



NICO STEEL HOLDINGS LIMITED
(Company Registration No.: 200104166D)
(Incorporated in the Republic of Singapore)

THE PROPOSED ISSUE OF 2.0% REDEEMABLE CONVERTIBLE BONDS DUE 2018 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$50,000,000

1. Introduction

The Board of Directors (the "**Board**") of Nico Steel Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today entered into a conditional subscription agreement (the "**Subscription Agreement**") with Premier Equity Fund Sub Fund H (the "**Subscriber**") and Value Capital Asset Management Private Limited ("**VCAM**" or the "**Manager**") as the investment manager of the Subscriber, pursuant to which the Company proposes to issue to the Subscriber 2.0% redeemable convertible bonds due 2018 with an aggregate principal amount of up to S\$50,000,000 ("**Bonds**") (the "**Proposed Bond Issue**").

The Bonds shall comprise four (4) separate successive tranches as follows:

- (a) A principal amount of S\$15,000,000 each for the first and second tranches of the Bonds; and
- (b) A principal amount of S\$10,000,000 each for the third and fourth tranches of the Bonds,

(the four tranches of the Bonds shall be referred to as "**Tranche 1 Bonds**", "**Tranche 2 Bonds**", "**Tranche 3 Bonds**" and "**Tranche 4 Bonds**", respectively).

2. Information on the Subscriber and VCAM

The Subscriber is a sub fund of Premier Equity Fund managed by VCAM. VCAM is an investment management company incorporated in Singapore which is exempt from holding a capital market services licence for fund management pursuant to the Securities and Futures (Licensing and Conduct of Business) Regulations 2005 of Singapore. VCAM has been appointed by the Subscriber as investment manager of the Subscriber to manage the Subscriber's investment in the Company on a discretionary basis. VCAM has been authorised to act for and on behalf of the Subscriber in respect of the Subscription Agreement and accordingly, to do and execute all such matters, acts and things (including but not limited to notices required to be delivered by the Subscriber under the terms of the Subscription Agreement) which in the opinion of VCAM may be necessary or desirable for the purposes aforesaid.

The Subscriber was identified and introduced to the Company through mutual and informal contacts in the industry, and no fees or commissions were paid to such persons.

The Subscriber has no business dealings with the Company other than the Proposed Issue. None of the directors of the Subscriber are related to any of the directors and substantial shareholders of the Company. The Subscriber does not fall within any of the prohibited categories as set out in Rule 812 of the Listing Rules of the Mainboard of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Mainboard Rules") to whom the Company is prohibited from issuing the Bonds.

3. PROPOSED BONDS ISSUE

3.1 Principal terms of the Bonds. The Bonds shall be issued in registered form in denominations of S\$50,000 each. The Bonds are convertible into new ordinary shares ("Shares") in the share capital of the Company (the "Conversion Shares"), which when issued, shall rank *pari passu* in all respects with all other existing Shares. The subscription and conversion of the Bonds shall be in accordance with the terms of the Subscription Agreement and subject to the terms and conditions of the Bonds ("Terms and Conditions").

The Bonds shall comprise four (4) separate successive tranches, being Tranche 1 Bonds, Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds, which shall be issued in sub-tranches of S\$1,000,000 each in the manner described in paragraphs 3.2.3 and 3.2.4 below.

A summary of the key terms of the Bonds is as follows:

- Principal Amount : Up to S\$50,000,000 in principal amount of the Bonds.
- Issue Price : 100% of the aggregate principal amount of the Bonds ("**Bond Issue Price**").
- Maturity Date : Three (3) years after the closing date for the first sub-tranche of the Tranche 1 Bonds ("**Maturity Date**")
- Interest Rate : The Bonds will bear interest at a rate of 2.0% per annum and such interest will be payable semi-annually in arrears on 30 June and 31 December in each year (each an "**Interest Payment Date**") with the first payment of interest being made on 31 December in respect of the period from and including the closing date of the first sub-tranche of Tranche 1 Bonds to but excluding 31 December and the last payment of interest being made on the Maturity Date in respect of the period from and including the immediately preceding Interest Payment Date to but excluding Maturity Date. All interest accrued on such Bonds from the last Interest Payment Date will be forfeited upon conversion or redemption in accordance with the Subscription Agreement.
- Status of the Bonds : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves and, subject as mentioned above and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.
- Alteration to Terms : Any modification by the Company of the Bonds (including the Terms and Conditions) or any waiver or authorisation of any breach or proposed breach by the Company of the

Bonds requires the written approval of holders of 51% or more of the aggregate principal amount of the Bonds then outstanding.

