
PROPOSED PLACEMENT OF 58,153,846 NEW SHARES TO THE PLACEES (DEFINED BELOW)

1. INTRODUCTION AND TERMS OF PLACEMENT

- 1.1 The Company had earlier engaged the services of Esco Pte Ltd (“**Esco**”), Milestone Engineering & Industrial Pte Ltd (“**Milestone**”), JECT (Thailand Co., Ltd) (“**JECT**”), and West East International Co. Ltd (“**WEI**”) (each a “**Placee**” and collectively the “**Placees**”). In relation thereto, as of the date hereof, the Company owes Esco, Milestone, JECT and WEI S\$273,928.08, S\$58,949.52, S\$2,159,637.16 and S\$1,285,310.92 respectively (which in aggregate is the “**Outstanding Sum**”) for their services.
- 1.2 The Company intends to satisfy the Outstanding Sum through (a) cash payment (“**Cash Consideration**”) and (b) the issue and allotment of ordinary shares in the Company to the Placees (“**Proposed Placement**”) and in connection therewith has entered into settlement letters dated 20 October 2014 with Esco, Milestone, JECT and WEI respectively (each a “**Settlement Letter**” and collectively the “**Settlement Letters**”) to, inter alia, issue and allot an aggregate of 58,153,846 ordinary shares in the capital of the Company to them (the “**Placement Shares**”) with the breakdown as set out in Table A below. The Placement Shares will be issued at an issue price of S\$0.052 per share, subject to and upon the terms of the respective Settlement Letters.
- 1.3 The aggregate consideration for the subscription by the Placees, and the allotment and issue by the Company of the Placement Shares shall be the cash sum of S\$0.052 per Placement Share, forming an aggregate consideration of S\$3,024,000 (the “**Consideration**”) for all of the Placement Shares.

Table A

S/No	Name of Placee	Number of Shares	Total Consideration for the Placement Shares (S\$)
1.	Esco Pte Ltd	2,884,615	150,000
2.	Milestone Engineering & Industrial Pte Ltd	769,231	40,000
3.	JECT (Thailand) Co., Ltd	39,307,692	2,044,000
4.	West East International Co. Ltd	15,192,308	790,000
	Total	58,153,846	3,024,000

- 1.4 The Company will be making an application to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Placement Shares on the SGX-ST and will make the necessary announcements once the approval in-principal of the listing and quotation of the Placement Shares have been obtained from the SGX-ST. The Placement Shares will not be issued to transfer a controlling interest of the Company and none of the Placement Shares will be placed to any person or groups of person prohibited by SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual.
- 1.5 The issue price of S\$0.052 for each Placement Share is the volume weighted average price of the ordinary shares (“**Shares**”) of the Company for 20 October 2014 (being the latest practicable date).
- 1.6 The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 30 April 2014 which authorises the Directors of the Company pursuant to Rule 806 of the Listing Manual of the SGX-ST, to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual. The total number of ordinary shares in the capital of the Company (which excludes treasury shares) as at 30 April 2014 was 367,816,974 (the “**Share Capital**”).

- 1.7 The maximum number of ordinary shares which may be issued pursuant to any Placee pursuant to the general mandate on a non-pro-rata basis would be 20% of the total Share Capital (i.e. 73,563,394 Shares). The Company had on 8 July 2014 issued and allotted 15,336,000 Shares pursuant to a placement under the general mandate ("**First Placement**"). Following the issue and allotment of 58,153,846 shares to the Placees pursuant to the Proposed Placement, and after factoring in the 15,336,000 Shares issued pursuant to the First Placement, the Company will be able to issue and allot on a non-pro rata basis a balance of 73,549 Shares under the general mandate. When completed, the Placement will increase the issued and paid up share capital of the Company to 481,901,128 Shares, excluding treasury shares.
- 1.8 The Placement Shares will represent (i) approximately 13.72% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 12.07% of the enlarged issued and paid-up share capital of the Company after the issue of the Placement Shares.
- 1.9 The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever, are uniform and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distributions, the date in relation to any dividends, rights, allotments or other distributions, as at the close of business (or such other time as may have been notified by the Company) on which shareholders of the Company must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions, for which falls before the date of issue of the Placement Shares.

