ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Company Registration Number 197501572K)

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(1) COMPLIANCE PLACEMENT
(2) ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.
(3) PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

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1. COMPLIANCE PLACEMENT

1.1 Introduction

The board of directors (the "**Board**" or "**Directors**") of Abundance International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into placement agreements dated 17 June 2016 (the "**Placement Agreements**") with each of Mr Hong Yuming, Mr Yan Zhaorong, Mr Koh Boon Tong, Mr Goon Eu Jin Terence and Mr Thio Seng Tji (collectively, the "**Placees**"), pursuant to which the Company shall allot and issue and the Placees shall subscribe for an aggregate of 57,150,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at the issue price of S$0.07 per Placement Share (the "**Issue Price**") (the "**Compliance Placement**"). The Compliance Placement will not involve any share borrowing arrangements.

1.2 Placees

The Placees are separate private investors and are not persons restricted under Rule 812 of the Catalist Rules. Each of the Placees is subscribing for the Placement Shares purely for investment purposes and for their own benefit and not in trust or as a nominee. The Placees are business and/or personal contacts of Mr Shi Jiangang and/or Mr Sam Kok Yin, the Executive Chairman and Executive Director of the Company respectively. None of the Placees have any intention of influencing the management of, or exercising control over, the Company. As such, the Compliance Placement is not expected to give rise to any material conflict of interest.

1.3 Rationale for the Compliance Placement

The Company is carrying out the Compliance Placement for the purpose of complying with the public float requirement under Rule 724 of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual (the "**Catalist Rules**"). As previously announced on 20 April 2016 and 6 May 2016, trading of the shares of the Company was suspended at the close of the mandatory unconditional cash offer made by Mr Shi Jiangang as at 5.30 p.m. on 6 May 2016, as a result of the loss of public float of the Company.

Upon the completion of the Compliance Placement, taking into account the records and information currently available to the Company, the percentage of existing ordinary shares in the capital of the Company (the "**Shares**" and each a "**Share**") held by the public will be approximately 15.59% and the Company will accordingly apply to the SGX-ST through its Sponsor to resume trading of its shares on the SGX-ST Catalist.

1.4 Compliance Placement

1.4.1 Subject to the terms and conditions of the Placement Agreements:

(a) the Company shall allot and issue, and the Placees shall subscribe for, the following Placement Shares at the Issue Price in the manner set out below:

Name of Placee	Number of Placement Shares	% of Enlarged Share Capital (before completion of Rights Issue)
Mr Hong Yuming	25,000,000	4.76%
Mr Yan Zhaorong	25,000,000	4.76%
Mr Koh Boon Tong	2,860,000	0.54%
Mr Goon Eu Jin Terence	2,860,000	0.54%
Mr Thio Seng Tji	1,430,000	0.27%

(b) the aggregate consideration of S$4,000,500 payable for the Placement Shares shall be satisfied wholly in cash.

1.4.2 The Issue Price represents a premium of 40% to the weighted average price for trades done for the Shares on the SGX-ST on 29 April 2016, being the last full market day on which Shares were traded prior to the suspension of trading of the shares.

1.5 Conditions Precedent

Completion of the Compliance Placement shall be conditional upon, *inter alia*:

(a) approval in-principle for the listing and quotation of the Placement Shares on the SGX-ST Catalist (on conditions, if any, acceptable to the Company and the Placees) having been obtained and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date (as defined in the Placement Agreements), such conditions being reasonably acceptable to the Placees or fulfilled by the Company, as the case may be;

(b) the Company obtaining such approval(s) from the Board in connection with the Placement Agreements and the transactions contemplated therein as may be necessary;

(c) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and

(d) the representations and warranties of the Company in the Placement Agreements being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations herein to be performed on or before the Completion Date.

1.6 Placement Shares

1.6.1 The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements the record date of which falls on or before such date of issue of the Placement Shares.

