

OFFER INFORMATION STATEMENT DATED 16 APRIL 2019
(Lodged with the Monetary Authority of Singapore on 16 April 2019)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. BEFORE MAKING ANY INVESTMENT IN THE RIGHTS SHARES (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE RIGHTS SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the Section entitled “**Definitions**” of this offer information statement (the “**Offer Information Statement**”) issued by Raffles United Holdings Ltd (the “**Company**”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. The Rights Shares will be admitted to the Mainboard of the SGX-ST and the official listing of and quotation for the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The approval in-principle granted by the SGX-ST for admission to the Mainboard of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the “nil-paid” Rights, the Company, its subsidiaries and/or their securities.

Acceptance of applications will be conditional upon issue of the Rights Shares and upon listing of the Rights Shares on the Mainboard. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

This Offer Information Statement has been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other person or for any other purpose. After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issuance or sale of any securities on the basis of this Offer Information Statement.

Your attention is drawn to the section entitled “Risk Factors” of this Offer Information Statement which you should read carefully.

Raffles United Holdings Ltd

RAFFLES UNITED HOLDINGS LTD

(Incorporated in the Republic of Singapore on 3 November 1973)
(Company Registration Number: 197302030N)

THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 234,060,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.05 FOR EVERY RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (“SHARES”) HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS, IF ANY, TO BE DISREGARDED (THE “RIGHTS ISSUE”)

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	30 April 2019 at 5.00 p.m.
Last date and time for acceptance and payment	:	7 May 2019 at 5.00 p.m.
Last date and time for renunciation and payment	:	7 May 2019 at 5.00 p.m.
Last date and time for excess application and payment	:	7 May 2019 at 5.00 p.m.

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “**Definitions**” of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, SRS Investors and investors who hold Shares through a finance company or a Depository Agent), acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through CDP.

For Entitled Scripholders, acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623.

For SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks which hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar and/or the Company will be rejected.

For Shareholders who have subscribed for or purchased Shares using their SRS Accounts, acceptances of their Rights Shares and (if applicable) application for Excess Rights Shares can only be made using, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts. Such Shareholders who wish to accept their Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Information herein relating to investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using funds in their SRS Accounts) is provided in general terms only and such investors should consult their relevant approved banks with which they hold their SRS Accounts, respective finance companies or Depository Agents.

The existing Shares are listed and quoted on the Mainboard of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, the merits of the Rights Issue and the rights and liabilities attaching to the Nil-paid

IMPORTANT NOTICE

Rights and the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire any Nil-paid Rights or the Rights Shares or invest in any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and/or the allotment and issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the Nil-paid Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, renounees and Purchasers should take note of any such announcement or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company makes no representation or warranty to any person regarding the legality of an investment in the Nil-paid Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Nil-paid Rights, the Rights Shares and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Nil-paid Rights, the Rights Shares, the Shares, the Company and/or the Group or any other matter relating thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or acquire the Nil-paid Rights, the Rights Shares and/or the Shares.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Nil-paid Rights, the Rights Shares and/or the Shares. Prospective applicants for the Rights Shares should rely on their own investigation of the financial condition and affairs of, and their own appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any persons (other than Entitled Shareholders to whom this Offer Information Statement and its accompanying documents have been despatched by the Company, their renounees and the Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or for any other purpose.

IMPORTANT NOTICE

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

SGX-ST Watch-list

The Company was placed on the SGX-ST Watch-list under the minimum trading price (“MTP”) criteria on 5 December 2018. An issuer on the relevant Watch-list may be removed from that Watch-list if it satisfied the following requirements, where applicable:

- (i) the Company records a volume-weighted average price of at least S\$0.20; and
- (ii) an average daily market capitalisation of S\$40 million or more over the last six (6) months.

If the Company fails to satisfy the criteria set out above by 4 December 2021, being 36 months of the date on which it was placed on the respective Watch-list, the SGX-ST may either remove the Company from the Official List of the SGX-ST Mainboard, or suspend trading of the Shares (without the agreement of the Company) with a view to removing the Company from the Official List of the SGX-ST Mainboard.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Company must, for the period in which it remains on the Watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criterion of the Watch-list. Please refer to the announcement on 14 January 2019 on the unaudited financial statements of the Group for the year ended 31 December 2018 for an update on the Group’s financial performance and position.

The Company must meet the criteria set out above in order to avoid delisting. If the Company fails to satisfy MTP requirements above, being 36 months from the date on which it was placed on the Watch-list, the SGX-ST may either remove the Company from the Official List of the Mainboard of the SGX-ST, or suspend trading of the Shares (without the agreement of the Company) with a view to removing the Company from the Official List of the Mainboard of the SGX-ST.

The Company hopes that by focusing on its operations, Shareholders will have more confidence in the Board and management of the Company. With greater confidence, the Company hopes that the MTP requirements could be met in due course. At the relevant time, the Company will look into exiting the Watch-list by studying the possibility of various available options then.

IMPORTANT NOTICE

At the appropriate time whenever, the Company shall endeavour to proceed with tangible steps of exiting the Watch-list. The present Rights Issue is intended to inject more financial stability and confidence in the Company's business operations which is one crucial step to further improve the Company's financial health so that eventually the Company will be able to meet the MTP requirements above.

Shareholders who have previously purchased Shares using their Central Provident Fund ("CPF") account savings ("CPF Funds") under the Central Provident Fund Investment Scheme ("CPFIS") should note that CPF Funds cannot be used to purchase shares of issuers on the SGX-ST Watch-list with effect from 1 March 2016.

Shareholders who have previously bought Shares under the CPFIS prior to the Company being placed on the Watch-list can choose to hold or sell their Shares or participate in corporate actions, subject to the applicable CPFIS rules and limits for these Shares.

