



UPP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196700346M)

PROPOSED BONUS ISSUE OF UP TO 836,667,121 FREE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF UPP HOLDINGS LIMITED ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE

1. INTRODUCTION

- 1.1 The board of directors (“**Directors**”) of UPP Holdings Limited (the “**Company**”) wishes to announce that the Company is proposing a bonus issue of up to 836,667,121 free warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at an exercise price of S\$0.37 for each New Share (the “**Exercise Price**”), on the basis of one (1) Warrant for every one (1) existing ordinary share (the “**Share**”) in the capital of the Company held by the shareholders of the Company (the “**Shareholders**”) as at a date and time to be determined by the Directors for the purpose of determining the Shareholders’ entitlement (the “**Books Closure Date**”), (such bonus issue, the “**Bonus Warrants Issue**”).
- 1.2 The Company will be seeking specific approval from the Shareholders at an extraordinary general meeting of the Company (“**EGM**”) to be convened to approve the Bonus Warrants Issue. A circular setting out the details of, and other relevant information pertaining to the Bonus Warrants Issue (the “**Circular**”), together with the notice of EGM, will be despatched to Shareholders in due course. In view of the exemption accorded under Regulation 24(1) of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, there will not be any prospectus, profile statement or offer information statement to be issued by the Company in relation to, and for the purpose of, the Bonus Warrants Issue.

2. PRINCIPAL TERMS OF THE WARRANTS ISSUE

2.1 Form and Subscription Rights of the Warrants

- 2.1.1 The Warrants will be issued in registered form and constituted by a deed poll setting out the terms and conditions of the Warrants (the “**Deed Poll**”). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price during the period commencing on and including the date six (6) months from the date of listing of the Warrants on the Official List of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and expiring at 5.00 p.m. on the market day immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, unless such date is a date on which the register of members of the Company is closed or is not a market day, in which event the Warrants shall expire on the date prior to the closure of the register of members of the Company or on the immediately preceding market day, as the case may be (the “**Exercise Period**”). Any Warrant which remains unexercised at the end of the Exercise Period shall thereafter lapse and cease to be valid for all purposes.

- 2.1.2 The Warrants will be listed and traded on the main board of the SGX-ST (the “**Main Board**”) under the book-entry (scripless) settlement system. The listing of and quotation for the Warrants on the SGX-ST, if approved, is expected to be subject to, *inter alia*, there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.
- 2.1.3 The New Shares arising from the exercise of Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the New Shares, save as may be otherwise provided for in the Deed Poll. 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 in order to participate in such dividends, rights, allotments or other distributions.

2.2 Size of the Bonus Warrants Issue

- 2.2.1 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$140,578,423 comprising 836,667,121 Shares (the “**Existing Issued Share Capital**”).
- 2.2.2 The Company has an option scheme, known as the “UPP Employee Share Option Scheme”. As at the date of this announcement, no options have been granted under the option scheme.
- 2.2.3 Based on the Existing Issued Share Capital, the Bonus Warrants Issue will comprise up to 836,667,121 Warrants. Assuming that all the Warrants issued are exercised and 836,667,121 New Shares are issued and allotted, the share capital of the Company would increase to 1,673,334,242 Shares.

2.3 Exercise Price

- 2.3.1 The Exercise Price of S\$0.37 for each New Share represents a premium of approximately 94.7% to the last transacted price of S\$0.19 per Share on the Main Board on 4 October 2016 (being the latest market day on which there were trades in the Shares immediately preceding the date of this Announcement).
- 2.3.2 The Exercise Price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

2.4 Trading of Odd-Lots

All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Shareholders should note that subject to the requirements of the SGX-ST, the Warrants are quoted on the Main Board in board lot sizes of 100 warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company. Following the Bonus Warrants Issue, Shareholders who hold odd lots of the Warrants (i.e. less than 100 Warrants) and who wish to trade in odd lots on the Main Board should note the setting up of the Unit Share Market of the SGX-ST to allow for trading of odd lots which would be announced or disclosed subsequently.

