



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)

(Incorporated in the Republic of Singapore on 19 October 1994)

RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS ISSUE OF UP TO 161,026,441 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, AT AN ISSUE PRICE OF S\$0.21 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AT A TIME AND DATE TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY FOR THE PURPOSES OF DETERMINING SHAREHOLDERS' ENTITLEMENTS, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

1. INTRODUCTION

The board of directors (the "**Board**") of Yongnam Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable partially-underwritten rights issue ("**Rights Issue**") of up to 161,026,441 new ordinary shares in the capital of the Company ("**Rights Shares**"), at an issue price of S\$0.21 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company ("**Shares**") held by shareholders of the Company ("**Shareholders**") as at a time and date to be determined by the directors of the Company (the "**Directors**") for the purposes of determining Shareholders' entitlements under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Rights Issue is proposed to be made pursuant to the general mandate obtained from Shareholders at the Company's annual general meeting held on 29 April 2016 (the "**General Mandate**"). The General Mandate authorises the Directors to, *inter alia*, issue Shares whether by way of rights, bonus or otherwise provided that, *inter alia*, the aggregate number of Shares to be issued to Shareholders on a *pro rata* basis pursuant to such mandate shall not exceed 50.0% of the issued Shares (excluding treasury Shares (if any) as calculated) at the time the General Mandate was obtained (after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were outstanding or subsisting as at the time the General Mandate was obtained, and any subsequent bonus issue or consolidation or subdivision of Shares).

In connection with the above, the Company has appointed CIMB Bank Berhad, Singapore Branch as the manager to the Rights Issue (the "**Manager**") and has on 1 June 2016 entered into a management and underwriting agreement ("**Management and Underwriting Agreement**") with the Manager and CIMB Securities (Singapore) Pte. Ltd. (the "**Underwriter**") pursuant to which the Underwriter shall partially underwrite up to 61,904,761 Rights Shares, other than the Rights Shares and excess Rights Shares which the Undertaking Shareholders (as defined herein) have committed to subscribe for pursuant to the Irrevocable Undertakings (as defined herein) ("**Underwritten Balance Rights Shares**") subject to the terms and conditions of the Management and Underwriting Agreement.

The Board also wishes to announce that as at the date of this Announcement, the Company has obtained the approval in-principle ("**AIP**") from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation for up to 161,026,441 Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, details of which are set out in paragraph 5 below. The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries, or the Shares.

2. DETAILS OF THE RIGHTS ISSUE

As at the date of this Announcement, the Company has 316,735,383 Shares in issue.

In the event that the Rights Issue is fully subscribed under the Maximum Subscription Scenario (as defined herein), up to 161,026,441 Rights Shares will be issued and allotted at the Issue Price for each Rights Share.

As a result of the Irrevocable Undertakings (as defined herein) and the Management and Underwriting Agreement, a minimum of 116,237,830 Rights Shares will be issued and allotted at the Issue Price for each Rights Share under the Minimum Subscription Scenario (as defined herein).

Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Main Board of the SGX-ST over a period to be determined by the Board in compliance with the rules of the listing manual of the SGX-ST (the "**Listing Manual**"). Entitled Shareholders (as defined herein) will be at liberty to accept (in full or in part), decline or otherwise renounce or (in the case of Entitled Depositors (as defined herein)) trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

The Rights Shares and excess Rights Shares will be payable in full upon acceptance and/or application and the Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Fractional entitlements to the Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company. Excess Rights Shares will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company subject to applicable laws and the Listing Manual. In the allotment of any excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights 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.

The Issue Price represents a discount of approximately:

- (a) 37.3% to the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016, being the date of this Announcement;
- (b) 28.4% to the theoretical ex-rights trading price¹ of S\$0.293 per Share; and
- (c) 77.6% to the Group's net tangible assets ("**NTA**") per Share as at 31 March 2016.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager and the Underwriter, may deem fit. The final terms and conditions of the Rights Issue will be set out in the offer information statement (the "**Offer Information Statement**") to be lodged by the Company with the Monetary Authority of

¹ The theoretical ex-rights trading price is the theoretical market price of each Share assuming that the maximum of 161,026,441 Rights Shares are issued pursuant to the Rights Issue and computed based on the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016, being the date of this Announcement.

