

CHINA FISHERY GROUP LIMITED
(Incorporated in the Cayman Islands on 14 April 2000)

- (1) **PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL OF THE COMPANY**
 - (2) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,714,006,713 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.173 FOR EACH RIGHTS SHARE, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
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1. INTRODUCTION

1.1 The Board (the “**Board**”) of Directors (the “**Directors**”) of China Fishery Group Limited (the “**Company**”) (which together with its subsidiaries shall be referred to as the “**Group**”) wishes to announce that:

- (a) the Company is proposing to increase its authorised share capital from US\$150,000,000 divided into 3,000,000,000 Shares to US\$400,000,000 divided into 8,000,000,000 Shares (the “**Increase of Authorised Share Capital**”); and
- (b) the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 1,714,006,713 new ordinary shares (the “**Rights Shares**”) and each a “**Rights Share**”) at an issue price of S\$0.173 for each Rights Share (the “**Issue Price**”), on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at the books closure date to be determined by the Company (“**Books Closure Date**”), fractional entitlements to be disregarded.

The Company will be seeking approval from the Shareholders for the Increase of Authorised Share Capital and the Rights Issue at an extraordinary general meeting to be convened (the “**EGM**”). An application will be made to Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for the listing and quotation of the Rights Shares on the Official List of the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such approval in-principle from the SGX-ST.

The Company has appointed Maybank Kim Eng Securities Pte. Ltd. to act as the Manager for the Rights Issue (“**Manager**”).

2. INCREASE OF AUTHORISED SHARE CAPITAL

- 2.1 The authorised share capital of the Company is US\$150,000,000 divided into 3,000,000,000 Shares of par value US\$0.05 each, of which, as at the latest practicable date of 9 February 2015 (the “**Latest Practicable Date**”), 2,046,354,546 Shares have been issued and fully paid up.
- 2.2 The Increase of Authorised Share Capital involves the increase of the authorised share capital of the Company from US\$150,000,000 divided into 3,000,000,000 Shares of par value

US\$0.05 each to US\$400,000,000 divided into 8,000,000,000 Shares of par value US\$0.05 each.

- 2.3 The Increase of Authorised Share Capital is necessary in view of the Rights Issue as the maximum number of new Shares that may be issued under the existing authorised share capital of the Company is 953,645,454 new Shares, while the maximum number of new Shares to be issued under the Rights Issue is up to 1,714,006,713 new Shares. The Increase of Authorised Share Capital will also enable the Company to undertake any future fund raising or other corporate exercises that require the issue of new Shares.
- 2.4 As the Increase of Authorised Share Capital involves only an increase of the Company's authorised share capital and does not involve any changes to the issued share capital of the Company, there is no impact on the Company's financial position.

3. RIGHTS ISSUE

3.1 Overview of the Rights Issue

The Rights Shares are priced at S\$0.173 for each Rights Share that represents a discount of approximately:

- (a) 33.5% to the closing price of S\$0.260 per Share on the SGX-ST as at 9 February 2015, being the last trading day of the Shares on the SGX-ST before this announcement; and
- (b) 21.8% to the theoretical ex-rights price⁽¹⁾ of S\$0.221 per Share.

Shareholders eligible to participate in the Rights Issue are at liberty to accept (in full or in part), decline, renounce or in the case of eligible depositors who have Shares standing to the credit of their securities account only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares, and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue⁽²⁾.

The issuance of 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 is before the date of issue of the Rights Shares.

Based on the existing issued share capital of the Company of 2,046,354,546 Shares (the "**Existing Share Capital**") as at the Latest Practicable Date:

- (a) the minimum number of Rights Shares which may be issued is 1,154,376,739, assuming none of the warrants issued by the Company to CAP III-A Limited ("**CAP III-A**") in accordance with the agreement dated 5 December 2013 between the Company and CAP III-A (the "**Carlyle Warrants**") have been exercised by CAP III-A before the Books Closure Date, and only the Undertaking Shareholders (as defined below) subscribe for, and/or procure the subscription of, the 1,154,376,739 Undertaken Rights Shares (as defined below) (the "**Minimum Subscription Scenario**").
- (b) the maximum number of Rights Shares which may be issued is 1,637,083,636, assuming that all the Rights Shares are fully subscribed for and none of the Carlyle

Warrants have been exercised by CAP III-A before the Books Closure Date (the “**Maximum Subscription Scenario**”);

- (c) the maximum number of Rights Shares which may be issued is 1,714,006,713, assuming that all the Rights Shares are fully subscribed for and all of the Carlyle Warrants have been exercised by CAP III-A and new Shares pursuant to the abovesaid exercise have been issued before Books Closure Date⁽³⁾ (the “**Maximum Subscription Maximum Warrants Scenario**”).