Any material modification to the terms of the Bonds after issue to the advantage of the holders of the Bonds ("**Bondholder**") shall be approved by shareholders of the Company ("**Shareholders**"), except where such alterations are made pursuant to the Terms and Conditions.

Transfer : The Bondholder shall, subject to the Terms and Conditions, be entitled at any time to transfer all (but not part) of the Bond(s) registered in its name ("**Transferred Bonds**") to an Affiliate and the Company irrevocably consents to such transfer by the Bondholder, it being understood that in respect of the Transferred Bonds, the Company will not consent to them being transferred to any person, whether such person is an Affiliate or not. "**Affiliate**" means with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with, such person. The expression "control" (including its correlative meanings, "controlled by", "controlling" and "under common control with") shall mean, with respect to a corporation, the right to exercise, directly or indirectly, more than 50% of the voting rights attributable to the shares of the controlled corporation and, with respect to any person other than a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person.

Redemption and Purchase : The Bonds which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of their principal amount on the Maturity Date. The Company shall at least one (1) month prior to the Maturity Date, issue an announcement notifying Shareholders of the same and shall dispatch to all Bondholders, a notice of the Maturity Date.

Conversion Price : The price at which each Conversion Share shall be issued upon conversion (the "**Conversion Price**"), for each Bond that is converted into Shares, shall be, at the option of the Bondholder, either of the following:

(a) 130% of the average of the traded volume weighted average prices per Share for the 25 Market Days on which Shares were traded on the SGX-ST ("**Trading Days**"), immediately preceding the date of the Subscription Agreement in respect of Tranche 1 Bonds or the closing date of the first sub-tranche of Tranche 2 Bonds; Tranche 3 Bonds or Tranche 4 Bonds (as the case may be) (the "**Fixed Conversion Price**"), subject to adjustment in the manner as provided in the Subscription Agreement; or

(b) 90% of the average of the traded volume weighted average prices per Share for any three (3) consecutive Trading Days as selective by the relevant Bondholder during the 25 Trading Days immediately preceding the relevant conversion date of the Bonds (the "**Floating**

Conversion Price").

The Conversion Price shall not be lower than S\$0.01 (the "**Minimum Conversion Price**").

- Adjustments : The Minimum Conversion Price and the Fixed Conversion Price will be subject to adjustments under certain circumstances provided for in the Terms and Conditions. Such circumstances include, without limitation, consolidation, subdivision or reclassification of the Shares, capitalisation issues, rights issues and certain capital distributions. Any such adjustments shall be announced by the Company on the SGXNET.
- Conversion Period : The right of a Bondholder to convert any Bonds may be exercised at the option of the Bondholder, at any time, from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement up to the close of business on the day falling one week prior to the Maturity Date (the "**Conversion Period**") save that the Company may from time to time give not more than 35 days' and not less than 14 days' written notice to all Bondholders specifying a period being not more than three business days commencing on the expiry of the notice during which the Bonds will not be convertible, provided always that the aggregate of the days on which the Bonds are not convertible shall not exceed 12 business days in any calendar year.
- Listing Status : The Bonds will not be listed and quoted on the SGX-ST.
- Events of default : Each of the following events shall constitute an event of default entitling the Subscriber to terminate the Subscription Agreement:
- (a) there is default by the Company in the payment of the principal or interest in respect of the Bonds or any of them when and as the same ought to be paid and such default is not remedied by the Company within five (5) business days;
 - (b) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation contained in the Subscription Agreement or the Terms and Conditions and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of any of the Bonds) and such default continues for the period of 14 business days next following the service by the Bondholder on the Company of notice requiring the same to be remedied;
 - (c) any other bonds, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of at least S\$7.5 million or the equivalent in any other currency or currencies (hereinafter collectively called "**Indebtedness**") of the Company or any of its subsidiaries become or becomes prematurely repayable following a default in respect of the terms

thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of its subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of other persons having an aggregate outstanding amount of at least S\$7.5 million given by the Company or any of its subsidiaries shall not be honoured when due and called upon;

- (d) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation the terms of which have previously been approved in writing by Bondholders holding 51% or more of the outstanding principal amount of Bonds or which is approved by the Shareholders, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the Bonds;
- (e) a resolution is passed or an order of a court of competent jurisdiction is made that any subsidiary be wound up or dissolved otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by Bondholders holding 51% or more of the outstanding principal amount of Bonds, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another subsidiary of the Company, or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to the Company and/or any subsidiary are distributed to the Company and/or such subsidiary;
- (f) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group;
- (g) (i) the Company or any of its subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due or (ii) the Company or any of its subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (c) or (d) above) ceases or through an official action of the board of directors of the Company or any of its subsidiary, as the case may be, threatens to cease to carry on its business, and such action has a material adverse effect on the Group;
- (h) proceedings shall have been initiated against the