Singapore (“**MAS**”) and despatched to Entitled Shareholders (as defined herein) in due course.

For the purposes herein,

- (a) the term “**Share Options**” shall mean all the outstanding vested share options granted to participants under the Yongnam Employee Share Option Scheme which was adopted by the Company on 16 June 2004;
- (b) the term “**Exercisable Share Options**” shall mean Share Options that can be exercised into Shares of the Company and not taking into account the Share Options held by the Undertaking Shareholders;
- (c) the term “**Maximum Subscription Scenario**” shall mean the scenario where all the Exercisable Share Options have been exercised and all the Entitled Shareholders (as defined herein) subscribe in full for their respective *pro rata* Rights Shares; and
- (d) the term “**Minimum Subscription Scenario**” shall mean the scenario where (i) none of the Exercisable Share Options have been exercised, (ii) none of the Entitled Shareholders (as defined herein) subscribe for their respective *pro rata* Rights Shares other than the Undertaking Shareholders subscribing for the Rights Shares in accordance with the terms and conditions of their respective Irrevocable Undertakings (as defined herein), and (iii) the Underwriter subscribes for the Underwritten Balance Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement.

3. PARTIAL UNDERWRITING OF THE RIGHTS ISSUE

The Underwriter has agreed, on the terms and subject to the conditions of the Management and Underwriting Agreement, to underwrite the Underwritten Balance Rights Shares for an underwriting fee of 3.5% of the aggregate Issue Price of the Underwritten Balance Rights Shares.

The obligations of the Underwriter to underwrite the Underwritten Balance Rights Shares are conditional upon, *inter alia*, the following:

- (a) the lodgement of the Offer Information Statement with the MAS pursuant to Section 277 of the Securities and Futures Act (Cap. 289) of Singapore;
- (b) the AIP remaining in full force and effect, and there not occurring any withdrawal, revocation or adverse modification of the AIP and if such approval is subject to conditions, such conditions being reasonably satisfactory to the Company, the Manager and the Underwriter;
- (c) each of the Irrevocable Undertakings having been duly executed and delivered and remaining in full force and effect and there not having been any breach or non-compliance (whether in whole or in part) by any of the parties to such agreements and/or undertakings (other than the Manager and the Underwriter) of their respective obligations thereunder in any material respect; and
- (d) there having been no breach of the representations, warranties or undertakings provided for in the Management and Underwriting Agreement.

In addition, subject to the terms and conditions of the Management and Underwriting Agreement, the Underwriter is entitled to terminate the Management and Underwriting Agreement upon the occurrence of certain events, including the following:

- (a) there occurs any breach of, or any event rendering untrue, misleading or incorrect in

any respect (or in the case of any representation or warranty which is not qualified by materiality, in any material respect) any of the warranties, representations and undertakings contained in the Management and Underwriting Agreement;

- (b) any change in the capital or long-term debt of the Company and the Group, or any change, or any development involving a prospective change, which will have a Material Adverse Effect on the business, financial condition or results of operations of the Company and the Group, taken as a whole;
- (c) any material and adverse change, crisis or any development likely to lead to a material and adverse change or crisis, in national or international monetary, financial, economic or political conditions (including but not limited to conditions in any stock market, foreign exchange market or money market or inter-bank market both in Singapore and overseas, international outbreak of hostilities, terrorist attacks or outbreak of any virulent disease or epidemic) or foreign exchange controls or the occurrence of any combination of any of the foregoing which in the reasonable opinion of the Manager and/or Underwriter exercised in good faith and after consultation with the Company would be likely to materially and adversely prejudice or affect the success of the Rights Issue, or the distribution or sale of the Rights Shares whether in the primary or secondary market; and
- (d) any change in or introduction of or any prospective change in or any prospective introduction of any legislation, regulation, directive, policy, guideline or interpretation or application thereof in any relevant jurisdiction which, in the reasonable opinion of the Underwriter exercised in good faith and after consultation with the Company, materially and adversely affects or is likely to materially and adversely affect the business or operations of the Group and which in the reasonable opinion of the Manager and/or Underwriter and after consultation with the Company would be likely to materially and adversely prejudice or affect the success of the Rights Issue, or the distribution or sale of the Rights Shares whether in the primary or secondary market.