In the Minimum Subscription Scenario, the enlarged issued share capital of the Company will be 3,200,731,285 Shares, representing approximately 156.4% of the Existing Share Capital.

In the Maximum Subscription Scenario, the enlarged issued share capital of the Company will be 3,683,438,182 Shares, representing approximately 180.0% of the Existing Share Capital.

In the Maximum Subscription Maximum Warrants Scenario, the enlarged issued share capital of the Company will be 3,856,515,105 Shares, representing approximately 188.5% of the Existing Share Capital.

In view of the Irrevocable Undertakings (as defined below) by the Undertaking Shareholders (as defined below), the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

Shareholders are to note that the terms of the Rights Issue were not unanimously approved by the Board. Six of the eight Directors (namely Mr Ng Joo Kwee, Mr Ng Joo Siang, Mr Sung Yu Ching, Mr Chan Tak Hei, Mr Lim Soon Hock (an Independent Director) and Mr Tan Ngiap Joo (an Independent Director), together the “**Supporting Directors**” supported the terms of the Rights Issue while Mr Tse Man Bun (the Lead Independent Director) and Mr Patrick Thomas Siewert (a Non-Executive Director) dissented to the terms of the Rights Issue. Mr Tse believes that the Right Issue is in the best interests of the Company but he has opted for a smaller discount to price be adopted. On the other hand, Mr Patrick Thomas Siewert is of the view that the current terms of the Rights Issue would be disadvantageous to minority shareholders as it is at a significant discount to the Company’s share price (which has softened since late 2014) and will further dilute minority shareholders who are unable to subscribe for the Rights Shares.

However, the Supporting Directors having regard to, *inter alia*, the rationale of the Rights Issue (as discussed in Section 3.3 below) and the relevant recent market transactions, are of the view that the Issue Price and the terms of the Rights Issue are in line with the market norm, fair and reasonable to all Shareholders, especially the minority Shareholders. Furthermore, the Rights price should not be set too high that may deny the Shareholders the opportunity to participate in the Rights Issue to maintain their shareholding interest.

Another important rationale for the Supporting Directors to determine the terms of the Rights Issue is that Ms Janine Feng (alternate director to Mr Patrick Siewert) had informed the Board that CAP III-A would not be able to subscribe to the proposed Rights Issue even if it were supportive of it at the right price. This was mainly because CAP III-A’s fund for its investment in the Company had been fully invested. Mr Siewert informed the Board that CAP III-A wanted the proposed Rights Issue to be successful and so did he as a Director of the Company but it had to be at the right price. Therefore, the Supporting Directors are of the view that the discount and the terms of the Rights Issue should be set at a level so as to

encourage all Shareholders to participate in the Rights Issue to assist the Company to raise the required funds.

Further details on the views of the supporting and dissenting directors may be set out in the circular to be despatched to the Shareholders in connection with the Rights Issue.

Notes:

- (1) *The "theoretical ex-rights price" per Share is equal to (i) the sum of (a) the market capitalisation of the Company based on the closing price of S\$0.260 per Share on the SGX-ST on 9 February 2015; and (b) the gross proceeds of the Rights Issue, divided by (ii) the total number of Shares in issue following the completion of the Rights Issue.*
- (2) *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 of the SGX-ST (the "**Listing Manual**"). On the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company 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.*
- (3) *CAP III-A currently holds 96,153,846 Carlyle Warrants which on exercise of the said warrants will result in the issuance of 96,153,846 new Shares.*

3.2 Conditions for the Rights Issue

Shareholders should note that the Rights Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) the proposed participation of the Undertaking Shareholders (as defined below) in the Rights Issue being approved by shareholders of Pacific Andes Resources Development Limited ("**PARD**") at the special general meeting of PARD to be convened;
- (c) the Increase of Authorised Share Capital being approved by the Shareholders at the EGM;
- (d) the approval by the Shareholders of the Rights Issue and the allotment and issue of the Rights Shares at the EGM;
- (e) the lodgment of the offer information statement, together with all accompanying documents to be issued by the Company in connection with the Rights Issue with the Monetary Authority of Singapore (the "**MAS**"); and
- (f) compliance by Pacific Andes International Holdings Limited ("**PAIH**")⁽¹⁾ with the HK Listing Rules⁽²⁾.

