



## UPP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 196700346M)

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### USE OF PROCEEDS FROM PLACEMENT

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Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the announcement released by the Company on 28 February 2014 relating to the use of proceeds from rights issue and placement ("**Use of Proceeds Announcement**").

The Board of Directors (the "**Board**") of UPP Holdings Limited (the "**Company**") refers to the announcement dated 4 May 2012 relating to the subscriptions for up to an aggregate of 109,931,000 new ordinary shares in the capital of the Company (the "**Placement**").

The Board also refers to the Use of Proceeds Announcement whereby the Company stated, *inter alia*, that it had applied S\$24.0 million of the net proceeds raised from the Placement to satisfy the balance amount of Part II Consideration.

Following the Use of Proceeds Announcement, the Board wishes to advise that, the Company has utilised approximately S\$7.3 million of the net proceeds raised from the Placement to satisfy the balance of the consideration which is due and payable under the Turnkey Agreement. After this payment, there is no outstanding amount due and payable under the Turnkey Agreement.

It was stated in the announcement dated 4 May 2012 that the Company intended to use the net proceeds received from the Placement for the following purposes:

- (a) approximately 70% of the net Placement proceeds for the Company to pursue such investments and opportunities as and when they arise; and
- (b) approximately 30% of the net Placement proceeds for working capital purposes of the joint venture company to be established in Myanmar in which the Company will have a 67% interest (as announced on 4 May 2012).

In the Use of Proceeds Announcement, the Company stated that it had utilised approximately 59.6% of the total net Placement proceeds of S\$40.3 million. Following this announcement, the Company has utilised an aggregate of approximately 77.6% net Placement proceeds.

The Board notes that such use of the net Placement proceeds represents a change in the intended allocation of the net Placement proceeds as stated in its announcement dated 4 May 2012. The reasons for such change in the intended allocation are as follows:

- (a) the joint venture agreement entered into by the Company's wholly-owned subsidiary, UPP Greentech Pte. Ltd. with Myan Shwe Pyi Limited was terminated as announced by the Company on 18 December 2013; and
- (b) the more immediate needs of the Company to fund the 50 megawatt class new gas generating power plant project in Yangon (Ywama) in Myanmar as announced by the Company on 18 October 2012 (the "**Power Plant Project**"), being its new business venture, which includes the payment of the consideration pursuant to the Turnkey Agreement.

In the circumstances, the Company considers that it is necessary to re-allocate the remaining 30% of the net Placement proceeds to pursue such investments and opportunities as and when they arise (including the Power Plant Project). Accordingly, 100% of the net Placement proceeds are proposed to be utilised for the aforesaid purposes instead of 70% as originally intended by the Company.

The Board has considered the impact of the proposed change in the use of the net Placement proceeds on the business of the Company and its subsidiaries (the “**Group**”) and is of the view that the re-allocation of the unutilised net Placement proceeds will meet the financial needs of the Group more efficiently as a result of the latest developments of the Group’s operations and business.

The Company will continue to make periodic announcements on the use of such proceeds as and when they are materially disbursed.

**BY ORDER OF THE BOARD**

Koh Wan Kai  
Executive Director

26 March 2014