Company or any of its subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 14 business days;

- (i) the Company or any of its subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a material adverse effect on the Group;
- (j) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any of its subsidiary, which is material in its effect upon the operations of either the Company or such subsidiary, as the case may be, and is not discharged within 14 business days thereof;
- (k) the delisting of the Shares from the SGX-ST or a suspension of trading other than pursuant to a very substantial acquisition or reverse takeover under Rule 1015 of the Mainboard Rules, of Shares for a period of five (5) consecutive Market Days or more;
- (l) Borrowings (as defined in the Subscription Agreement) to Net Worth (as defined in the Subscription Agreement) exceeds 50% at any time;
- (m) the Net Worth is less than S\$12 million at any time;
- (n) for so long as there are any Bonds outstanding, if the Company engages in any transaction with any hedge fund operating or originating from any part of the world;
or
- (o) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group.

Further details of the Terms and Conditions will be set out in the circular (the “**Circular**”) to be issued by the Company and to be despatched to the Shareholders in due course for the purpose of obtaining the approval of Shareholders in respect of the Proposed Bond Issue during an extraordinary general meeting (the “**EGM**”) of the Company to be convened.

3.2 Principal Terms of the Subscription Agreement

3.2.1 Conditions precedent. The obligation of the Subscriber to subscribe and pay for any of the Bonds is subject to, amongst others, the following conditions precedent:

- (a) all the representations and warranties given by the Company under the Subscription Agreement shall be accurate and correct and not misleading in all respects; and
- (b) approval of the Shareholders for the issue of the Bonds, the allotment and issue of the Conversion Shares and the Commitment Shares, and the approval-in-principle from the SGX-ST for the listing and quotation of the Conversion Shares and the Commitment Shares on the Official List of the SGX-ST, being obtained and such approvals not being withdrawn or revoked.

3.2.2 Fees.

- (a) The Company agrees to pay the Subscriber a set-up fee ("**Commitment Fee**") of up to S\$550,000 which shall be satisfied by the issue of such number of new Shares ("**Commitment Shares**") of up to S\$550,000 in value to the Subscriber in the following manner:
 - (i) such number of Commitment Shares of S\$250,000 in value to be issued at a price equal to the volume weighted average price per Share for the full Market Day preceding the closing date of the first sub-tranche of the Tranche 1 Bonds;
 - (ii) such number of Commitment Shares of S\$100,000 in value to be issued at a price equal to the volume weighted average price per Share for the full Market Day preceding the closing date of the first sub-tranche of the Tranche 2 Bonds;
 - iii) such number of Commitment Shares of S\$100,000 in value to be issued at a price equal to the volume weighted average price per Share for the full Market Day preceding the closing date of the first sub-tranche of the Tranche 3 Bonds; and
 - (iv) such number of Commitment Shares of S\$100,000 in value to be issued at a price equal to the volume weighted average price per Share for the full Market Day preceding the closing date of the first sub-tranche of the Tranche 4 Bonds.

However, if the relevant tranche is not issued (whether in whole or part) by the Company, the relevant portion of the Commitment Fee will not be payable.

- (b) The Company also agrees to pay the Manager, in respect of each sub-tranche of the Bonds which is subscribed for and issued pursuant to the Subscription Agreement, an arranger's fee of 4.0% of the aggregate principal amount of the Bonds for such sub-tranche, payable to the Manager on the closing date of such sub-tranche. The Company agrees that to facilitate this payment, the arranger's fee payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of such sub-tranche and paid to the Manager.

3.2.3 Issue and Subscription of Tranche 1 Bonds.

- (a) Subject to the terms and conditions of the Subscription Agreement, the Company agrees to issue and the Subscriber agrees to subscribe for the initial sub-tranche of Tranche 1 Bonds at the Bond Issue Price, on the date falling five (5) business days immediately after the last of the conditions

precedent in the Subscription Agreement have been fulfilled or such other date as the Parties may agree in writing, such date being the closing date for the first sub-tranche of Tranche 1 Bonds.