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DEFINITIONS

For the purposes of this Offer Information Statement, the ARE, the ARS and the PAL, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“Announcements”	:	The Company’s announcements dated 9 January 2019 and 17 January 2019 in respect of the Rights Issue
“ARE”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers in respect of their purchase of Nil-paid Rights under the Rights Issue traded on the SGX-ST through the book entry (scripless) settlement system
“Authority”	:	Monetary Authority of Singapore
“Board” or “Directors”	:	The board of directors of the Company as at the date of this Offer Information Statement
“Books Closure Date”	:	16 April 2019 at 5.00 p.m., being the time and date on which the share transfer books and the register of members of the Company will be closed in order to determine, in relation to Entitled Shareholders, their provisional allotment of the Rights Shares under the Rights Issue
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	5.00 p.m. on 7 May 2019, such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or Excess Application and payment for (and in the case of Entitled Scripholders), renunciation and payment for the Rights Shares under the Rights Issue through CDP or the Share Registrar, or such other time(s) and date(s) as may be announced from time to time on behalf of the Company
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Companies Act”	:	The Companies Act, Chapter 50, of Singapore, as may be amended, varied or supplemented from time to time
“Company” or “Issuer”	:	Raffles United Holdings Ltd

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“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Entitled Depositor(s)”	:	Shareholders with Shares standing to the credit of their Securities Accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with 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 CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholder(s)”	:	Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or if they have registered addresses outside Singapore, who have provided the Share Registrar with addresses in Singapore for the service of notices and documents no later than 5.00 p.m. (Singapore time) on the date being at least three (3) Market Days prior to the Books Closure Date
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Excess Application(s)”	:	Applications for Excess Rights Shares by Entitled Shareholders
“Excess Rights Shares”	:	Rights Shares, which are available for application by the Entitled Shareholders subject to the terms and conditions contained in the Offer Information Statement, (if applicable) the Constitution of the Company, the PAL and the ARE, comprising Rights Shares as are not validly taken up by the original allottee(s) or purchaser(s) of provisional allotments of the Rights Shares, the aggregated fractional entitlements to the Rights Shares (if any) and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the ARE, the Offer Information Statement and (if applicable) the Constitution of the Company
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of S\$31,657,586.66 comprising of 234,060,000 Shares as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the provisional allotment of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore

DEFINITIONS

“Foreign Shareholders”	:	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 to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended on 31 December
“Group”	:	The Company and its subsidiaries
“KHPL”	:	Kian Ho Pte Ltd
“Irrevocable Undertaking”	:	The irrevocable undertaking dated 16 January 2019 given by the Undertaking Shareholder
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.05 for each Rights Share
“Latest Practicable Date”	:	12 April 2019, being the latest practicable date prior to the printing of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that all of the Entitled Shareholders subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares under the Rights Issue
“Minimum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that none of the Entitled Shareholders, other than the Undertaking Shareholder, subscribes and pays for her entitlements to the Rights Shares under the Rights Issue
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NRIC”	:	National Registration Identity Card
“NAV”	:	Net asset value
“Net Proceeds”	:	The estimated net proceeds from the Rights Issue
“Nil-paid Rights”	:	The “nil-paid” rights (evidenced by the provisional allotments of Rights Shares)
“Offer Information Statement”	:	This document, together with (where the context requires) the PAL, the ARE and the ARS and all other accompanying documents including, where the context so admits, any supplementary or replacement documents to be issued by the Company in connection with the Rights Issue

DEFINITIONS

“PAL”	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares of such Entitled Scripholders under the Rights Issue
“Purchasers”	:	Persons purchasing the provisional allotment of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are within Singapore
“Record Date”	:	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 with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Rights Issue”	:	The proposed renounceable non-underwritten rights issue of up to 234,060,000 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Mailing Address”	:	Has the meaning ascribed to it in the section entitled “Eligibility of Shareholders to the Rights Issue” in the Offer Information Statement
“Rights Shares”	:	Up to 234,060,000 new Shares to be allotted and issued by the Company pursuant to the Rights Issue and the term “Rights Share” shall be construed accordingly
“RUPL”	:	Raffles United Pte Ltd
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289, of Singapore, as may be amended, modified or supplemented from time to time
“SIC”	:	Securities Industry Council of Singapore
“SFR”	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified and/or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Shareholders”	:	Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme, a voluntary scheme to encourage individuals to save for retirement, over and above their Central Provident Fund savings
“SRS Account”	:	An account opened by a participant in the SRS with an SRS operator from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Shares and/or Excess Rights Shares
“SRS Approved Banks”	:	Approved banks in which SRS Members hold their SRS Accounts under the SRS
“SRS Funds”	:	Monies standing to the credit of the SRS Accounts of SRS Investors under the SRS
“SRS Investors”	:	Investors who had purchased Shares using their SRS Account
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued share capital of the Company
“Undertaking Shareholder”	:	Teo Xian-Hui Amanda Marie, a deemed controlling Shareholder of the Company
“Watch-list”	:	The watch-list of the SGX-ST
“%” or “per cent.”	:	Percentage or per centum
“S\$” and “cents”	:	Singapore dollars and cents, respectively

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

The term “**concert parties**” and “**parties acting in concert**” shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to “**announcement**” of or by the Company in this Offer Information Statement includes announcements by the Company posted on the SGXNET.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Offer Information Statement to “**we**”, “**our**” and “**us**” shall refer to the Company and its subsidiaries.

Any discrepancy in the figures included in this Offer Information Statement between the amounts listed and the totals thereof is due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Offer Information Statement to Shares being allotted to a person includes allotment to CDP for the account of that person.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

CORPORATE INFORMATION

Directors of the Company	:	Tan Saik Hock (Independent Chairman) Teo Teng Beng (Managing Director) Teh Geok Koon (Executive Director and Chief Operating Officer) Lee Joo Hai (Independent Director) Ngoi Sing Shang (Independent Director)
Registered Office of the Company	:	5 Changi South Street 3 Singapore 486117
Company Secretary	:	Jennifer Lee Siew Jee
Legal Adviser to the Rights Issue	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and should be read in conjunction with, the full text of this Offer information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Summary of Principal Terms of the Rights Issue