1.6.2 The Company will be making an application through the Sponsor to the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST Catalist, and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

1.7 Use of Proceeds

1.7.1 The net cash proceeds from the Compliance Placement (after deducting estimated expenses relating thereto) will be approximately S$3,981,000 (the "**Compliance Placement Proceeds**"). The Compliance Placement Proceeds will be fully used by the Group for the repayment of amounts owing by the Group previously incurred in relation to its printing business.

1.7.2 The Company will make periodic announcements on the use of the Compliance Placement Proceeds as and when the Compliance Placement Proceeds are materially disbursed, and provide a status report on the use of the Compliance Placement Proceeds in the Company's annual report. The Company will disclose a breakdown with specific details on the use of Compliance Placement Proceeds for working capital in such announcements and annual reports.

1.7.3 The Directors are of the opinion that, having regard to the need to repay amounts owing by the Group previously incurred in relation to its printing business and OSC's requirement for working capital in order to expand and scale up its business to an appropriate level, after taking into consideration:

(a) the Group's present bank facilities, the working capital available to the Group is not sufficient to meet its present requirements; and

(b) the Group's present bank facilities and the Compliance Placement Proceeds, the working capital available to the Group is not sufficient to meet its present requirements.

As mentioned above, the Company is carrying out the Compliance Placement for the purpose of complying with the public float requirement under Rule 724 of the Catalist Rules. The Company is further proposing to undertake the Rights Issue (as defined in section 3 herein) to improve its cash flow position so as to meet its working capital requirements. Please refer to section 3 of this announcement for details on the Rights Issue.

1.8 Authority to Issue the Placement Shares

1.8.1 The Placement Shares will be allotted and issued pursuant to the general share issue mandate obtained from the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company for the financial period ended 31 December 2015 held on 29 April 2016 (the "**AGM**") (the "**General Mandate**"). Under the General Mandate, the Directors are authorised to, *inter alia*, issue shares and convertible securities other than on a pro-rata basis, of up to 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the General Mandate, after adjusting for, *inter alia*, new shares arising from the conversion or exercise of convertible securities.

1.8.2 As at the date of the General Mandate, the Company had 468,000,000 Shares in issue (the "**Share Capital**"). The Placement Shares represent approximately 12.21% of the Share Capital of the Company and the General Mandate has yet to be utilised since Shareholders' approval for the same had been procured at the AGM. As such, the allotment and issue of the Placement Shares is within the ambit of the General Mandate.

1.8.3 The Placement Shares represent approximately 12.21% of the Share Capital as at the date of this announcement, and 10.88% of the share capital of the Company immediately following the completion of the Compliance Placement, being 525,150,000 Shares in the capital of the Company.

1.8.4 The completion of the Compliance Placement will not result in the transfer of a controlling interest in the Company under Rule 803 of the Catalist Rules.

1.9 No Prospectus or Offer Information Statement

The Placement Shares are offered to the Placees for subscription by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Hence, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Placement Shares.

1.10 Financial Effects of the Compliance Placement

The *pro forma* financial effects of the Compliance Placement, based on the audited consolidated financial statements of the Company and the Group for the financial period ended 31 December 2015, are set out below. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after the Compliance Placement.

1.10.1 Share Capital

	As at 31 December 2015	*Immediately before the Compliance Placement*	*After the Compliance Placement*
Number of Shares	248,000,000	468,000,000(1)	525,150,000

Note:

(1) The number of issued shares in the Company increased to 468,000,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016.

1.10.2 Net Tangible Assets

Assuming that the Compliance Placement had been completed on 31 December 2015, the effect on the net tangible assets ("**NTA**") per share of the Group as at 31 December 2015 would be as follows:

	As at 31 December 2015	*Immediately before the Compliance Placement*	*After the Compliance Placement*
Consolidated NTA attributable to the Shareholders (S$'000)	17,451	17,451	21,434
Consolidated NTA per share attributable to the Shareholders (Singapore cents)	7.04	3.73(1)	4.08

Note:

(1) The number of issued shares in the Company increased to 468,000,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016.