2. ABOUT THE PLACEES

Name of Placee	Number of Placement Shares ('000)	Details on how the Placee was identified	Background and rationale for the Placee's subscription of the Placement Shares
Esco Pte Ltd	2,884,615	Provides subcontractor services for the Company	The Company is in the business of total infocomm technology supply and installation The Placement Shares are partial repayment of the Outstanding Sum.
Milestone Engineering & Industrial Pte Ltd	769,231	Provides subcontractor services for the Company	The Company is in the business of general installation services. The Placement Shares are partial repayment of the Outstanding Sum.
JECT (Thailand) Co., Ltd)	39,307,692	Provides engineering services for the Company	The Company is in the business of engineering, consultancy and design. The Placement Shares are partial repayment of the Outstanding Sum.
West East International Co. Ltd	15,192,308	Provides project design and consultancy services for the company	The company is in the business of providing project design, marketing and consultancy services. The Placement Shares are partial repayment of the Outstanding Sum.
Total	58,153,846		

The Placees have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Listing Manual. As at the date of this announcement, the Placees do not hold any Shares in the Company.

The Placees are not related to each other in any way and, to the best of the Company's knowledge, there is no agreement, arrangement or understanding between themselves and any other Placee or shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Placees are not parties acting in concert with any other Placee or shareholder of the Company, as defined in The Singapore Code on Take-Overs and Mergers.

3. CONDITIONS PRECEDENT

- 3.1 The Proposed Placement is conditional upon the necessary regulatory and shareholder approvals (where necessary) approvals having been duly obtained.
- 3.2 The Placees agree that the allotment and issuance of the Placement Shares together with the payment of the Cash Consideration shall fully and unconditionally release and discharge the Company from any and all claims, rights, actions, liabilities, costs and expenses, whether now known or unknown, that it has or may have against the Company arising out of or relation to the Outstanding Sum and all matters related thereto.

4. PROCEEDS FROM PROPOSED PLACEMENT

- 4.1 The Placement Shares will be allotted and issued to the Placees in their respective portions for the partial satisfaction of the Outstanding Sum.

5. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for the financial year ended 31 December 2013; and
- (ii) The financial impact on the consolidated net tangible assets ("NTA") per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 31 December 2013 and in relation to the Company's consolidated earnings per Share ("EPS"), computed based on the assumption that the Proposed Placement was completed on 1 January 2013

	Before the Proposed Placement	After the Proposed Placement
Share capital		
- Issued and paid up share capital (S\$)	68,015,468	71,039,468
- Number of Shares	423,747,282	481,901,128
NTA (S\$'000)	20,663,000	20,663,000
NTA per Share (S\$ cents)	0.05	0.04
EPS (S\$ cents) ⁽¹⁾	(6.46)	(6.26)
Earnings attributable to equity holders of the Company (S\$'000)	(25,107,130)	(25,107,130)
Weighted average number of shares used to calculate diluted earnings ('000)	388,508,160	400,776,044

Note: (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

The financial effects of the Proposed Placement on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Placement.

6. RULE 812 AND INTERESTED PERSONS

The Placees does not fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual or are interested persons under Chapter 9 of the SGX-ST Listing Manual.

7. CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will represent approximately 13.72% of the enlarged issued and paid-up share capital of the Company after the completion of the Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of existing Shareholders following completion of the Placement:

Substantial Shareholders	<u>Before the Proposed Placement</u>				<u>After the Proposed Placement</u>			
	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
<u>Existing Shareholders</u>								
Mitsubishi Electric Asia Pte Ltd	35,000,000	8.26	-	-	35,000,000	7.26	-	-
Mitsubishi Electric Corporation	-	-	35,000,000	8.26	-	-	35,000,000	7.26
Mitsui & Co Ltd	26,495,000	6.25	-	-	26,495,000	5.50	-	-
<u>The Placees</u>								
Esco Pte Ltd	-	-	-	-	2,884,615	0.60	-	-
Milestone Engineering & Industrial Pte Ltd	-	-	-	-	769,231	0.16	-	-
JECT (Thailand Co., Ltd	-	-	-	-	39,307,692	8.16	-	-
West East International Co. Ltd	-	-	-	-	15,192,308	3.15	-	-

The Placement Shares will represent approximately 12.07% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of the Directors following completion of the Proposed Placement:

Directors	<u>Before Proposed Placement</u>				<u>After Proposed Placement</u>			
	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Bernard Chen Tien Lap	2,010,000	0.47	-	-	2,010,000	0.42	-	-
Michael Ong Liang Huat	5,331,138	1.26	-	-	5,331,138	1.11	-	-

Yeung Koon Sang @David Yeung	214,000	0.05	-	-	214,000	0.04	-	-
Siew Chak Hung	4,000,000	0.94	-	-	4,000,000	0.83	-	-
Pang Toh Kang	-	-	30,000	0.01	-	-	30,000	0.01

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company have, to the best of their knowledge, any connection with the Placees or its directors or substantial shareholders.

9. RESPONSIBILITY STATEMENT

- 9.1 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 Placement, and 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.
- 9.2 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 and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Lun Chee Leong
Company Secretary
21 October 2014