- Basis of provisional allotment** : One (1) Rights Share for every one (1) existing Share standing to the credit of the Securities Account of the Entitled Depositors or held by the Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.
- Number of Rights Shares** : Based on the Existing Share Capital, the Company will issue:
- (a) up to 234,060,000 Rights Shares in the Maximum Subscription Scenario; and
 - (b) up to 153,928,533 Rights Shares in the Minimum Subscription Scenario.
- Determination of Maximum Subscription Scenario and Minimum Subscription Scenario** : Based on the Existing Share Capital:
- (a) assuming all the Entitled Shareholders subscribe and pay for their *pro-rata* entitlements of Rights Shares, the Company will issue up to 234,060,000 Rights Shares (“**Maximum Subscription Scenario**”) and the resultant enlarged issued and paid-up share capital of the Company will be increased to 468,120,000 Shares (excluding treasury shares) (“**Maximum Post-Rights Enlarged Share Capital**”); and
 - (b) assuming none of the Entitled Shareholders, other than the Undertaking Shareholder, subscribe for their *pro-rata* entitlements to Rights Shares, the Company will issue up to 153,928,533 Rights Shares (“**Minimum Subscription Scenario**”) and the resultant enlarged issued and paid-up share capital of the Company will be 387,988,533 Shares (excluding treasury shares) (“**Minimum Post-Rights Enlarged Share Capital**”).
- Issue Price** : S\$0.05 for each Rights Share, payable in full on acceptance and/or application.
- The Issue Price represents a discount of approximately:
- (a) 39.0% to the closing market price of S\$0.082 for trades done on the SGX-ST on 8 January 2019 (being the last market day on which the Shares were transacted on the SGX-ST immediately preceding the date of the Announcement dated 9 January 2019); and

PRINCIPAL TERMS OF THE RIGHTS ISSUE

- (b) 27.8% to the theoretical ex-rights price¹ of S\$0.069 per Share.

¹ The theoretical ex-rights price is calculated using the following formula: $T = (A + B)/C$

where:

A = the Company's market capitalisation based on the closing price of S\$0.082 per Share on the SGX-ST on 8 January 2019, being the last trading day immediately prior to the date of the Announcement dated 9 January 2019;

B = the gross proceeds from the Rights Issue assuming the completion of the Rights Issue under the Minimum Subscription Scenario based on the Existing Share Capital of 234,060,000 Shares; and

C = the enlarged issued share capital of the Company under the Minimum Subscription Scenario of 387,988,533 Shares.

The Issue Price of S\$0.05 was based on a 39.0% discount from the last market price of S\$0.082 as at 8 January 2019. The substantial discount from the last traded price was in view of encouraging a higher take-up rate from Shareholders so that the Company could raise more funds.

The Company had considered the following factors to derive the 39.0% discount:

- (a) Attractiveness of price;
- (b) Interest of all shareholders;
- (c) Market conditions; and
- (d) Present circumstances that the Company is undergoing including the ongoing Commercial Affairs Department ("CAD") investigations and being put on the Watch-list.

Status of the Rights Shares

: The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

- Eligibility to participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.
- Listing of the Rights Shares** : On 19 March 2019, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, subject to certain conditions, details of which are set out in the section entitled “Trading” of this Offer Information Statement.
- The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the Nil-paid Rights, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.
- Trading of the Rights Shares** : Upon the listing of and quotation of the Rights Shares on the Mainboard of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of the Rights Shares (that is, less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the unit share market of the SGX-ST.
- Trading of Nil-paid Rights** : Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the Nil-paid Rights.
- Acceptance, excess application and payment procedures** : Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their Nil-paid Rights, and are eligible to apply for Excess Rights Shares under the Rights Issue.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with the Rights Shares represented by the provisional allotments which are not allotted or taken up for any reason, be aggregated and used to satisfy applications (if any) for Excess Rights Shares or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. 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. In the allotment of any Excess Rights Shares, preference will be given to the Entitled Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs 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 the Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation, splitting, and/or sale of the Nil-paid Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are set out in Appendices B and C of this Offer Information Statement, and in the PAL, the ARE and the ARS.

- Estimated Net Proceeds** : The estimated Net Proceeds arising from the Rights issue, after deducting estimated expenses of S\$0.1 million, are expected to be approximately S\$11.6 million in the Maximum Subscription Scenario and S\$7.6 million in the Minimum Subscription Scenario. The Company intends to fund all the expenses in relation to the Rights Issue by internal resources.
- Use of Proceeds** : Please refer to Paragraph 3 of Part IV (Key Information) of this Offer Information Statement.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

- Use of SRS Funds** : SRS Investors who wish to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using the monies standing to the credit of their respective SRS Accounts. SRS Investors who wish to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares using the SRS Accounts, must instruct their relevant SRS approved banks in which they hold their SRS Accounts to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Any acceptance and/or application made directly through CDP, the Share Registrar, or the Company will be rejected. The SRS funds cannot be used for the purchase of Nil-paid Rights directly from the market.
- Non-underwritten** : The Rights Issue will not be underwritten. In view of the Irrevocable Undertaking, further details of which are set out in Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement, and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.
- The Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Listing Manual.
- Irrevocable Undertaking** : Please refer to Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for details relating to the Irrevocable Undertaking.
- Option to scale down** : Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down a Shareholder's application to subscribe for the Rights Issue to avoid placing the relevant Shareholder and parties acting in concert with it in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlements fully.
- Governing Law** : Laws of the Republic of Singapore.
- Risk Factors** : Investing in the Rights Shares involves risks. Please refer to the section entitled "Risk Factors" of this Offer Information Statement for details.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE NIL-PAID RIGHTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, IN THE CASE OF ENTITLED DEPOSITORS ONLY, TRADED ON THE SGX-ST DURING THE RIGHTS TRADING PERIOD.

INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Shares trade ex-rights	:	15 April 2019 from 9.00 a.m.
Books Closure Date	:	16 April 2019 at 5.00 p.m.
Date of Lodgement of Offer Information Statement	:	16 April 2019
Despatch of Offer Information Statement, the ARE, the ARS and the PAL (as the case may be) to Entitled Shareholders	:	22 April 2019
Commencement of trading of “nil-paid” Rights Shares entitlements	:	22 April 2019 from 9.00 a.m.
Last date and time of trading of “nil-paid” Rights Shares entitlements	:	30 April 2019 at 5.00 p.m.
Last date and time for splitting Rights Shares entitlements	:	30 April 2019 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	7 May 2019 at 5.00 p.m.
Last date and time for renunciation of, acceptance and payment for Rights Shares by renouncees	:	7 May 2019 at 5.00 p.m.
Last date and time for application and payment for Excess Rights Shares	:	7 May 2019 at 5.00 p.m.
Expected date for issuance of Rights Shares	:	14 May 2019
Expected date for crediting of Rights Shares	:	15 May 2019
Expected date for refund of unsuccessful application (if made through CDP)	:	15 May 2019
Expected date for listing and commencement of trading of Rights Shares	:	15 May 2019 from 9.00 a.m.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and the Manager, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders may accept, decline, renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their Nil-paid Rights, and are eligible to apply for Excess Rights Shares.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy applications for Excess Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs 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 the Excess Rights Shares.

For SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks which hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar or the Company will be rejected.

For Shareholders who have subscribed for or purchased Shares under the SRS, acceptances of their Rights Shares and (if applicable) application for Excess Rights Shares can only be made using, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588, at least three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Share Registrar. Entitled Scripholders are reminded that any request to the Share Registrar to update their records or effect any change in address must reach the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, at least three (3) Market Days prior to the Books Closure Date. Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Nil-paid Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

All dealings in and transactions of the Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are to be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation, splitting and/or sale of the Nil-paid Rights and the application for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices **B** and **C** of this Offer Information Statement and in the ARE, the ARS and the PAL.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, Nil-paid Rights and Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Nil-paid Rights to any Securities Account, the receipt of any Nil-paid Rights, or receipt of this Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may participate in the Rights Issue.

2. Foreign Shareholders and Foreign Purchasers

This Offer Information Statement and its accompanying documents have been lodged with the Authority in Singapore. This Offer Information Statement and its accompanying documents have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. For practical reasons and in order to avoid any violation of the legislation applicable in jurisdictions other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will not be offered to and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdictions outside Singapore.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

This Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the Nil-paid Rights credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the Nil-paid Rights renounced to him. The Company reserves the right to reject any acceptance of the Rights Shares and/or application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance and/or application may violate the applicable legislation of any jurisdiction.

The Company further reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate any applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable laws of any jurisdiction.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore wishing to take up their provisional allotment of Rights Shares or apply for Excess Rights Shares under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

Receipt of this Offer Information Statement, the ARE, the ARS or the PAL, or the crediting of Nil-paid Rights or Rights Shares to a Securities Account shall not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Offer Information Statement and the AREs, the ARSs or the PALs must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this Offer Information Statement, an ARE, an ARS or a PAL and/or a credit of Nil-paid Rights or Rights Shares to a Securities Account in any territory other than Singapore may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such ARE, ARS or PAL and/or accept any credit of Nil-paid Rights or Rights Shares to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such ARE, ARS or PAL and/or credit of Nil-paid Rights or Rights Shares to a Securities Account could lawfully be used or accepted, and any transaction resulting from such use or acceptance could be effected, without contravention of any registration or other legal or regulatory requirements.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this Offer Information Statement and/or an ARE, an ARS or a PAL or whose Securities Accounts are credited with Nil-paid Rights should not distribute or send the same or transfer Nil-paid Rights in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Offer Information Statement, an ARE, an ARS or a PAL or a credit of Nil-paid Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the Nil-paid Rights, and renounce such ARE, ARS or PAL or transfer the Nil-paid Rights unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who forwards this Offer Information Statement, or an ARE, an ARS or a PAL or transfers Nil-paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of the relevant sections of this Offer Information Statement.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Nil-paid Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after commencement of trading of Nil-paid Rights.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post to their mailing address as maintained with CDP, or in such other manner as the Foreign Shareholders may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds to be distributed 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 or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and/or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, deem fit and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Registrar and/or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such Nil-paid Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Nil-paid Rights, the Rights Shares represented by such Nil-paid Rights will be issued to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Registrar and/or their respective officers in connection therewith.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders. However, the Company reserves the right to make similar arrangements for the Nil-paid Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Nil-paid Rights commence, where the beneficial holders of such Nil-paid Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue.

Shareholders with registered addresses outside Singapore who wish to participate in the Rights Issue should provide CDP (at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588) or the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd (at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623) as the case may be, with an address in Singapore for the service of notices and documents not later than three (3) Market Days prior to the Books Closure Date.

Notwithstanding anything herein, Entitled Shareholders and/or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement and its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares, unless such offer, invitation or solicitation could lawfully be made without compliance with any regulatory or other legal requirements in such territory.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. Listing of and Quotation for the Rights Shares

Approval in-principle has been obtained from the SGX-ST on 19 March 2019 for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST subject to, *inter alia*, certain conditions:

- (a) the Company's compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Rights Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the proposed Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with Listing Rule 877(10) with regards to the allotment of any Excess Rights Shares; and
- (e) a written confirmation from a financial institution as required under the Listing Rule 877(9) that the Undertaking Shareholder who has given the Irrevocable Undertaking has sufficient financial resources to fulfill her obligations under her undertaking.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Nil-paid Rights, the Shares, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Upon the listing and quotation on the Mainboard of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and/or (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

TRADING

Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights Shares and/or apply for Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be forwarded by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with the Share Registrar, he must inform the Share Registrar of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the Share Registrar.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. Nil-paid Rights Trading

Entitled Depositors who wish to trade all or part of their Nil-paid Rights on the Mainboard of the SGX-ST can do so for the period commencing on 22 April 2019 from 9.00 a.m., being the date and time of commencement of the Nil-paid Rights trading period, and ending on 30 April 2019 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last date and time of the Nil-paid Rights trading period (“**Rights Trading Period**”).

4. Trading of Odd Lots

Shareholders are to note that the Shares are quoted on the Mainboard of the SGX-ST in board lot sizes of 100 Shares. For the purpose of trading on the Mainboard of the SGX-ST, each board lot of Shares will comprise 100 Shares. Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).

Shareholders who hold odd lots of the Shares and who wish to trade in odd lots on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. The market for trading of such odd lots may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST’s Unit Share Market.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its related corporations, Directors, officers, executives or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s and the Group’s expected financial position and performance, operating results, business strategies, plans and future prospects are forward-looking statements.