1.10.3 Loss per Share

Assuming that the Compliance Placement had been completed on 1 October 2014, the effect on the loss per share of the Group for the financial period ended 31 December 2015 would be as follows:

	Before the Compliance Placement	*After the Compliance Placement*
Consolidated loss attributable to Shareholders (net of tax) (S$'000)	9,236	9,236
Weighted average number of Shares	468,000,000(1)	525,150,000(1)
Consolidated loss per share (Singapore cents)	1.97	1.76

Note:

(1) Assuming the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016, had been completed on 1 October 2014 instead.

2. ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.

2.1 Introduction

2.1.1 The Board refers to the Company's announcements dated 2 June 2015, 5 June 2015 and 22 October 2015 relating to, *inter alia*, the incorporation of a new joint venture company, Orient-Salt Chemicals Pte. Ltd. ("**OSC**"), and the joint venture agreement dated 1 June 2015 entered into between the Company and Mr Jiang Hao in respect of OSC (the "**Joint Venture Agreement**"). The Board wishes to announce that the Company has entered into a sale and purchase agreement dated 17 June 2016 (the "**SPA**") with Mr Jiang Hao to acquire his 49% shareholding in OSC (the "**Sale Shares**") (the "**Acquisition**"). Upon completion of the Acquisition, OSC will become a wholly-owned subsidiary of the Company.

2.1.2 An extraordinary general meeting ("**EGM**") to seek the approval of the Shareholders for the Acquisition will be convened in due course.

2.2 Information on OSC

2.2.1 As previously announced by the Company, OSC was incorporated as a joint venture company on 5 June 2015, as part of the Group's diversification into the business of chemical trading.

2.2.2 As at the date hereof, OSC has a paid-up and issued share capital of S$12,000,000 divided into 12,000,000 ordinary shares. Mr Jiang Hao currently holds 5,880,000 shares in OSC, representing 49% of the share capital of OSC. The Company currently holds 6,120,000 shares in OSC, representing 51% of the share capital of OSC. The current directors of OSC are Mr Sam Kok Yin, Mr Shi Jiangang and Mr Jiang Hao. This board composition will remain unchanged upon completion of the Acquisition.

2.3 Rationale of the Acquisition

From January 2016, OSC has started the business of chemical trading. To date, it has done more than US$12,000,000 in value of sales relying only on its paid up capital of S$12,000,000 and loans from Mr Shi Jiangang and Mr Sam Kok Yin. Management has been speaking to several banks for letters of credit facilities for OSC and the results thus far have been encouraging. However, it is anticipated that the Company will have to provide a corporate guarantee and/or mortgage its industrial property as security for such facilities from the banks. Therefore, the Board is of the view that it is in the best interest of the Company to acquire the remaining 49% of the share capital of OSC and make OSC a wholly-owned subsidiary of the Company, given the operating track record so far, and taking into account the fact that the Company will have to fully stand behind any bank facilities granted to OSC. This would allow the Company to obtain the full benefit, instead of just 51%, of the financial performance of OSC.

2.4 Key Terms of the Acquisition

2.4.1 Consideration

The consideration for the Sale Shares shall be S$5,880,000 (the "**Consideration**") and was arrived at based on the amount contributed by Mr Jiang Hao to the issued share capital of OSC. No independent valuation was commissioned on the Sale Shares. Based on the audited consolidated financial statements of the Company and the Group for the financial period ended 31 December 2015, the NTA value of the Sale Shares was S$5,821,415.

The Consideration shall be satisfied on completion of the Acquisition by the issue and allotment to Mr Jiang Hao (and/or such other parties as he may nominate) of an aggregate of 117,600,000 new Shares in the Company (the "**Consideration Shares**") at an issue price of S$0.05 per Consideration Share. The issue price of the Consideration Shares is equal to the weighted average price for trades done for the Shares on the SGX-ST on 29 April 2016, being the last full market day on which Shares were traded prior to the suspension of trading of the Shares.

