the working capital available to the Group will be sufficient to meet its present requirements.

## 6. FOREIGN SHAREHOLDERS

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and accordingly, the Rights Shares with Warrants will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights cum Warrants Issue and no provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders. No purported acceptance thereof or application for any excess Rights Shares with Warrants therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the "**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with 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, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where the provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith. If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares with Warrants or disposed of or 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, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, TO (I) CDP AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) VIBROPOWER CORPORATION LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

## 7. APPROVALS

The Proposed Rights cum Warrants Issue is subject and conditional upon:

- (a) the Whitewash Waiver having been granted by the SIC and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue;
- (b) approval having been obtained from the shareholders of the Company at a general meeting for (i) the Proposed Rights cum Warrants Issue, including the allotment and issue of the Rights Shares, the Warrants and the New Shares; (ii) the proposed whitewash resolution ("**Whitewash Resolution**") for waiver of the rights of the independent shareholders of the Company to receive a general offer from the Concert Party Group for all the Shares not already owned or controlled by them as a result of

the Proposed Rights cum Warrants Issue and subsequently, the exercise of the Warrants;

- (c) the AIP having been granted by the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST, and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue (other than in a case where the AIP for the listing of and quotation for the Warrants is revoked due to insufficient number of holders) and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (d) all other necessary consents, approval and waivers 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 Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights cum Warrants Issue; and
- (e) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Proposed Rights cum Warrants Issue with the MAS.

The Company will be making an application to the SGX-ST for dealing, listing and quotation, of the Rights Shares, the Warrants and the New Shares on the Official List of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the AIP from the SGX-ST. The Books Closure Date will be fixed after obtaining the AIP, for which an announcement on the Books Closure Date will be separately made by the Company in due course.

A circular to Shareholders ("**Circular**") containing, *inter alia*, the notice of the EGM and information relating to the Proposed Rights cum Warrants Issue and the Whitewash Resolution will be despatched to Shareholders in due course. Thereafter, the Offer Information Statement will be lodged with the MAS and despatched by the Company to the Entitled Shareholders in due course following the EGM, if the Proposed Rights cum Warrants Issue is approved at the EGM.

## **8. INDEPENDENT FINANCIAL ADVISOR**

The Company has appointed RHB Securities Singapore Pte. Ltd. as an independent financial adviser ("**IFA**") to advise the Directors who are considered to be independent for the purpose of making a recommendation to the independent Shareholders in respect of the Whitewash Resolution in due course. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Circular to be despatched to Shareholders in due course.

## **9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY**

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company have any interests, direct or indirect, in the Proposed Rights cum Warrants Issue (other than through their respective shareholdings in the Company).

## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of the preparation of this announcement) 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, the Company and its subsidiaries, 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.

## **11. TRADING CAUTION**

The Board would like to advise Shareholders that the completion of the Rights cum Warrants Issue is subject to conditions precedent being fulfilled and there is no certainty or assurance that the Proposed Rights cum Warrants Issue will materialise or that no changes will be made to the terms thereof. Accordingly, Shareholders and potential investors are advised to exercise caution in trading in the Shares.

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**

**Benedict Chen Onn Meng**  
**Chief Executive Director**  
1 October 2019