These forward-looking statements, including, but not limited to, statements as to the Company’s and the Group’s revenue and profitability, cost measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements and information. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, *inter alia*, the risks and uncertainties faced by the Company and the Group. None of the Company, or its related corporations, directors, officers, executives and employees or any other person represents or warrants that the Company’s and the Group’s actual future results, performance or achievements will be as discussed in those statements and information.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statement contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company and its related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Offer Information Statement may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted accurately, the Company and its related corporations, Directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

TAKE-OVER LIMITS

The Code regulates the acquisition of voting shares in, *inter alia*, corporations with a primary listing of their equity securities in Singapore (such as the Company). In general terms, except with the consent of the SIC, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares in a company which, taken together with shares held by persons acting in concert with him, carry 30% or more of the voting rights of the company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any party acting in concert with him, acquires in any six (6) month-period additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Pursuant to the Code, persons acting in concert will include the following:

- (i) an individual;
- (ii) the close relatives of (i);
- (iii) the related trusts of (i);
- (iv) any person who is accustomed to act in accordance with the instructions of (i);
- (v) companies controlled by any of (i), (ii), (iii) or (iv); and
- (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

As the Undertaking Shareholder is a majority shareholder of RUPL, the Undertaking Shareholder and RUPL would be deemed as persons acting in concert. Teo Teck Yao Glenn Ashley would also be deemed to be acting in concert with the Undertaking Shareholder as the Undertaking Shareholder and Teo Teck Yao Glenn Ashley are siblings.

As at the Latest Practicable Date, pursuant to the Code, the Undertaking Shareholder and her concert parties are interested in aggregate of 153,928,533 Shares representing approximately 65.77% of the issued share capital of the Company. Accordingly, Rule 14 of the Code will not be triggered as the Undertaking Shareholder and her concert parties already hold more than 50% of the voting rights of the Company.

Shareholders who are in doubt as to their position including obligations, if any, under the Code in connection with the acquisition of Rights Shares under the Rights Issue should consult the SIC and/or their professional advisers immediately.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART II IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity

Name	Designation	Address
Tan Saik Hock	Independent Chairman	c/o 5 Changi South Street 3, Singapore 486117
Teo Teng Beng	Managing Director	c/o 5 Changi South Street 3, Singapore 486117
Teh Geok Koon	Executive Director and Chief Operating Officer	c/o 5 Changi South Street 3, Singapore 486117
Lee Joo Hai	Independent Director	c/o 5 Changi South Street 3, Singapore 486117
Ngoi Sing Shang	Independent Director	c/o 5 Changi South Street 3, Singapore 486117

Advisers

-
- 2. Provide the names and addresses of –**
- (a) the issue manager to the offer, if any;**
 - (b) the underwriter to the offer, if any; and**
 - (c) the legal adviser for or in relation to the offer, if any.**
-

Issue Manager to the Rights Issue	:	Not applicable as no issue manager was appointed
Underwriter to the Rights Issue	:	Not applicable as the Rights Issue will not be underwritten
Legal Adviser to the Company in relation to the Rights Issue	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable
-

Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Receiving Banker	:	Oversea-Chinese Banking Corporation Limited 63 Chulia Street #10-00, Singapore 049514

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART III OFFER STATISTICS AND TIMETABLE

Offer Statistics

-
- 1. For each method of offer, state the number of securities or securities-based derivatives contracts being offered.**
-

Method of offer	:	Renounceable non-underwritten issue of Rights Shares
Basis of allotment	:	One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements (if any) to be disregarded
Number of Rights Shares	:	Up to 234,060,000 new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
Issue Price	:	S\$0.05 for each Rights Share

Method and Timetable

-
- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
-

Please see paragraphs 3 to 7 of this Part below.

-
- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
-

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement in relation to the offer period.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce such modification to the timetable through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

It is not anticipated that the period for which the Rights Issue will be kept open will be extended or shortened. An announcement will be made via SGXNET if there are any such changes.

Please refer to **Appendices B** and **C** of this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the names and addresses of the persons to whom the acceptance, application (if any) and payment are to be submitted.

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares are payable in full upon acceptance and/or application. The last date and time for acceptance of and/or excess application for, Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on 7 May 2019 at 5.00 p.m..

Please refer to **Appendices B** and **C** of this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for, and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the methods for payment for the Rights Shares.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 22 April 2019 by crediting the Nil-paid Rights to the Securities Accounts of the respective Entitled Depositors or through the despatch of the PALs to Entitled Scripholders.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

In the case of Entitled Scripholders and their renounees with valid acceptances of Nil-paid Rights and/or successful applications of Excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificate(s) representing such number of Rights Shares will be despatched by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees with valid acceptances of Nil-paid Rights and/or successful applications for Excess Rights Shares and who have furnished valid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers by ordinary post, at their own risk, a notification letter stating the number of Rights Shares that have been credited to their respective Securities Accounts.

Please refer to **Appendices B** and **C** of this Offer Information Statement and the PAL, the ARE and the ARS for further details.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

Notwithstanding the above, RUPL had on 16 January 2019, given an undertaking to irrevocably and unconditionally renounce its entitlement to all 153,418,633 Rights Shares in favour of the Undertaking Shareholder, and the Undertaking Shareholder had provided an irrevocable undertaking to subscribe for, in aggregate, 153,928,533 Rights Shares.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Results of Rights Issue

The Company will publicly announce, *inter alia*, the results of the allotment of the Rights Shares, as soon as it is practicable after the Closing Date through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

Manner of Refund

If any acceptance of and/or excess application for the Rights Shares is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, at their own risk, by any one or a combination of the following:

- (a) where the acceptance and/or application has been made through CDP, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses in Singapore as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution; or
- (b) where the acceptance and/or application has been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses as maintained in the records of the Share Registrar.

Please refer to **Appendices B and C** of this Offer Information Statement, and the ARE, ARS and PAL, as the case may be, for further information on the refunding of excess amounts paid by applicants.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART IV KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
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Please refer to Paragraphs 2 to 7 of this Part below.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
-

Based on the Maximum Subscription Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.1 million, are expected to be approximately S\$11.6 million.

Based on the Minimum Subscription Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.1 million, are expected to be approximately S\$7.6 million.