On the issue and allotment of the Consideration Shares, the Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares in the Company, save for any dividends, rights, allotments or any distributions, the record date of which falls before the date of completion of the Acquisition (the "**Completion Date**").

2.4.2 Conditions Precedent

Completion of the Acquisition shall be conditional upon, *inter alia*:

(a) the resolution of the Board having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA;

(b) to the extent required by the Catalist Rules and/or applicable laws, the approval of the Shareholders having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA;

(c) all necessary consents, approvals and waivers of the relevant authorities having jurisdiction over the transactions contemplated in the SPA (whether in Singapore or elsewhere), financial institutions or other third parties having been obtained, including without limitation the approval in-principle of SGX-ST being obtained by the Company for the listing and quotation of the Consideration Shares on the SGX-ST Catalist, such consents, approvals and waivers not having been amended or revoked before the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;

(d) the parties to the SPA not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and

(e) there being no delisting of the existing Shares of the Company from the SGX-ST prior to the Completion Date.

2.4.3 Termination of Joint Venture Agreement

Pursuant to the SPA, in consideration of and subject to completion of the Acquisition, the Joint Venture Agreement shall automatically terminate and be of no further effect, and each of the Company and Mr Jiang Hao shall not have any claim against each other pursuant to the Joint Venture Agreement, save in respect of any accrued rights or liabilities under the Joint Venture Agreement and/or any claim arising from antecedent breach of the terms thereof.

2.5 Catalist Rules

2.5.1 Under Chapter 10 of the Catalist Rules, an acquisition will be classified as a "major transaction" if any of the relative figures calculated on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% and if so, Shareholders' approval must be obtained for the "major transaction".

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Acquisition are set out below.

Rule	Relative Figure
Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal of assets
Rule 1006(b) – the net profits attributable to the assets acquired, compared with the Group's net profits	Not meaningful(1)
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	25.13%(2)
Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	25.13%(3)
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

(1) Based on the audited financial statements of the Company for the financial period ended 31 December 2015, the net loss of the Group was approximately S$9,295,000. Based on the unaudited financial statements of OSC for the financial period ended 31 December 2015, the net loss attributable to the assets acquired was approximately S$61,000.

(2) The Consideration of S$5,880,000 is compared against the Company's market capitalisation of S$23,400,000, which is computed based on 468,000,000 Shares in issue and the closing price of S$0.05 per share transacted on 29 April 2016, being the last market day on which trade in the Shares was recorded preceding the suspension of trade of the Company's Shares on 9 May 2016. The value of the Consideration was used in this computation as the value of the Consideration is higher than the net asset value of the Sale Shares.

(3) The number of Consideration Shares, being 117,600,000, is compared against 468,000,000 Shares currently in issue in the share capital of the Company.

As the relative figures computed on the bases set out in Rule 1006(c) and Rule 1006(d) exceed 5% but do not exceed 75%, the Acquisition constitutes a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

2.5.2 Section 161 of the Companies Act (Cap. 50 of Singapore), the Constitution and Rules 805 and 806 of the Catalist Rules provide that an issuer must obtain the prior approval of Shareholders in general meeting for the issue of new shares in the Company, unless such shares are issued under a general mandate obtained from Shareholders in general meeting. The issuance of the Consideration Shares on completion of the Acquisition would exceed the ambit of the existing General Mandate. As such, the Company will not be relying on the General Mandate and will instead be seeking a separate specific approval of Shareholders for the issue of the Consideration Shares, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Catalist Rules.

The Consideration Shares represent approximately 25.13% of the Share Capital as at the date of this announcement, and 18.30% of the enlarged issued share capital of the Company comprising 642,750,000 Shares on completion of the Compliance Placement and completion of the Acquisition (assuming the Company does not otherwise issue any new Shares from the date of this announcement up to completion of the Compliance Placement and completion of the Acquisition).

2.5.3 Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting. The issue of the Consideration Shares to Mr Jiang Hao (and/or such other parties as he may nominate) may constitute a transfer of a controlling interest in the Company to Mr Jiang Hao, and is hence subject to the approval of the Shareholders for the purposes of Rule 803 of the Catalist Rules.