Notes:

- (1) *As at the Latest Practicable Date, PAIH through Clamford Holding Limited held an aggregate of 5,730,807,981 ordinary shares in PARD representing 66.45% of the total number of issued and paid up ordinary shares in PARD.*
- (2) *Under the Minimum Subscription Scenario, PARD's pro-rata subscription of the Rights Shares constitutes a discloseable transaction for PAIH under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules") and is subject to the reporting and announcement requirements under the HK Listing Rules but is exempted from the requirement to obtain approval from PAIH's shareholders under the HK Listing Rules.*

3.3 Rationale and use of proceeds for the Rights Issue

The Company intends to utilize the net proceeds of the Rights Issue, together with other funding of the Group, to fund the redemption of the US\$250,000,000 (approximately S\$337.5 million) 9.0% notes due 2017 issued by the Copeinca Group (as defined below) on 10 February 2010 and 17 January 2013, which were guaranteed by Copeinca AS ("**Copeinca**") (the "**Copeinca Notes**"). Please refer to Section 3.4 below for more information on the redemption of Copeinca Notes. The remaining proceeds, if any, will be used for general working capital purposes of the Group and/or to reduce indebtedness of the Group.

In the Minimum Subscription Scenario, based on the 1,154,376,739 Rights Shares to be issued, the net proceeds of the Rights Issue, after deducting the estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$199.0 million.

In the Maximum Subscription Scenario, based on the 1,637,083,636 Rights Shares to be issued the net proceeds of the Rights issue, after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$282.5 million.

In the Maximum Subscription Maximum Warrants Scenario, based on the 1,714,006,713 Rights Shares to be issued the net proceeds of the Rights issue, after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$295.8 million.

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company.

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

3.4 Proposed redemption of the Copeinca Notes

The Company completed its acquisition of Copeinca and its subsidiaries (the "**Copeinca Group**") on 17 March 2014. Copeinca was subsequently de-listed from both the Oslo Stock Exchange (Oslo Børs) (primary listing) and Lima Stock Exchange (Bolsa de Valores de Lima) (secondary listing) in April 2014. The Copeinca Group consequently became wholly-owned subsidiaries of the Company, held through the Company's indirect wholly-owned subsidiary, CFG Investment S.A.C. (being the operation arm of the Group for its Peruvian fishmeal operations), with the ultimate goal of integrating business operations with the Group.

Previously, the Copeinca Group had issued the Copeinca Notes, which were guaranteed by Copeinca. The Group is required under a US\$650 million (approximately S\$877.5 million) credit facility granted to the Group in March 2014 (the “**CFGL Facility**”), and the outstanding US\$300 million (approximately S\$405.0 million) 9.75% senior notes due 2019 issued by CFG Investment S.A.C., an indirect wholly-owned subsidiary of the Company, pursuant to an indenture dated 30 July 2012 by and among CFG Investment S.A.C., the Company and Citicorp International Limited (and certain other entities), to procure the Copeinca Group to provide guarantees, which are prohibited under the Copeinca Notes. In order to provide the guarantees, the Copeinca Group has to either obtain consent from its bondholders or redeem the Copeinca Notes. The Copeinca Group undertook a consent solicitation which commenced on 17 July 2014 to seek the consent of the bondholders to waive the relevant prohibitions under the Copeinca Notes. However, it was unable to secure the requisite number of consents from bondholders for the waiver.

The Company had announced on 11 November 2014 that it had obtained the consent of the lenders of the CFGL Facility to extend the deadline for the redemption of the Copeinca Notes (the “**Redemption Deadline**”) until 16 March 2015. The Company is in the process of seeking to further extend the Redemption Deadline to 15 May 2015 (the “**Extension Application**”). Shareholders are to note that there is no assurance that the extension of the Redemption Deadline will be obtained. The Company will update Shareholders on the outcome of the Extension Application in due course.

As such, the proceeds of the Rights Issue will be used together with other funding of the Group to provide funding to the Copeinca Group to redeem the Copeinca Notes.

The Copeinca Group requires approximately US\$255.6 million (approximately S\$345.1 million) for the redemption of the Copeinca Notes (including principal, premium and interest). Apart from the net proceeds of Rights Issue (even in the Minimum Subscription Scenario), the Group has internal funding of approximately US\$80 million earmarked for funding the Copeinca Group’s redemption of the Copeinca Notes, as well as other internal funding of not less than US\$30 million which may be deployed to make good any shortfall in the funds required by the Copeinca Group for the redemption of the Copeinca Notes.

