

**ANNOUNCEMENT**

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**GRANT OF RULING ALLOWING COMPLETION OF PROPOSED DISPOSAL  
OF DORMITORY TO CREST INDUSTRIAL HOLDINGS II PTE. LTD.  
PRIOR TO OBTAINING SHAREHOLDERS' APPROVAL**

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**1. INTRODUCTION**

Reference is made to:

- (i) the Company's announcement on 11 February 2015 in relation to its application in the High Court of the Republic of Singapore to propose a scheme of arrangement between the Company and certain of its creditors for the purposes of implementing and facilitating the Company's debt restructuring plan (the "**Scheme**"); and
- (ii) the Company's announcement on 11 June 2015 in relation to its entry into a sale and purchase agreement (the "**Crest SPA**") with Crest Industrial Holdings II Pte. Ltd. ("**Crest**") relating to, *inter alia*, the sale and purchase of the rights, benefits, obligations and liabilities of the Company under a contract ("**BCA Contract**") made with the Building and Construction Authority of Singapore ("**BCA**") in respect of constructing, managing and operating the foreign workers' dormitory (the "**Dormitory**") known as "North Coast Lodge" situated at 300 Admiralty Road West, Singapore 757027 (the "**Proposed Disposal to Crest**").

**2. APPLICATION TO SEEK RULING**

**2.1** The board of directors of the Company wishes to announce that an application was made on behalf of the Company to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to seek a ruling pursuant to Rule 107 of the Listing Manual of the SGX-ST (the "**Listing Manual**") that completion of the Proposed Disposal to Crest ("**Completion**") may occur prior to obtaining the approval of the shareholders of the Company (the "**Shareholders**") and that the Company may instead seek Shareholders' ratification of the Proposed Disposal to Crest (the "**Ruling**").

**2.2** The reasons for seeking the Ruling are as follows:

- 2.2.1** the securing of the Ruling is one of the conditions precedent to Completion; and
- 2.2.2** Completion must take place before 16 July 2015 for the following reasons. It is a condition for BCA's consent to a proposed disposal of the Dormitory that it needs to be completed by 17 June 2015, or a month's rent and administration fee must be paid to BCA pursuant to the BCA Contract for any extension of a month or less. Under the Crest SPA, Crest agreed to pay BCA one additional month's rent and administration fee and has since paid the same on 17 June 2015. Upon such payment by Crest, the deadline for Completion was extended by BCA to 16 July 2015. Without the Ruling, Completion cannot take place by 16 July 2015 and the Proposed Disposal to Crest will fall through. Based on the Company's current cash flow situation, the Company

will not have sufficient funds to make payment to BCA for an extension. There is also no requirement for Crest to make a further payment to BCA. In these circumstances, BCA will terminate the BCA Contract and the Company would lose all value in the Dormitory, which would not be in the interests of its shareholders and its creditors and which would also have an adverse impact on the Company's proposed Scheme.

### 3. GRANT OF RULING

3.1 The SGX-ST has on 6 July 2015 granted the Ruling, subject to the following:

- (i) unanimous approval by the directors of the Company of the Proposed Disposal to Crest;
- (ii) submission of a written undertaking from the Company that it will seek Shareholders' approval for the ratification of the Proposed Disposal to Crest within three months from 6 July 2015, being the date of granting of the Ruling (the "**Company Undertaking**");
- (iii) certain Shareholders who hold 56.27 per cent. of the Company's shares (the "**Majority Shareholders**") providing a written undertaking to the Company to vote in favour of approving the Proposed Disposal to Crest;
- (iv) the Majority Shareholders providing a written undertaking to the Company and the Company ensuring that they will not dispose of their respective shareholdings in the Company before and up to the date of the ratification of the Proposed Disposal to Crest (the undertakings in paragraphs 3.1(iii) and (iv) being the "**Majority Shareholders' Undertakings**"); and
- (v) the Company announcing the Ruling granted, the reasons for seeking the Ruling and the conditions as required under Rule 107 of the Listing Manual.

3.2 Pursuant to the above, the Company wishes to announce that:

- (i) the Proposed Disposal to Crest was unanimously approved by the directors of the Company;
- (ii) the Company will in due course submit the Company Undertaking to the SGX-ST;
- (iii) the Majority Shareholders have provided the Majority Shareholders' Undertakings to the Company; and
- (iv) the Company intends to convene an extraordinary general meeting to seek Shareholders' ratification of the Proposed Disposal to Crest within three months from 6 July 2015, being the date of granting of the Ruling.

BY ORDER OF THE BOARD

Ong Hock Leong  
Managing Director  
6 July 2015