2.6 Financial Effects of the Acquisition

The *pro forma* financial effects of the Acquisition, based on the audited consolidated financial statements of the Company and the Group for the financial period ended 31 December 2015 and assuming the completion of the Compliance Placement, are set out below. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after the Acquisition.

2.6.1 Share Capital

	As at 31 December 2015	***Immediately before the Acquisition***	***After the Acquisition***
Number of Shares	248,000,000	525,150,000[(1)]	642,750,000

Note:

(1) The number of issued shares in the Company increased to 525,150,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016 and assuming the completion of the Compliance Placement.

2.6.2 Net Tangible Assets

Assuming that the Acquisition had been completed on 31 December 2015, the effect on the net tangible assets ("**NTA**") per share of the Group as at 31 December 2015 would be as follows:

	As at 31 December 2015	***Immediately before the Acquisition***	***After the Acquisition***
Consolidated NTA attributable to the Shareholders (S$'000)	17,451	21,434	27,250
Consolidated NTA per share attributable to the Shareholders (Singapore cents)	7.04	4.08[(1)]	4.24

Note:

(1) The number of issued shares in the Company increased to 525,150,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016 and assuming the completion of the Compliance Placement.

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2.6.3 Earnings per Share

Assuming that OSC had been incorporated on 1 October 2014 and the Acquisition had been completed on 1 October 2014, the effect on the loss per share of the Group for the financial period ended 31 December 2015 would be as follows:

	Before the Acquisition	***After the Acquisition***
Consolidated loss attributable to Shareholders (net of tax) (S$'000)	9,236	9,294
Weighted average number of Shares	525,150,000(1)	642,750,000
Consolidated loss per share (Singapore cents)	1.76	1.45

Note:

(1) Assuming the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S$11,000,000 non-transferable bonds due 2016, had been completed on 1 October 2014 instead and assuming the completion of the Compliance Placement.

2.7 Service Agreements

As at the date of this announcement, no person is proposed to be appointed as a Director of the Company under the SPA in connection with the Acquisition.

3. PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

3.1 Introduction

3.1.1 The Directors wish to further announce that the Company proposes to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to S$12,855,000 in principal amount (the "**Principal Amount**") of zero coupon bonds due 2020 (the "**Bonds**") with principal amount of S$0.02 for each Bond, with up to 642,750,000 free detachable European warrants (the "**Warrants**"), with each Warrant carrying the right to subscribe for one new Share (the "**New Share**") at an exercise price of S$0.02 for each New Share (the "**Exercise Price**"), on the basis (the "**Rights Issue Basis**") of one Bond of principal amount S$0.02 each with one free Warrant for every existing Share in the capital of the Company held by the Entitled Shareholders (as defined in paragraph 3.3 of this announcement) as at a books closure date to be determined by the Directors (the "**Books Closure Date**"), fractional entitlements to be disregarded. The issue price of the Bonds will comprise 80 per cent. of the Principal Amount and the gross proceeds from the issue of the Bonds is up to S$10,284,000.

3.1.2 An EGM to seek the approval of the Shareholders for the Rights Issue will be convened in due course.

3.2 Key Terms of the Rights Issue

The principal terms of the Rights Issue, the Bonds, the Warrants and the New Shares are summarised below:

Rights Issue

Basis of Provisional Allotment	:	The Bonds with Warrants are proposed to be offered to Entitled Shareholders on a renounceable basis on the basis of one Bond of principal amount of S$0.02 each with one

		free Warrant for every one Share held by Entitled Shareholders as at 5.00 p.m. (Singapore time) on the Books Closure Date, fractional entitlements to be disregarded.
Eligibility to Participate	:	Please refer to paragraph 3.3 of this Announcement.