3.5 Irrevocable Undertakings

To demonstrate their commitment to the Rights Issue, PARD, Richtown Development Limited, Golden Target Pacific Limited, Zhonggang Fisheries Limited and Super Investment Limited (collectively the “**Undertaking Shareholders**”) who directly and indirectly hold an aggregate of 1,442,970,924 Shares (the “**Relevant Shares**”) representing approximately 70.51% of the issued share capital, have each provided a separate irrevocable undertaking (collectively the “**Irrevocable Undertakings**”) that, *inter alia*:

- (a) as at the time and date determined by the Board, at and on which the register of members and the share transfer books of the Company will be closed for the purpose of determining entitlements under the Rights Issue, their interest in the Shares shall not be less than the Relevant Shares;
- (b) commencing from the date of the Irrevocable Undertakings to the date of the listing of the Rights Shares on the Main Board of the SGX-ST, each of the Undertaking Shareholders shall not offer, sell, contract to sell, pledge, transfer or otherwise dispose of or otherwise encumber or permit any encumbrance to subsist in respect

of any, or any of its interest in, the Relevant Shares and it shall procure that none of the Relevant Shares be offered, sold, contracted to be sold, pledged, transferred or otherwise disposed of, or otherwise be encumbered or be permitted to be encumbered either directly or indirectly;

- (c) they will vote and/or will procure the voting of all the Relevant Shares in favour of the resolutions to be proposed at the EGM or any adjournment thereof, to approve the Increase of Authorised Share Capital, the Rights Issue, and any other matters necessary or proposed to implement the Increase of Authorised Share Capital and the Rights Issue; and
- (d) they will subscribe for and/or procure the subscription of, and pay and/or procure payment in full for, their respective pro-rata entitlements to the Rights Shares of 1,154,376,739 Rights Shares (the “**Undertaken Rights Shares**”).

The confirmation of financial resources from a financial institution will be provided by PARD on behalf of the Undertaking Shareholders to the SGX- ST in due course.

Each of the Irrevocable Undertakings are subject to and conditional upon, *inter alia*, the following:

- (a) the passing of the resolutions by Shareholders relating to the Increase of Authorised Share Capital and the Rights Issue at the EGM;
- (b) the passing of the resolutions by the shareholders of PARD approving the Undertaking Shareholders to subscribe for and/or procure the subscription of, and pay and/or procure payment in full for, all the Undertaken Rights Shares, in accordance with the terms and conditions of the offer information statement;
- (c) approval in-principle having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the listing and quotation of the Rights Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (d) the lodgement of the offer information statement, together with all accompanying documents (if applicable) to be issued by the Company in connection with the Rights Issue with the MAS.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

4.1 The interests of the Directors in the Shares based on information recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date, were as follows:

Director	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Ng Joo Kwee ⁽¹⁾	-	-	-	-	-	-
Sung Yu Ching	-	-	-	-	-	-
Ng Joo Siang ⁽²⁾	-	-	-	-	-	-
Chan Tak Hei ⁽³⁾	-	-	-	-	-	-
Lim Soon Hock	-	-	-	-	-	-
Tse Man Bun	-	-	-	-	-	-
Tan Ngiap Joo	42,510	0.002	-	-	42,510	0.002
Patrick Thomas Siewert	-	-	-	-	-	-
Janine Feng Junyuan (Alternate Director to Patrick Thomas Siewert)	-	-	-	-	-	-

Notes:

(1) Mr Ng Joo Kwee is a director of the Company, PARD and PAIH.

(2) Mr Ng Joo Siang is a director of the Company, PARD and PAIH.

(3) Mr Chan Tak Hei is a director of the Company and an alternate director to Ng Joo Kwee for PARD.

4.2 The interests of the Substantial Shareholders based on information recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, were as follows:

Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Super Investment Limited (“ Super Investment ”)	1,426,432,850	69.71	-	-
Zhonggang Fisheries Limited (“ Zhonggang Fisheries ”) ⁽¹⁾	-	-	1,426,432,850	69.71
Golden Target Pacific Limited (“ Golden Target ”) ⁽²⁾	16,538,074 ⁽²⁾	0.81	1,426,432,850	69.71
Richtown Development Limited (“ Richtown ”) ⁽³⁾	-	-	1,442,970,924	70.51
PARD ⁽⁴⁾	-	-	1,442,970,924	70.51
CAP III-A Limited	227,027,028	11.09	-	-
CAP III Fund Limited ⁽⁵⁾	-	-	227,027,028	11.09
Carlyle Asia Partners III, L.P. ⁽⁵⁾	-	-	227,027,028	11.09
CAP III General Partners, L.P. ⁽⁵⁾	-	-	227,027,028	11.09
CAP III L.L.C. ⁽⁵⁾	-	-	227,027,028	11.09
TC Group Cayman Investment Holdings Sub, L.P. ⁽⁵⁾	-	-	227,027,028	11.09
TC Group Cayman Investment Holdings, L.P. ⁽⁵⁾	-	-	227,027,028	11.09
Carlyle Holdings II L.P. ⁽⁵⁾	-	-	227,027,028	11.09