All Net Proceeds arising from the Rights Issue will be received by the Company for allocation to the principal intended use as set out in Paragraph 3 of this Part.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**
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DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

For illustrative purposes only, the table below sets out the proposed use of the Net Proceeds by the Company based on the Minimum Subscription Scenario and Maximum Subscription Scenario:

Use of Net Proceeds	Minimum Subscription scenario		Maximum Subscription scenario	
	Amount S\$'000	Percentage Allocation	Amount S\$'000	Percentage Allocation
Repayment of bank borrowings	7,600	100	9,000	78
General working capital	–	–	2,600	22
TOTAL	7,600	100	11,600	100

The above allocations are based on the Maximum Subscription Scenario and the Minimum Subscription Scenario only and subject to certain assumptions. In the event that the Net Proceeds falls in between the Maximum Subscription Scenario and the Minimum Subscription Scenario, the Company will make the necessary announcements on the revised allocations once the final Net Proceeds have been determined. It is anticipated that the allocations will not deviate significantly from the above illustrations.

Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

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 the Net Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds, the Company will state the reason(s) for such deviation.

In relation to the Net Proceeds which are set aside for general working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in announcements and annual reports.

The Directors are of the opinion that, after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and the Rights Issue is being undertaken to improve gearing, reduce its bank borrowings and finance the working capital requirements of the Company and its subsidiaries; and
- (b) the present bank facilities and the Net Proceeds of the Rights Issue based on the Minimum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements.

In the reasonable opinion of the Directors as at the Latest Practicable Date, there is no minimum amount that must be raised from the Rights Issue beyond the amount that will be raised pursuant to the Irrevocable Undertaking.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The foregoing discussion represents the Company's estimate of its allocation of the expected net proceeds of the Rights Issue based upon its current intentions, plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that the Company decides to reallocate the Net Proceeds of the Rights Issue for other purposes, it will be subject to the Listing Rules and appropriate announcements by the Company shall be made if necessary.

-
- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
-

Based on the intended use of proceeds as described in paragraph 3 of this Part IV above, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended uses and to pay for costs and expenses incurred in relation to the Rights Issue is as follows:

Use of Gross Proceeds from the Rights Issue	Minimum Subscription scenario		Maximum Subscription scenario	
	Estimated amount S\$'000	Per S\$ of gross proceeds	Estimated amount S\$'000	Per S\$ of gross proceeds
Repayment of bank borrowings	7,600	0.99	9,000	0.77
General working capital	–	–	2,600	0.22
Estimated expenses incurred in connection with the Rights Issue	100	0.01	100	0.01
TOTAL	7,700	1.00	11,700	1.00

-
- 5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**
-

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

As at the Latest Practicable Date, the Company has not identified any specific asset which the Company intends to, directly or indirectly, acquire or refinance using the Net Proceeds other than in the ordinary course of business. Nevertheless, in the event, an opportunity arises for the Company to acquire any specific asset which the directors deem to be in the interest of the Company to acquire, the Company may, subject to approval of Shareholders being obtained if required by the Listing Manual, utilise part of the Net Proceeds to finance such acquisition.

-
- 6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

The Group intends to use 78% of the Net Proceeds based on the Maximum Subscription Scenario (or 100% of the Net Proceeds based on the Minimum Subscription Scenario) to discharge, reduce or retire its existing indebtedness, being unsecured revolving short term bank borrowings which were used for general working capital. The term loans are repayable within 12 months and these are floating rate term loans which are re-priced monthly to half-yearly.

-
- 7. In the section containing the information referred to in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

Information on the Relevant Entity

- 8. Provide the following information:**

- 8(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**
-

Registered office address	:	5 Changi South Street 3, Singapore 486117
Telephone number	:	(65) 6287 5866
Facsimile number	:	(65) 6545 4517
Email Address	:	investor.relations@kianho.com.sg

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

8(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The Company was founded in 1956 as a sole proprietorship and subsequently incorporated on 3 November 1973 as a private limited company before it was listed on the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation on 10 November 1995 and eventually transferred to the SGX-ST Mainboard on 2 February 1998.

The Group's principal activities are as follows:

- (i) distribution, retailing and application of bearings and seals in South East Asia and the Far East that caters primarily to the Wholesale; Maintenance, Repair, and Overhaul (“MRO”); and Original Equipment Manufacturers (“OEM”) markets;
- (ii) property investment, including collection of rent, capital growth potential and/or provision of property related services and facilities and/or the investment in or acquisition or disposal of shares or interests in any entity that holds property related assets, and acquisition;
- (iii) property development, including the acquisition, development and/or sale of property related assets and/or investment in or acquisition or disposal of shares or interests in any entity that undertakes such property development activities; and
- (iv) offering gearbox and electrical products to distributors, retailers and contractors as well as beauty products to consumers.

Subsidiaries and Associated Companies

As at the Latest Practicable Date, the principal activities of the subsidiaries and the associated companies of the Group are as follows:

Bearings and Seals segment:

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Kian Ho Pte Ltd (Singapore)	Dealer in bearings and seals, electrical and gearbox products (Singapore)	100
Raffles Logistics Operations Pte Ltd (Singapore)	Logistics services (Singapore)	100
Kian Ho Bearings (M) Sdn. Bhd. (Malaysia)	Dealer in bearings and seals (Malaysia)	100
Acker Machinery (Shanghai) Co., Ltd (China)	Dealer in bearings and seals (China)	100

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Kian Ho Shanghai Co., Ltd (China)	Dormant (China)	100
Kian Ho (H.K.) Company Limited (Hong Kong)	Dormant (Hong Kong)	100
PT. Kian Ho Indonesia (Indonesia)	Dealer in bearings and seals and gearbox products (Indonesia)	95
Kian Ho (Vietnam) Co., Ltd (Vietnam)	Dealer in bearings and seals (Vietnam)	100
KH Bearings and Seals Australia Pty Ltd (Australia)	Dormant (Australia)	100
Excel (Hangzhou) Power Transmissions Co., Ltd (China)	Dormant (China)	70
Subsidiaries held through Kian Ho Bearings (M) Sdn. Bhd.		
KWP Engineering & Industrial Supply Sdn. Bhd. (Malaysia)	Dealer in bearings and seals (Malaysia)	60
Subsidiaries held through Kian Ho Pte Ltd		
PT. Radiant Thompson Indonesia (Indonesia)	Dormant (Indonesia)	51