The Bonds

Principal Amount	:	Based on the issued share capital of the Company as at the date of this announcement comprising 468,000,000 Shares and assuming the completion of the Compliance Placement and the Acquisition, the Company will issue up to S$12,855,000 in principal amount of Bonds and up to 642,750,000 Warrants (and up to 642,750,000 New Shares upon the exercise of the Warrants, subject to adjustments as described in the section "**The Warrants and the New Shares**" below).
Issue Price of the Bonds	:	80 per cent. of the Principal Amount of the Bonds or S$0.016 for each S$0.02 of principal amount of Bonds
Maturity Date	:	The fourth anniversary of the date of issue of the Bonds (the "**Maturity Date**")
Interest Rate	:	The Bonds will not bear any interest.
Form and Denomination	:	The Bonds will be issued in registered form. A bond certificate (each a "**Certificate**") will be issued to each bondholder in respect of his/her/its registered holding of Bonds. Each Bond will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Company will keep.
Status of Bonds	:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The Company reserves the right to incur further debt and take on further borrowings which rank in priority to the Bonds.
Listing Status and Transferability	:	The Bonds will not be listed on the SGX-ST. The Bonds are not transferable.
Redemption	:	Unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Bonds, the Company will redeem each Bond at 100 per cent. of its principal amount on the Maturity Date.

The Warrants and the New Shares

Exercise Price and Exercise Date	:	Each Warrant will, subject to the terms and conditions to be set out in an instrument constituting the Warrants (the "**Instrument**"), carry the right to subscribe for one New Share at an exercise price of S$0.02 for each New Share, such Warrant being exercisable on the market day immediately preceding the fourth anniversary of the date

		of issue of the Warrants, subject to the terms and conditions of the Warrants as set out in the Instrument (the "**Exercise Date**"). Holders of the Bonds shall be entitled to set off any amount due to them on the Maturity Date towards payment of the Exercise Price of any Warrants which they hold. More information shall be provided in the Instrument. The number of New Shares to be allotted and issued by the Company, pursuant to the full exercise of the Warrants, is 642,750,000 New Shares (assuming the completion of the Compliance Placement and the Acquisition), which represents 100 per cent. of the number of issued Shares in the Company assuming the completion of the Compliance Placement and the Acquisition.
Form	:	The Warrants will be issued in registered form and will be traded on a book-entry (scripless) settlement basis on the SGX-ST Catalist upon the listing of and quotation for the Warrants on the SGX-ST Catalist, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.
Status of New Shares	:	The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of allotment and issue of the New Shares.
Adjustment	:	The Exercise Price and/or the number of Warrants to be held by each warrantholder will be subject to adjustments under certain circumstances as set out in the Instrument. Any additional warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series.

3.3 Eligibility of Shareholders to Participate in the Rights Issue

The Company proposes to provisionally allot by way of rights to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited (the "**CDP**") and whose securities accounts with CDP are credited with Shares as at the Books Closure Date (the "**Depositors**") will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be "**Entitled Depositors**", Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by B.A.C.S Private Limited (the "**Share Registrar**"), will be registered to determine the provisional entitlements of the transferee (the "**Scripholder**"), which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights Issue. To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore as at the Books Closure Date or must 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.

For practical reasons and in order to avoid violation of relevant legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Bonds with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least three (3) market days prior to the Books Closure Date, provided to the Company, the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**"). The Offer Information Statement (to be set out in detail below) to be issued for the Rights Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Bonds with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid. Entitlements to the Bonds with Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold "nil-paid" on the SGX-ST after dealings in the provisional allotments of Bonds 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 as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S$10.00. In the event the amount is less than S$10.00, the Company shall be entitled to retain or deal with such net proceeds 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 or CDP and their respective officers in connection therewith. Where such provisional allotments of Bonds 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 or CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Bonds and the Warrants represented by such provisional allotments.

For the avoidance of doubt, it is intended for completion of each of the Compliance Placement and Acquisition to take place before the Books Closure Date and therefore, holders of the Placement Shares and the Consideration Shares will be entitled to participate in the Rights Issue.