For the purposes herein, the term “**Material Adverse Effect**” shall mean, in the reasonable opinion of the Manager and/or Underwriter, a material adverse effect on:

- (a) the financial condition, business or results of operations of the Group, taken as a whole, whether or not arising in the ordinary course of business;
- (b) the ability of the Company to perform in any material respect its obligation under or with respect to, or consummate the transactions contemplated by the Management and Underwriting Agreement or the Offer Information Statement; or
- (c) the ability of the Undertaking Shareholders to perform in any material respect its obligation under or with respect to, or consummate the transactions contemplated by the Management and Underwriting Agreement or the Offer Information Statement, including their respective Irrevocable Undertakings.

It should be noted that any termination of the Management and Underwriting Agreement pursuant to, *inter alia*, the above provisions by the Underwriter which is exercised after ex-rights trading has commenced shall not take effect without the approval of the SGX-ST, in compliance with Rule 818 of the Listing Manual.

4. IRREVOCABLE UNDERTAKINGS

As an indication of their support and commitment to the Company, each of Mr Seow Soon Yong and Mr Chia Sin Cheng (collectively, the “**Undertaking Shareholders**”) has provided irrevocable undertakings dated 30 May 2016 (each an “**Irrevocable Undertaking**” and collectively, the “**Irrevocable Undertakings**”) to the Company and the Underwriter, as follows:

- (a) Mr Seow Soon Yong has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
 - (i) not to, directly or indirectly, exercise any of his 9,275,000 outstanding Share Options to subscribe for any Shares during the Rights Issue Period (as defined below);
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 31,934,980 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date;
 - (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date (“**Pro Rata Rights Shares**”), in accordance with the terms and conditions of the Rights Issue; and;
 - (iv) in addition to the Pro Rata Rights Shares, to subscribe and pay for in full for any excess Rights Shares not taken up by the Entitled Shareholders (other than Mr Chia Sin Cheng) of up to an aggregate of 37,127,748 Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
- (b) Mr Chia Sin Cheng has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
 - (i) not to, directly or indirectly, exercise any of his 3,712,500 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 2,475,663 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date; and
 - (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date, in accordance with the terms and conditions of the Rights Issue.

For the purposes herein, the term “**Rights Issue Period**” shall mean the period commencing from the date of the Irrevocable Undertakings up to and including the date of listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

Each Irrevocable Undertaking shall lapse and cease to have any effect whatsoever in the event that the Rights Issue is terminated or upon the Undertaking Shareholders having been notified by the Company that it is not proceeding with the Rights Issue.

No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

Pursuant to Rule 877(9) of the Listing Manual, each Undertaking Shareholder has obtained letters from their relevant financial institution confirming that they have the necessary financial resources to fulfill their respective obligations under the Irrevocable Undertakings.

5. RECEIPT OF AIP

The Company has also received the AIP from the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST. The SGX-ST has approved in-principle the listing of and quotation for the Rights Shares subject to, *inter alia*:

- (a) compliance with the SGX-ST's listing requirements;
- (b) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the SGX-ST Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (c) a written undertaking from the Company that it will comply with Rule 877(10) of the SGX-ST Listing Manual with regard to the allotment of any excess Rights Shares; and
- (d) written confirmation from financial institution(s) as required under Rule 877(9) of the SGX-ST Listing Manual that the Undertaking Shareholders have sufficient financial resources to fulfil their respective obligations under the Irrevocable Undertakings.

The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

6. RATIONALE AND USE OF PROCEEDS

The Company believes that the Rights Issue will strengthen the Group's financial position by enlarging the Group's capital base and enhancing its financial flexibility. In addition, the Rights Issue will provide existing Shareholders who are confident of the future prospects of the Group with an opportunity to subscribe for additional Shares.

In the Maximum Subscription Scenario, based on 161,026,441 Rights Shares being issued pursuant to the Rights Issue, the estimated gross proceeds are S\$33.8 million and the estimated net proceeds (after deducting estimated costs and expenses of approximately S\$0.7 million) are S\$33.1 million.