- (b) Following the subscription of the initial sub-tranche of Tranche 1 Bonds, the Subscriber may at its sole and absolute discretion subscribe in respect of each of the subsequent sub-tranches of Tranche 1 Bonds:
- (i) on the fifth business day after the conversion date of the last of the Bonds comprised in the sub-tranche of Tranche 1 Bonds immediately preceding it; or
 - (ii) on such other date (which, for the avoidance of doubt, may include the closing date for the first sub-tranche of Tranche 1 Bonds) as the Subscriber may, in its sole and absolute discretion, decide,

such date being the closing date for such subsequent sub-tranche of Tranche 1 Bonds.

3.2.4 Issue and Subscription of Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds.

The Subscriber has granted to the Company an option in respect of initial sub-tranche of each of Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds (collectively, the "**Options**") to require the Subscriber to subscribe for such Bonds from the Company at the Bond Issue Price during the relevant period (the "**Option Period**") as follows:

- (a) in respect of Tranche 2 Bonds, the period commencing from and including the date when the last of the Bonds comprised in the last sub-tranche of Tranche 1 Bonds are converted into Conversion Shares to and including the twentieth (20th) business day thereafter;
- (b) in respect of Tranche 3 Bonds, the period commencing from and including the date when the last of the Bonds comprised in the last sub-tranche of Tranche 2 Bonds are converted into Conversion Shares to and including the twentieth (20th) business day thereafter; and
- (c) in respect of Tranche 4 Bonds, the period commencing from and including the date when the last of the Bonds comprised in the last sub-tranche of Tranche 3 Bonds are converted into Conversion Shares to and including the twentieth (20th) business day thereafter.

To exercise an Option, the Company shall notify the Subscriber in writing in the form set out in the Subscription Agreement (the "**Exercise Notice**") at any time during the relevant Option Period.

Tranche 2 Bonds

First sub-tranche of Tranche 2 Bonds

Upon receipt of the Exercise Notice from the Company in respect of initial sub-tranche of the Tranche 2 Bonds, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Bond Issue Price the first sub-tranche of Tranche 2 Bonds no later than the fifth business day following the date of receipt of the Exercise Notice by Subscriber, such date being the closing date for the first sub-tranche of Tranche 2 Bonds.

Subsequent sub-tranches of Tranche 2 Bonds

Following the subscription of the initial sub-tranche of Tranche 2 Bonds, the Subscriber may at its sole and absolute discretion subscribe in respect of each subsequent sub-tranche of Tranche 2 Bonds:

- (a) on the fifth business day after the conversion date of the last of the Bonds comprised in the sub-tranche of Tranche 2 Bonds immediately preceding it; or
- (b) on such other date (which, for the avoidance of doubt, may include the closing date for the first sub-tranche of Tranche 2 Bonds) as the Subscriber may, in its sole and absolute discretion, decide, such date being the closing date for such subsequent sub-tranche of Tranche 2 Bonds.

Tranche 3 Bonds

First sub-tranche of Tranche 3 Bonds

Upon receipt of the Exercise Notice from the Company in respect of initial sub-tranche of the Tranche 3 Bonds, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Bond Issue Price the first sub-tranche of Tranche 3 Bonds no later than the fifth business day following the date of receipt of the Exercise Notice by Subscriber, such date being the closing date for the first sub-tranche of Tranche 3 Bonds.

Subsequent sub-tranches of Tranche 3 Bonds

Following the subscription of the initial sub-tranche of Tranche 3 Bonds, the Subscriber may at its sole and absolute discretion subscribe in respect of each subsequent sub-tranche of Tranche 3 Bonds:

- (a) on the fifth business day after the conversion date of the last of the Bonds comprised in the sub-tranche of Tranche 3 Bonds immediately preceding it; or
- (b) on such other date (which, for the avoidance of doubt, may include the closing date for the first sub-tranche of Tranche 3 Bonds) as the Subscriber may, in its sole and absolute discretion, decide, such date being the closing date for such subsequent sub-tranche of Tranche 3 Bonds.

Tranche 4 Bonds

First sub-tranche of Tranche 4 Bonds

Upon receipt of the Exercise Notice from the Company in respect of initial sub-tranche of the Tranche 4 Bonds, the Subscriber shall be obliged to subscribe, and the Company shall be obliged to issue, at the Bond Issue Price the first sub-tranche of Tranche 4 Bonds no later than the fifth business day following the date of receipt of the Exercise Notice by Subscriber, such date being the closing date for the first sub-tranche of Tranche 4 Bonds.