3.4 Renounceability of the Rights Issue

Entitlements to subscribe for the Bonds with Warrants will be renounceable and are expected to be tradable on the Catalist of the SGX-ST over a period to be determined by the Directors in compliance with the Catalist Rules. Entitled Shareholders will be at liberty to accept, decline, renounce or trade, in whole or in part, their provisional allotments of the Bonds with Warrants and will be eligible to apply for Bonds with Warrants in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, the Warrants will be issued free with the Bonds on the basis of one Warrant for every one Bond successfully subscribed for, fractional entitlements to be disregarded.

Entitlements which are not allotted or taken up for any reason (including any fractional entitlements to the Bonds with Warrants) will be aggregated and used to satisfy applications, if any, for excess Bonds with Warrants or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

3.5 Purpose of the Rights Issue

The Rights Issue has been proposed to raise funds for (a) repayment of amounts owing by the Group previously incurred in relation to its printing business; and (b) general working capital purposes and future acquisitions for its new chemical and investment related businesses.

As mentioned in paragraph 1.7.3 herein, the Directors note that after taking into consideration the Group's present bank facilities as well as the Compliance Placement Proceeds, the working capital available to the Group is not sufficient to meet its present requirements in view of the outstanding liabilities that have been incurred by the Group's printing business in the past and also the working capital requirements of the new chemical trading business. The Company is therefore proposing to undertake the Rights Issue to strengthen the Group's balance sheet and improve its cash flow position.

3.6 Shareholders' Intention/Undertaking to Subscribe

As at the date of this announcement, Mr Shi Jiangang, the Executive Chairman of the Company, has indicated to the Company his non-binding intention to, *inter alia*, subscribe for and/or procure subscriptions for, and pay and/or procure payment for all of his Bonds with Warrants entitlements under the Rights Issue (the "**SJG Intention**"). The aggregate payment for the subscription of his Bonds with Warrants entitlements under the Rights Issue are to be partially offset from the outstanding amounts owed to him by the Company of up to approximately S$287,000 as at the date of this announcement. The amounts owed to Mr Shi Jiangang comprise accrued amounts owing by the Company pursuant to the terms of his service agreement.

As at the date of this announcement, Mr Sam Kok Yin, an Executive Director of the Company, has irrevocably undertaken to the Company, *inter alia*, to subscribe for and/or procure subscriptions for, and pay and/or procure payment for all of his Bonds with Warrants entitlements under the Rights Issue (the "**SKY Irrevocable Undertaking**"). The aggregate payment for the subscription of all his Bonds with Warrants entitlements under the Rights Issue are to be fully offset from the outstanding amounts owed to him by the Company (approximately S$1,827,000 as at the date of this announcement). The amounts owed to Mr Sam Kok Yin comprise shareholder's loans provided by Mr Sam Kok Yin to the Company as well as accrued amounts owing by the Company to him pursuant to the terms of his service agreement.

In view of the SJG Intention and the SKY Irrevocable Undertaking, the Rights Issue will not be underwritten by any financial institution.

3.7 Use of Rights Issue Proceeds

The maximum estimated net proceeds from the Rights Issue will be approximately S$8,090,000 (the "**Rights Issue Net Proceeds**")[(1)], after further deducting estimated professional and related expenses incurred in connection with the Rights Issue (assuming the Bonds are fully subscribed for).

Note:

1. As disclosed in paragraph 3.6 above, the aggregate payment for the subscription of Mr Shi Jiangang's and Mr Sam Kok Yin's Bonds with Warrants entitlements under the Rights Issue will be partially and fully offset by the outstanding amounts owed to them by the Company.

Assuming the Rights Issue is fully subscribed, the Company intends to use the Rights Issue Net Proceeds in the following proportions:

Use of Rights Issue Net Proceeds	Percentage Allocation (%)
Repayment of amounts owing incurred by the printing business	20% to 30%
For working capital and future acquisitions for its new chemical and investment related businesses	70% to 80%

Assuming all the Warrants issued under the Rights Issue are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S$12,855,000 ("**Warrants Exercise Proceeds**"). As and when the Warrants are exercised, the Warrants Exercise Proceeds raised may, at the discretion of the Directors, be applied towards working capital and future acquisitions for the Group's new chemical and investment related businesses.