2.5 Eligibility to Participate in the Bonus Warrants Issue

2.5.1 The Warrants to be issued pursuant to the Bonus Warrants Issue shall be credited and allotted to:

- (a) Shareholders with Shares entered against their names in the depository register maintained by the Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date and whose registered addresses with the CDP are in Singapore as at the Books Closure Date or who have at least three (3) market days prior to the Books Closure Date, provided that the CDP with addresses in Singapore for the service of notices and documents (“**Entitled Depositors**”); and
- (b) Shareholders with Shares registered in their names in the register of members of the Company as at the Books Closure Date or persons who have tendered to the share registrar of the Company, M&C Services Private Limited (the “**Share Registrar**”), at 112 Robinson Road #05-01 Singapore 068902, duly completed and stamped transfers (in respect of Shares not registered in the name of the CDP) together with all relevant documents of title for registration up to the Books Closure Date and, in each case, whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have at least three (3) market days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents (the “**Entitled Scripholders**”),

(the Entitled Depositors and the Entitled Scripholders collectively, the “**Entitled Shareholders**”).

2.5.2 For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Bonus Warrants Issue is only made in Singapore and the Warrants 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 thereto, provided CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”).

2.5.3 The Warrants which would otherwise have been allotted to Foreign Shareholders will, if practicable to do so, be sold by the Company at its sole discretion on the Main Board. The net proceeds from such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax), will be aggregated and thereafter distributed to 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 maintained by the CDP or the register of members of the Company (as the case may be) as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable 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 Share Registrar, CDP and their respective officers in connection therewith.

2.5.4 Where such Warrants are sold 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 Share Registrar, CDP and their respective officers in respect of such sales or the proceeds thereof.

3. RATIONALE OF THE WARRANTS ISSUE AND USE OF PROCEEDS

3.1 Rationale

The Directors believe that the Bonus Warrants Issue will reward Shareholders for their continued participation in and support for the Company by providing Shareholders with an opportunity to increase their equity participation in the Company and participate in the future growth of the Company. In addition, the proceeds arising from the exercise of the Warrants will potentially increase the Company's capital base, strengthen its balance sheet and provide additional financial flexibility to the Company and its subsidiaries.

3.2 Use of Proceeds

Assuming that all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of up to S\$309,566,834. The estimated net proceeds from the exercise of the Warrants, after deducting estimated expenses of the Warrants Issue, will amount to approximately S\$309,466,834 (the "**Net Proceeds**").

As and when the Warrants are exercised, the Net Proceeds may, at the discretion of the Directors, be applied towards potential acquisitions, joint ventures, strategic alliances and/or working capital requirements of the Company and its subsidiaries.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such Net Proceeds in the Company's annual report. Where the Net Proceeds have been used for working capital, the Company will provide a breakdown with details on how such proceeds have been applied in the announcement and annual report. Where there is a material deviation in the use of the Net Proceeds, the Company will also state the reasons for such deviation.

Pending the deployment of the Net Proceeds for the uses identified above, such 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.

4. APPROVAL

The Bonus Warrants Issue is subject to, *inter alia*, the following:

- (a) the receipt of approval in-principle from the SGX-ST (and such approval not having been withdrawn or revoked) for the listing and quotation of the Warrants and the New Shares on the Main Board, and if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the approval of the Shareholders for the Bonus Warrants Issue at the EGM to be convened by the Company.

An application will be made by the Company to the SGX-ST for the approval for the listing of and quotation of all the Warrants and the New Shares on the Main Board and an appropriate announcement on the outcome of the application will be made in due course.

5. CIRCULAR AND EGM

The Company intends to convene an EGM to seek Shareholders' approval for the Bonus Warrants Issue. The Circular containing, *inter alia*, the notice of the EGM and details of the Bonus Warrants Issue will be despatched to the Shareholders in due course.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders has any interest, direct or indirect, in the Bonus Warrants Issue, (other than arising from their shareholdings in the Company, if any).

7. 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 Bonus Warrants 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.

BY ORDER OF THE BOARD

Tong Kooi Ong
Executive Chairman and Chief Executive Officer

5 October 2016