Property segment

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Raffles Acres Pte Ltd (Singapore)	Property investment (Singapore)	100
Raffles Land & Investments Pte Ltd (Singapore)	Property investment (Singapore)	100
Raffles Majestic Realty Pte Ltd (Singapore)	Property investment (Singapore)	100
Raffles Capital Enterprise Pte Ltd (Singapore)	Property investment (Singapore)	51
Raffles Land Management Pte Ltd	Property investment (Singapore)	100
Raffles Global Investments Pte Ltd (Singapore)	Dormant (Singapore)	100
Raffles Property Management Pte Ltd (Singapore)	Dormant (Singapore)	100

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Raffles Majestic Investment Pte Ltd (Singapore)	Dormant (Singapore)	100
Raffles Realty Investments Pte Ltd (Singapore)	Dormant (Singapore)	100
Raffles Century Properties Pte Ltd (Singapore)	Dormant (Singapore)	100
Raffles Royal Property Pte Ltd (Singapore)	Dormant (Singapore)	100
Raffles Capital Land Pte Ltd (Singapore)	Dormant (Singapore)	100

Other segments

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Acee Electric Pte Ltd (Singapore)	Dormant (Singapore)	70
Raffles Beaute Pte Ltd (Singapore)	Investment Holding (Singapore)	100
Subsidiaries held through Raffles Beaute Pte Ltd		
Allure Beaute International Pte Ltd	Dealer in beauty products (Singapore)	100
Allureate Beaute Pte Ltd (Singapore)	Dormant (Singapore)	100

Associates

As at the Latest Practicable Date, the principal activities of the associates of the Group are as follows:

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity and voting power held by the Group (%)
Kian Ho Bearings (Thailand) Co., Ltd (Thailand)	Dormant (Thailand)	49
Poh Leng Realty Pte Ltd (Singapore)	Property Investment (Singapore)	20.14

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- 8(c) the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
-

The general development of the business of the Group in the three (3) most recent completed financial years since 1 January 2016 up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the related announcements released by the Company on SGXNET from time to time for further details.

Key Developments of the Business in FY2016

On 24 February 2016, the Company announced the appointment of Ms. Teo Xian-Hui Amanda Marie as the Executive Director of the Company. Ms. Teo Xian-Hui Amanda Marie is a Substantial Shareholder of the Company and the daughter of Mr. Teo Teng Beng, the Managing Director of the Company.

On 15 March 2016, the Board announced that the Company had entered into a shareholder's loan agreement with its controlling shareholder, RUPL in relation to the provision of an unsecured, interest-free loan of S\$2,250,000 to the Company on 14 March 2016 (the "**Shareholder's Loan**"). It was intended for the Shareholder's Loan to be used by the Company for general working capital purposes.

RUPL is directly held by Ms. Teo Xian-Hui Amanda Marie and Mr. Teo Teck Yeo Glenn Ashley. As Ms. Teo Xian-Hui Amanda Marie and Mr. Teo Teck Yeo Glenn Ashley are the daughter and son of Mr. Teo Teng Beng, the Managing Director and member of the Nominating Committee of the Company, and Ms. Teo Xian-Hui Amanda Marie who was then also a Director of the Company, holds direct interests of approximately 0.05% in the Company as at the date of the announcement, the receipt of the Shareholder's Loan by the Company constituted an "interested person transaction" under the Listing Manual. However, as the Shareholder's Loan was interest-free, there was no value at risk to the Company and accordingly the requirements for announcement and/or shareholder's approval under Chapter 9 Listing Manual were not applicable to the Shareholder's Loan.

On 12 August 2016, the SGX-ST raised certain queries in connection with unusual trading activity in the Company's Shares. The Company had informed SGX-ST that they were not aware of any information not previously announced concerning the Group which might explain the unusual trading activity via an announcement released on the SGXNET on the same day. The Company had released their first half year results announcement on 5 August 2016 and no further material information were to be announced. The Company further informed SGX-ST that they were not aware of any other possible explanation for the unusual price movements and the Board confirms their compliance with the Listing Manual as at 12 August 2016.

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On 30 November 2016, the Board announced that the Company had entered into a sale and purchase agreement dated 30 November 2016 to dispose its 60% shareholding in the Company's Taiwan subsidiary, Ascend Bearings Co., Ltd ("**ABC**") at a fair value consideration of S\$1,037,000 to Comet Enterprise Corp. (the "**Purchaser**"), a company in which the non-controlling shareholders of ABC had an interest in as at the date of the announcement (the "**Disposal**"). The consideration for the Disposal to be paid by the Purchaser was to be settled in four (4) instalments by May 2017.

Key Developments of the Business in 2017

On 1 March 2017, the Board announced that the Company had entered into a subscription agreement with Acee Electric Pte Ltd ("**ACEE**") in relation to the proposed subscription of 116,667 ordinary shares in the share capital of Acee, representing 70% of the total issued and paid-up share capital of Acee, for a total subscription price of S\$689,500 (the "**Subscription Price**") which will be satisfied through cash injection (the "**Subscription**"). It was announced that the Subscription Price will be funded through internal resources of the Company and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year. The rationale for the Subscription was to diversify the Company's business portfolio with the aim of increasing shareholder value.

Acee is an exempt private company limited by shares incorporated in Singapore on 18 July 2012 and is principally engaged in the business of distributing and trading electrical products. As at the date of the announcement, Acee had S\$50,000 issued and paid-up share capital comprising 50,000 ordinary shares under the name of Seow Koon Pang ("**SKP**") and upon completion of Subscription, the Company and SKP will hold 70% and 30% respectively of the entire issued and paid-up capital of Acee comprising 166,667 ordinary shares. The Subscription was in the ordinary course of business and does not change the risk profile of the Group and thus, did not fall under Chapter 10 of the Listing Manual.

On 2 May 2017, the Company announced the appointment of Mr. Teh Geok Koon, the Executive Director cum Chief Operating Officer of the Company, as Chief Executive Officer of KHPL, a wholly-owned subsidiary of the Company, with effect from 28 April 2017.

On 2 May 2017, the Company announced the cessation of Mr. Koh Hai Yang as Chief Executive Officer of KHPL, a wholly-owned subsidiary of the Company, with effect from 28 April 2017. Mr. Koh Hai Yang was re-designated as Business Development Director of the Company's wholly-owned subsidiary, KHPL.