Pending the deployment of the net proceeds from the Rights Issue and the exercise of the Warrants, the net proceeds may be deposited with banks and/or financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue, as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report.

The Directors are of the opinion that, having regard to the need to repay amounts owing by the Group previously incurred in relation to its printing business and OSC's requirement for working capital in order to expand and scale up its business to an appropriate level, after taking into consideration:

(a) the Group's present bank facilities, the working capital available to the Group is not sufficient to meet its present requirements; and

(b) the Group's present bank facilities, the Compliance Placement Proceeds and the proceeds from the Rights Issue (even if the Rights Issue is only subscribed to by Mr Shi Jiangang and Mr Sam Kok Yin pursuant to the SJG Intention and the SKY Irrevocable Undertaking respectively), the working capital available to the Group will be sufficient to meet its present requirements.

3.8 Approvals

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

(a) the approval from Shareholders at the EGM to be convened for, *inter alia*, approval of the Rights Issue;

(b) the in-principle approval of the SGX-ST (such approval not having been withdrawn or revoked on or prior to the closing date of the Rights Issue) for the listing of and quotation for, the New Shares on the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to the Company; and

(c) the lodgement of the Offer Information Statement (as set out in detail below) together with all other accompanying documents by the Company with the Authority.

The Company will be making an application through the Sponsor to the SGX-ST for the listing of and quotation for the Warrants and the New Shares on the SGX-ST Catalist, and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3.9 Adjustments to the Call Option Granted to Mr Shi Jiangang and Mr Sam Kok Yin

Reference is made to the subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") entered into between the Company and each of Mr Shi Jiangang and Mr Sam Kok Yin, pursuant to which, *inter alia*, a call option was granted to Mr Shi Jiangang and Mr Sam Kok Yin giving them the option to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the capital of the Company (the "**Option Shares**") at the price of S$0.05 per Option Share (the "**Exercise Price**"). Pursuant to the terms of the Subscription Agreement, the Rights Issue may constitute an event giving rise to adjustments to the Exercise Price and the number of Option Shares.

The Company will make further announcements in relation to these adjustments when appropriate. Shareholders are advised that the adjustments to the Option Shares arise as a result of the Rights Issue (in accordance with the terms of the Subscription Agreement) and that there will be no adjustments to the Option Shares if the Rights Issue is not effected.

3.10 Offer Information Statement

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be issued by the Company in due course following the EGM, if the Rights Issue is approved at the EGM. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 9 Joo Koon Circle, Singapore 629041 for a period of 3 months from the date of this announcement:

(a) the Placement Agreements; and

(b) the SPA;

(c) the Constitution of the Company;

(d) the non-binding letter of intention by Mr Shi Jiangang dated 17 June 2016; and

(e) the irrevocable letter of undertaking by Mr Sam Kok Yin dated 17 June 2016.

5. FURTHER INFORMATION AND ACTION BY SHAREHOLDERS

The Company will make further announcements relating to the Compliance Placement, Acquisition and/or Rights Issue as and when necessary.

A circular containing further details of, *inter alia*, the Acquisition and Rights Issue, together with a notice of the EGM will be despatched to Shareholders in due course.

In the meantime, Shareholders are advised to exercise caution in dealings with the Shares, to read this announcement and any further update announcement(s) released by the Company carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Compliance Placement or Acquisition or Rights Issue, other than through their respective shareholdings in the Company and save as disclosed in this announcement.

7. 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 Compliance Placement, the Acquisition, the Rights 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 any information has been extracted from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement in its proper form and context.

By Order of the Board

Sam Kok Yin
Executive Director

17 June 2016

Note:

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 Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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.

The contact person for the Sponsor is Mr Ng Joo Khin: Tel: 6389 3000 Email: jookhin.ng@morganlewis.com