

GRANT OF EXTENSION OF TIME TO RELEASE THE COMPANY'S FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

The Board of Directors (the "**Board**") of the Company wishes to announce that the Company had, on 24 March 2014, sought from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), a one-month extension of time in relation to Rule 705(2) of the listing manual of the SGX-ST (the "**Listing Manual**") to announce its financial statements for the first quarter ended 31 March 2014 ("**1QFY2014**"), from 15 May 2014 to 15 June 2014.

The one-month extension of time from compliance with Rule 705(2) of the Listing Manual was sought due to the following:

- (a) On 11 December 2013, the Company, together with Pioneer Top Holdings Limited (the "**Offeror**"), made an announcement (the "**Joint Possible Offer Announcement**") that the Offeror had approached the Company with respect to making a possible exit offer to acquire all of the issued shares of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the "**Possible Exit Offer**"). The Possible Exit Offer was made in connection with a possible voluntary delisting of the shares of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual (the "**Possible Delisting**"). Monthly update announcements regarding the Possible Exit Offer and the Possible Delisting were then made jointly by the Company and the Offeror on 10 January 2014, 10 February 2014 and 10 March 2014 (the "**Monthly Update Announcements**").
- (b) As announced by the Company and the Offeror in the Monthly Update Announcement dated 10 March 2014, the Offeror was in advanced stages of negotiations with the relevant parties (including financiers) in relation to the Possible Exit Offer and the Possible Delisting, such discussions being subject to finalization and execution of definitive documentation. As such, the Company had been actively engaging in discussions with its legal and financial advisers, and with the Offeror, to prepare for the Possible Exit Offer and the Possible Delisting in the event that the Offeror decides to proceed with the Possible Exit Offer. This has accordingly diverted some management resources away from the preparation of the Company's financial statements for 1QFY2014.
- (c) Further, definition 14 of the Singapore Code on Take-Overs and Mergers (the "**Takeover Code**") provides that an 'Offer Period' means the period from the date an announcement is made of a proposed or possible offer (with or without terms) until the date such offer is declared to have closed or lapsed. Accordingly, as the Joint Possible Offer Announcement was made on 11 December 2013, the relevant offer period had commenced on 11 December 2013.
- (d) In addition, Rule 25.6(c) of the Takeover Code provides that an estimate of profit for a period which has already expired constitutes a profit forecast for the purpose of Rule 25 of the Takeover Code. Without the Securities Industry Council's consent, any unaudited profit figures published during an offer period must be reported on by the auditor or reporting accountant and financial adviser in accordance with Rule 25.
- (e) Pursuant to the above, in order to comply with Rule 25 of the Takeover Code, in the event that the Company envisages that the announcement of its financial statements for 1QFY2014 will eventually be released during the offer period and there are no applicable exemptions, the Company's financial statements for 1QFY2014 must be reported on by the auditor or reporting accountant and financial adviser. For this

purpose, the Company will need to specially instruct its auditors and financial advisers to prepare the relevant reports. As the auditors and financial advisers require time to prepare their reports, it is unlikely that preparation of the Company's financial statements for 1QFY2014 and the accompanying auditor's and financial adviser's reports can be completed before 15 May 2014.¹

- (f) In view of the foregoing, the Company was of the view that it was not in the position to announce its financial statements for 1QFY2014 before 15 May 2014.

On 31 March 2014, the Company, together with the Offeror, had jointly announced that the Offeror had presented to the Board a delisting proposal to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual (the **"Joint Offer Announcement"**). Under the Delisting Proposal, Citic Securities Corporate Finance (HK) Limited and CLSA Singapore Pte Ltd, for and on behalf of the Offeror, will make a conditional cash exit offer to acquire all the issued shares of the Company (the **"Exit Offer"**)(other than (i) shares of the Company already owned, controlled or agreed to be acquired by the Offeror Concert Group (as defined in the Joint Offer Announcement), (ii) the Undertaking Shares (as defined in the Joint Offer Announcement), and (iii) the Undertaking Bonds (as defined in the Joint Offer Announcement)).

On 2 April 2014, the Company received a reply from the SGX-ST stating that it has no objection to the Company's application for an extension of time with regard to compliance with Rule 705(2) of the Listing Manual subject to the following:

- (a) the Company announcing the periods of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual;
- (b) submission of a written confirmation from the Company that the extension does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The Company shall continue to make announcements as and when appropriate on a timely basis.

BY ORDER OF THE BOARD

Yan Yunhua
Chief Financial Officer and Executive Director

2 April 2014

¹ Pursuant to Rule 25.6(c)(iii) of the Takeover Code, there is no need to include a report by the auditor or reporting accountant and financial adviser in accordance with Rule 25 for unaudited statements of interim results which comply with the requirements for periodic reports as set out in the listing rules of the Securities Exchange in cases where the offer has been **publicly recommended by the board of the offeree company**. As such, if the directors of the Company issue a public recommendation of the Exit Offer to independent shareholders of the Company before 15 June 2014, the Company will not be required to include the auditor's and financial adviser's reports to the Company's financial statements for 1QFY2014.