**W CORPORATION LIMITED**
**(Incorporated in Bermuda)**
**(Company Registration No: 36658)**

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**(A) COMPLIANCE PLACEMENT OF UP TO 100,000,000 NEW ORDINARY SHARES ("SHARES") IN THE CAPITAL OF W CORPORATION LIMITED (THE "COMPANY") AT AN ISSUE PRICE WHICH WILL NOT BE LESS THAN S$0.50 PER PLACEMENT SHARE**

**(B) LODGEMENT OF OFFER INFORMATION STATEMENT IN RELATION TO THE COMPLIANCE PLACEMENT (AS DEFINED HEREIN)**

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*Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the offer information statement dated 19 August 2014 ("**Offer Information Statement**").*

## 1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a placement agreement dated 19 August 2014 ("**Placement Agreement**") with Macquarie Capital Securities (Singapore) Pte Limited ("**Placement Agent**"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 100,000,000 Shares in the capital of the Company ("**Placement Shares**") at an issue price which will be not less than S$0.50 per Placement Share ("**Issue Price**") to raise gross proceeds of no less than S$25 million. The Placement Agent has agreed, on a best efforts basis, to procure subscribers for the Placement Shares within the Issue Price on the terms and subject to the conditions of the Placement Agreement ("**Compliance Placement**"). For the avoidance of doubt, the Compliance Placement is not underwritten by the Placement Agent.

1.2 The Company will allot and issue the Placement Shares pursuant to the shareholders' resolution approved by shareholders of the Company ("**Shareholders**") by way of an ordinary resolution at the special general meeting held on 23 July 2014.

1.3 The Compliance Placement will be undertaken in accordance with Section 277 of the Securities and Futures Act (Cap. 289) of Singapore ("**SFA**"), pursuant to which, the Offer Information Statement has been lodged with the Monetary Authority of Singapore ("**Authority**") today. A copy of the Offer Information Statement may be found on the website of the Authority at https://opera.mas.gov.sg.

## 2. THE PLACEMENT PRICE

Assuming an Issue Price of S$0.50 per Placement Share, this will represent a maximum discount of 30.3% to the weighted average price of S$0.7177 for each Share based on trades done on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 13 August 2014 up to the time of the Company's trading halt on 14 August 2014.

Upon the final determination of the issue price for the Compliance Placement following the Placement Agent's book-building process ("**Placement Price**"), the Company and the Placement Agent shall enter into a price determination supplement to the Placement Agreement, pursuant to which the Company shall promptly announce the same.

## 3. THE COMPLIANCE PLACEMENT

### 3.1 The Placement Shares

In accordance with and subject to the terms and conditions of the Placement Agreement, the Company will issue up to 100,000,000 Placement Shares by way of a Compliance Placement pursuant to Section 277 of the SFA and the Placement Agent will, on a best efforts basis, procure subscribers for up to 100,000,000 Placement Shares representing approximately 13.6% of the Enlarged Group's issued share capital of 735,047,938 Shares immediately after (i) completion of the transactions contemplated in the Company circular dated 24 June 2014 ("**Circular**"); and (ii) completion of the Compliance Placement (assuming the full 100,000,000 Placement Shares are issued and allotted pursuant to the Placement) ("**Enlarged Share Capital**").

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of issue of the Placement Shares.

The Company has on 29 May 2014 received the approval-in-principle of the SGX-ST for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST. Notwithstanding, the Compliance Placement shall be subject to certain conditions precedent as set out in the Placement Agreement.

### 3.2 Conditions

The Compliance Placement is conditional upon the fulfillment of *inter alia* the following conditions:

(a) the Offer Information Statement being lodged with the Authority pursuant to Section 277 of the SFA, on or before the date of the Placement Agreement and there having been, as at the completion date of the Compliance Placement ("**Completion Date**"), no withdrawal of the Offer Information Statement by the Authority;

(b) approval in-principle for the listing and quotation of the Placement Shares on the SGX-ST not having been revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;

(c) the transactions contemplated by the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without

limitation, the Authority and the SGX-ST)) in Singapore or other jurisdictions which is applicable to the Company or the Placement Agent;

(d) completion of the Compliance Placement taking place prior to or contemporaneously with the completion of the Proposed Exchange; and

(e) the determination of the Placement Price by the Placement Agent, with the agreement of the Company, and the entry into of the price determination supplement.

## 4. FINANCIAL EFFECTS

Notwithstanding the Company may decide on a smaller final offering size, assuming a maximum 100,000,000 Placement Shares are placed out at the Issue Price, Placement Shares will represent approximately 13.6% of the Enlarged Share Capital immediately after the completion of the Compliance Placement. Based on the *"Unaudited Proforma Financial Information of the Enlarged Group for the Financial Years Ended 31 December 2011, 2012 and 2013"* in Appendix F of the Circular, the Enlarged Group's net asset value per Share would, pursuant to the Compliance Placement, increase from 5.748 US$ cents to 10.205 US$ cents and the Enlarged Group's earnings per Share for the financial year ended 31 December 2013 would, pursuant to the Compliance Placement, decrease from 0.417 US$ cents to 0.360 US$ cents based on an exchange rate between US$ and S$ of US$1.00 to S$1.2464, being the exchange rate as at 14 August 2014.

It should be noted that such financial effects are purely for illustrative purposes only and do not purport to be indicative or a projection of the actual results and financial position of the Company and/or the Enlarged Group after completion of the Compliance Placement. The illustrated financial effects of the Placement have been prepared based on the *"Unaudited Proforma Financial Information of the Enlarged Group for the Financial Years Ended 31 December 2011, 2012 and 2013"* in Appendix F of the Circular.

## 5. USE OF PROCEEDS

Assuming that only the required S$25 million from the Compliance Placement is raised, the Enlarged Group intends to utilise approximately 25% of the gross proceeds of the Compliance Placement for opportunistic acquisitions that will increase the Enlarged Group's active user base and deliver improved returns for its Shareholders.

In addition, the Enlarged Group also intends to deploy approximately 50% of the gross proceeds of the Compliance Placement to implement and develop its existing and future partnerships arrangements similar to the arrangement entered into with Shanghai Media Group in China. In particular, the Enlarged Group expects to incur expenditures to develop its partnership with Shanghai Media Group. The remaining proceeds shall be utilised for general corporate expenses, working capital and costs in relation to the placement. Please find the detailed use of proceeds below:

| | Intended use and expenses | Amount (S$ million) | % of gross proceeds of the Compliance Placement |
|---|---|---|---|
| (a) | Development of partnerships | 12.50 | 50.0% |
| (b) | Investments in growth opportunities | 6.25 | 25.0% |
| (c) | Costs in relation to Placement | 1.25 | 5.0% |

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|---|---|---|---|
| (d) | General corporate expenses and working capital purposes | 5.00 | 20.0% |
| | **Total** | **25.00** | **100.0%** |

Pending the deployment of the net proceeds from the Compliance Placement for the purposes set out above, such proceeds may be placed as deposits with banks and financial institutions or invested in short term money markets or debt instruments or used for any other purpose on a short term basis, as the Board may, in their absolute discretion, deem fit from time to time.

## 6. FURTHER UPDATES

The Board wishes to inform the Shareholders that the Shares had been placed in trading halt on 14 August 2014 in order for the Board to evaluate proposals for the Compliance Placement. It is anticipated that the trading halt will continue to enable the Company to complete the book-building process for the Compliance Placement.

**BY ORDER OF THE BOARD**

Tan Choon Wee
Deputy Chairman and Executive Director

19 August 2014