In the Minimum Subscription Scenario, based on 116,237,830 Rights Shares being issued pursuant to the Rights Issue, the estimated gross proceeds are S\$24.4 million and the estimated net proceeds (after deducting estimated costs and expenses of approximately S\$0.7 million) are S\$23.7 million.

The Company intends to use the net proceeds from the Rights Issue, after deduction of the estimated costs and expenses incurred in connection with the Rights Issue, in both the Minimum Subscription Scenario and the Maximum Subscription Scenario for general working capital purposes.

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue beyond that will be raised pursuant to the Irrevocable Undertakings by the Undertaking Shareholders and the underwriting arrangement with the Underwriter and taking into consideration the intended use of the net proceeds as disclosed above.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

As and when any significant amount of the proceeds is disbursed or deployed, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the disclosure of the Directors' and substantial Shareholders' shareholding interests in the Company set out in the table below, none of the Directors or substantial Shareholders have any interest, whether directly or indirectly, in the Rights Issue, other than through their shareholdings in the Company (if any).

Directors	Direct Interest		Deemed Interest		Total Interest	% of Issued Shares ⁽¹⁾
	Shares	Options	Shares	Options	Shares	
Seow Soon Yong	31,934,980	9,275,000	4,082,108 ⁽²⁾	-	36,017,088	11.37
Tan Tin Nam	3,184,000	-	4,082,108 ⁽²⁾	-	7,266,108	2.29
Siau Sun King	2,784,217	750,000	4,082,108 ⁽²⁾	-	6,866,325	2.17
Seow Soon Hee	250,000	750,000	6,745,346 ⁽³⁾	-	6,995,346	2.21
Chia Sin Cheng	2,475,663	3,712,500	-	-	2,475,663	0.78
Goon Kok Loon	-	537,500	-	-	-	-
Lim Ghim Siew Henry	225,000	375,000	-	-	225,000	0.07
Richard Liew Jat Yuan	287,500	125,000	-	-	287,500	0.09
Tan Eng Kiat, Dominic	225,000	-	-	-	225,000	0.07

Notes:

- (1) The percentage is calculated based on the total issued and paid-up share capital of 316,735,383 Shares as at 1 June 2016.
- (2) Mr Seow Soon Yong, Mr Tan Tin Nam and Mr Siau Sun King each hold 50.0%, 25.0% and 25.0%, respectively of the share capital of Yongnam Private Limited and each of them is accordingly deemed interested in the 4,082,108 Shares held by Yongnam Private Limited.
- (3) This represents the deemed interest of Mr Seow Soon Hee in the 6,745,346 Shares held by his wife, Mdm Lee Pui Ching.

Substantial Shareholders	Direct Interest		Deemed Interest	
	Shares	%	Shares	%
Delta Lloyd Asset Management NV	-	-	31,752,250 ⁽¹⁾	10.02
Seow Soon Yong	31,934,890	10.08	4,082,108 ⁽²⁾	1.29

Notes:

- (1) Delta Lloyd Asset Management NV is deemed to be interested in ordinary shares held by Delta Lloyd Azie Deelnemingen Fonds N.V. (custodian being KAS Bank N.V.) and Delta Lloyd L Asian Participation Fund (custodian being Banque de Luxembourg S.A.) by virtue of Section 7 of the Companies Act (Chapter 50 of Singapore).
- (2) Mr Seow Soon Yong holds 50.0% of the share capital of Yongnam Private Limited and is accordingly deemed interested in the 4,082,108 Shares held by Yongnam Private Limited.

8. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date ("**Depositors**") will be provisionally allotted

Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date, provided that such Depositors have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they have, no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, provided CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with a registered address in Singapore for the service of notices and documents (the “**Entitled Depositors**”).

Entitled Scripholders

Shareholders whose share certificates are not deposited with the CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (the “**Share Registrar**”) at 80 Robinson Road #02-00 Singapore 068898, in order to be registered to determine the transferee’s provisional allotment of Rights Shares under the Rights Issue provided that such Scripholders have registered addresses with the Company in Singapore as at the Books Closure Date or if they have registered addresses outside Singapore, they have, no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, provided the Share Registrar at 80 Robinson Road #02-00 Singapore 068898, with an address in Singapore for the service of notices and documents (the “**Entitled Scripholders**”).

Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this Announcement.

Persons who bought their Shares previously using their CPF account savings (“**CPF Funds**”) should use CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable CPF rules and regulations. **Such persons who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the Offer Information Statement.** Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for excess Rights Shares. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of the Rights Shares to any securities account with CDP, the receipt of any Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights Issue.

9. FOREIGN SHAREHOLDERS

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares 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 the CDP or the Share Registrar, as the case may be, with addresses

in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Offer Information Statement to be issued in relation to and for the purposes of the Rights Issue and the accompanying documents will not be mailed outside Singapore.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares 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 the expenses expected to be incurred. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the 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 as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder 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 and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP or their respective officers in connection therewith. Where such provisional allotments of Rights Shares 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, the Manager or CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

To this end, Foreign Shareholders are encouraged to provide a registered address to CDP or the Share Registrar, as the case may be, in Singapore at least three (3) market days prior to the Books Closure Date, in order to be able to participate in the Rights Issue.

10. NOTICE OF BOOKS CLOSURE DATE

Notice of the Books Closure Date for the Rights Issue is contained in a separate announcement titled “Notice of Books Closure Date” released by the Company today.

11. INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable listing certain important dates and times relating to the Rights Issue is set out below. All dates and time referred to below are Singapore dates and times.

Shares trade ex-Rights	:	7 June 2016 from 9.00 a.m.
Books Closure Date	:	9 June 2016 at 5.00 p.m.
Lodgement of Offer Information Statement with MAS	:	10 June 2016
Despatch of Offer Information Statement (together with the PAL, the ARS and the ARE, as the case may be) to Entitled Shareholders	:	14 June 2016
Commencement of trading of “nil-paid” Rights	:	14 June 2016 from 9.00 a.m.
Last date and time of trading of “nil-paid” Rights	:	22 June 2016 at 5.00 p.m.
Last date and time for splitting of “nil-paid” Rights	:	22 June 2016 at 5.00 p.m.

Last date and time for acceptance of and payment for Rights Shares⁽¹⁾ : 28 June 2016 at 5.00 p.m.
(9.30 p.m. for Electronic Applications)

Last date and time for acceptance of and payment for the Rights Shares by renounees : 28 June 2016 at 5.00 p.m.

Last date and time for application and payment for Excess Rights Shares⁽¹⁾ : 28 June 2016 at 5.00 p.m.
(9.30 p.m. for Electronic Applications)

Expected date for issuance of Rights Shares : 5 July 2016

Expected date for crediting of Rights Shares : 7 July 2016

Expected date for refund of unsuccessful or invalid applications (if made through CDP) : 12 July 2016

Expected date for commencement of trading of Rights Shares : 7 July 2016 from 9.00 a.m.

Note:

- (1) Investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using CPF Funds or funds in their SRS Accounts), where applicable, will receive notification letter(s) from their respective finance companies, Depository Agents, approved CPF agent banks or relevant approved banks with which they hold their SRS Accounts, and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective finance companies, Depository Agents, CPF agent banks and/or SRS approved banks. Any acceptance and/or applications made or purported to be made by these investors directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

12. 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 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 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.

Shareholders are advised to read this Announcement in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Management and Underwriting Agreement and the Irrevocable Undertakings will be made available for inspection during normal business hours at the Company's registered office at 51 Tuas South Street 5 Singapore 637644 for a period of three (3) months commencing from the date of this Announcement.

14. FOLLOW UP ANNOUNCEMENT / FURTHER INFORMATION

The Company will make the necessary follow-up announcement(s) as and when required and/or material developments arise in respect of the Rights Issue.

In the meantime, the Board wishes to advise Shareholders to exercise caution in their dealings in Shares and to refrain from taking any action in relation thereto, until they have sought their own financial and legal advice where appropriate.

By Order of the Board

SEOW SOON YONG
Chief Executive Officer

1 June 2016