Carlyle Holdings II GP L.L.C. ⁽⁵⁾	-	-	227,027,028	11.09
The Carlyle Group L.P. ⁽⁵⁾	-	-	227,027,028	11.09
Carlyle Group Management L.L.C. ⁽⁵⁾	-	-	227,027,028	11.09

Notes:

(1) Zhonggang Fisheries owns 499 shares in Super Investment, representing 49.9% of the total issued share capital of Super Investment and is therefore deemed to be interested in the 1,426,432,850 Shares held by Super Investment.

(2) Golden Target owns 470 shares in Super Investment, representing 47.0% of the total issued share capital of Super Investment and 70 shares in Zhonggang Fisheries, representing 70.0% of the total issued share capital of Zhonggang Fisheries. Golden Target is therefore deemed to be interested in the 1,426,432,850 Shares held by Super Investment. Golden Target is also deemed to be interested in the 1,426,432,850 Shares held by Super Investment through Zhonggang Fisheries.

The 16,538,074 Shares held by Golden Target are registered in the name of nominees, namely, HSBC (Singapore) Nominees Pte Ltd (295,450 Shares) and Nomura Singapore Limited (16,242,624 Shares).

(3) Richtown owns 100% of the shares in Golden Target and therefore Richtown is deemed to be interested in the Shares held by Super Investment and Golden Target.

(4) PARD owns 100% of the shares in Richtown and is therefore deemed to be interested in the Shares held by Super Investment and Golden Target.

(5) Carlyle Group Management L.L.C. ("**Carlyle Group Management**") is the general partner of The Carlyle Group L.P. ("**Carlyle LP**"), a publicly traded entity listed on the NASDAQ Stock Exchange. Carlyle Holdings II GP L.L.C. ("**Carlyle Holdings GP**") acts in accordance with the instructions of its managing member, Carlyle LP. Carlyle Holdings GP is in turn the general partner of Carlyle Holdings II L.P. ("**Carlyle Holdings**"). Carlyle Holdings is the general partner of TC Group Cayman Investment Holdings, L.P. ("**TC Group**") which in turn acts as the general partner for TC Group Cayman Investment Holdings Sub, L.P. ("**TC Group Sub**").

By virtue of the 100% shareholding held by TC Group Sub in CAP III L.L.C. ("**CAP III**"), the general partner for CAP III General Partners, L.P. ("**CAP III GP**") which is in turn the general partner of Carlyle Asia Partners III, L.P. ("**Carlyle Asia**"), the foregoing entities are deemed to be interested in the 227,027,028 Shares held by CAP III-A Limited ("**CAP III-A**") in the Company through Carlyle Asia, the immediate holding company of CAP III Fund Limited ("**CAP III Fund**") which owns 95.30% shareholding in CAP III-A.

By virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore), each of Carlyle Group Management, Carlyle LP, Carlyle Holdings GP, Carlyle Holdings, TC Group, TC Group Sub, CAP III, CAP III GP, Carlyle Asia and CAP III Fund is deemed to be interested in the 227,027,028 Shares held by CAP III-A.

4.3 Save as disclosed in Section 4.1 and 4.2 above and in this announcement, no other Directors and, as far as the Directors are aware, none of the Substantial Shareholders have any interest in Shares.

5. FREE FLOAT

Rule 723 of the Listing Manual states that the Company must ensure that at least 10% of its Shares are held by the public (as defined in the Listing Manual) at all times.

The Company will be seeking clarifications with the SGX-ST as to the options available to the Company in the event that less than 10% of the Shares are held by the public following the completion of the Rights Issue.

6. DOCUMENTS FOR INSPECTION

Copies of the Irrevocable Undertakings will be made available for inspection at the office of the Company's Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 for a period of 3 months from the date of this announcement.

7. FOLLOW UP ANNOUNCEMENT(S)/ FURTHER INFORMATION

7.1 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.

7.2 **Shareholders and potential investors are advised to exercise caution when trading in the Shares. Shareholders and investors are also advised to read this announcement and any further announcements made by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.**

BY ORDER OF THE BOARD

Tan San-Ju
Company Secretary
Singapore, 11 February 2015

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Shares. This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The value of Shares and the income derived from them may fall as well as rise. Shares are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested.

The past performance of the Company is not necessarily indicative of the future performance of Company.

This announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view of future events.