Subsequent sub-tranches of Tranche 4 Bonds

Following the subscription of the initial sub-tranche of Tranche 4 Bonds, the Subscriber may at its sole and absolute discretion subscribe in respect of each subsequent sub-tranche of Tranche 4 Bonds:

- (a) on the fifth business day after the conversion date of the last of the Bonds comprised in the sub-tranche of Tranche 4 Bonds immediately preceding it; or
- (b) on such other date (which, for the avoidance of doubt, may include the closing date for the first sub-tranche of Tranche 4 Bonds) as the Subscriber may, in its sole and absolute discretion, decide,
such date being the closing date for such subsequent sub-tranche of Tranche 4 Bonds.

3.2.5 Lapse of the Options

If the Subscriber does not receive the Exercise Notice:-

- (a) in respect of Tranche 2 Bonds, by the expiration of the relevant Option Period, the Options in respect of Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds shall also lapse and cease to have any force or effect whatsoever. The Company will not have an obligation to issue, and the Subscriber will have no obligation to subscribe and pay for any Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds;
- (b) in respect of Tranche 3 Bonds, by the expiration of the relevant Option Period, the Option in respect of Tranche 3 Bonds and Tranche 4 Bonds shall lapse and cease to have any force or effect whatsoever. The Company will not have an obligation to issue, and the Subscriber will have no obligation to subscribe and pay for any Tranche 3 Bonds and Tranche 4 Bonds; and
- (c) in respect of Tranche 4 Bonds, by the expiration of the relevant Option Period, the Option in respect of Tranche 4 Bonds shall lapse and cease to have any force or effect whatsoever. The Company will not have an obligation to issue, and the Subscriber will have no obligation to subscribe and pay for any Tranche 4 Bonds.

3.2.6 Listing Status

The Bonds will not be listed or quoted for trading on the SGX-ST or any other stock exchange.

4. Rationale and Use of Proceeds

- 4.1** The Company decided to enter into the Subscription Agreement so as to strengthen its balance sheet as well as to broaden its shareholder base. The net proceeds from the Proposed Bond Issue ("**Net Proceeds**") shall be applied towards making investments and for general working capital of the Company and its subsidiaries.

- 4.2 Assuming subscription of the first sub-tranche of the Tranche 1 Bonds, the estimated net proceeds to be raised from the subscription, after deducting estimated fees and expenses of approximately S\$100,000, is approximately S\$900,000 (the “**Initial Net Proceeds**”). The Company intends to use the Initial Net Proceeds in the following manner:

Use of Initial Net Proceeds	Percentage Allocations
General working capital	Approximately up to 10-20%
Investments and general corporate purposes	Approximately up to 80-90%

- 4.3 Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or marketable instruments and/or used for any other purpose on a short term basis, as the Board may, in their absolute discretion, deem fit from time to time.
- 4.4 The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company’s annual report. The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in such announcements and annual reports.
- 4.5 The Board is of the opinion that, after taking into consideration present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

5. Approvals

The Proposed Bond Issue, the issue and allotment of the Conversion Shares upon any conversion of the Bonds, the issue of the Commitment Shares are subject to amongst others, the receipt of all requisite approvals including (a) the approval-in-principle from the SGX-ST for the listing and quotation of the Conversion Shares and the Commitment Shares on the Main Board of the SGX-ST; and (b) Shareholders’ approval for the issue of the Bonds, the Conversion Shares and the Commitment Shares.

The Proposed Bond Issue will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

The Company will be seeking the approval of the Shareholders of the issue of the Bonds, the Conversion Shares and the Commitment Shares at an EGM to be convened. A circular to the Shareholders containing information on the Proposed Bond Issue as set out in this Announcement, together with notice of the EGM, will be despatched by the Company in due course.

The Company will be making an application to the SGX-ST for the listing of and quotation for the Conversion Shares and Commitment Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement upon the receipt of the in-principle approval from the SGX-ST for the listing and quotation of the Conversion Shares and Commitment Shares.

6. Interests of Directors and Substantial Shareholders

None of the directors, and to the best of the Director’s knowledge, none of the substantial shareholders of the Company, have an interest, direct or indirect in the transactions set out in this Announcement, the Subscriber or VCAM, other than their respective interests in the Shares.

7. Document for Inspection

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company's registered address at 51 Loyang Way Singapore 508744 for a period of three months from the date of this announcement.

8. Directors' Responsibility Statement

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) 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 Proposed Bond 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.

9. Caution in Trading

Shareholders are advised to exercise caution in trading their Shares. The Proposed Bond Issue will be subject to conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Bond Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Danny Tan Chee Khiong
Executive Chairman & President
30 September 2015