On 29 June 2017, the Board announced that the wholly-owned subsidiary of the Company, KHPL, had successfully bidded at an auction in acquiring a property located at 359 Jalan Besar Singapore 208992 (the "**Property**") at a consideration of S\$5,230,000 (the "**Consideration**") (the "**Acquisition**"). The Consideration was payable in cash and was financed by the Group through its internal resources. The Group paid the vendor, Hupsteel Limited, a deposit of S\$523,000 amounting to 10% of the aggregate Consideration, with the remaining 90% of the Consideration to be paid on completion. The Acquisition was a discloseable transaction under Chapter 10 of the Listing Manual as the Consideration constituted more than 5% of the Company's market capitalization of S\$32,768,000 as at 28 June 2017. A subjoined memorandum of contract from the auctioneer, Edmund Tie & Company (SEA) Pte Ltd had been duly confirmed and executed by KHPL on 28 June 2017. The Property is a 2-storey shophouse which has a freehold tenure with

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a land area of 142 sqm, and is sold with vacant possession, to be delivered on an “as is where is” basis on completion. The Property was acquired for the purpose of the Group’s branch operations for the sale of bearings, seals, gearbox and electrical products. The Acquisition was completed on 23 August 2017.

On 1 August 2017, the Board announced that the Company had established a wholly-owned subsidiary company, Raffles Beaute Pte Ltd (“**RB**”) on 1 August 2017 with a paid-up capital of S\$100,000. The principal activities of RB are mainly that of investment holdings, beauty and other personal care products and services. RB is expected to hold the beauty business companies of the Group and established two (2) wholly-owned subsidiary companies as follows:

- (i) Allure Beaute International Pte Ltd established on 1 August 2017 with a paid-up capital of S\$100,000; and
- (ii) Allureate Beaute Pte Ltd established on 1 August 2017 with a paid-up capital of S\$100,000.

The rationale for the establishment of RB and its subsidiary companies was for the Group’s expansion into the nail and beauty business with the aim of increasing shareholder value. The investment was funded through internal resources and was not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

On 2 August 2017, the Board announced that the Company had established the following wholly-owned subsidiary companies with a paid-up capital of S\$2 each:

- (i) Raffles Realty Investments Pte Ltd;
- (ii) Raffles Century Properties Pte Ltd;
- (iii) Raffles Land Management Pte Ltd;
- (iv) Raffles Royal Property Pte Ltd; and
- (v) Raffles Capital Land Pte Ltd.

The principal activities of the subsidiaries are mainly that of investment holdings and property investment. The rationale for the establishment of the subsidiaries was to cater for future potential acquisition of properties for investment purposes with the aim of increasing shareholder value. The investment was funded through internal resources and was not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the then current financial year.

On 21 November 2017, the Board announced that its wholly-owned subsidiary, KHPL, had established a 51% owned subsidiary company in the Republic of Indonesia, namely, PT Radiant Thompson Indonesia (“**RTI**”), on 21 November 2017 with a paid-up capital of IDR 2,500,000,000. The principal activities of RTI are mainly that of trading of bearings products in Indonesia. The investment was funded through internal resources and was not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the then current financial year.

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Key Developments of the Business in 2018

On 2 January 2018, the Company announced the cessation of Mr. Kwek Che Yong as the chairman and director of KHPL, the wholly-owned subsidiary of the Company, with effect from 31 December 2017.

On 23 February 2018, the Company held an extraordinary general meeting to seek the approval of shareholders in relation to the proposed amendments to the Constitution. The proposed amendments to the Constitution was to take into account the changes to the Companies Act introduced under the Amendment Act and align it with the prevailing rules of the Listing Manual, in compliance with Rule 730(2) of the Listing Manual. The Company also took the opportunity to include new provisions to address the personal data protection regime in Singapore. A circular to seek the approval of shareholders in relation to the proposed amendments to the Constitution dated 31 January 2018 was issued by the Company to the Shareholders.

On 23 February 2018, the Company announced the appointment of Ms. Ho Hui Min as Chief Financial Officer of the Group.

On 10 April 2018, SGX-ST had queried on the appointment of auditors for the Company's foreign-incorporated subsidiaries, requiring the Board's and audit committee's confirmation of the suitability of the auditing firms appointed, being Kreston International, Shanghai Acumen and Dicky Lau & Co, and the basis for their assessment. The Company responded on 12 April 2018 that the Board and audit committee had confirmed the suitability of the auditing firms in their respective country of registration after taking into consideration their profile, size, experience and track record. The Board and Audit Committee believe that the appointment of these auditing firms would not compromise the standard and effectiveness of the audit of its foreign-incorporated subsidiaries. In addition, the Company informed that these foreign-incorporated subsidiaries are considered not significant as their individual net tangible assets or pre-tax profits represent less than 20% of the Company's consolidated net tangible assets or pre-tax profits as defined in the Listing Manual.

On 4 May 2018, the Board announced that the Company and its subsidiary, KHPL, have received a letter dated 2 May 2018 from the Commercial Affairs Department ("**CAD**") on an investigation into an offence under the Securities and Futures Act pursuant to the provisions of the Criminal Procedure Code. For the purpose of the investigation by CAD, the requested documents, information and IT equipment for the period of 1 January 2015 to 4 May 2018, were handed to CAD. On 8 May 2018, the Board announced that it was informed that:

- (i) Mr. Teo Teng Beng, the Managing Director of the Company, was interviewed by the CAD in relation to its investigations on 3 May 2018 and 4 May 2018;
- (ii) Ms. Teo Xian-Hui Amanda Marie, an Executive Director and deemed substantial shareholder of the Company, was interviewed by the CAD in relation to its investigations on 2 May 2018;
- (iii) Ms. Ho Hui Min, the Chief Financial Officer and Head, Corporate of the Company, was interviewed by the CAD in relation to its investigations on 2 May 2018, 3 May 2018 and 4 May 2018. Ms. Ho had provided a bond to report back to the CAD to assist in further investigations on 17 May 2018;

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- (iv) Mr. Koh Hai Yang, Business Development director of its principal subsidiary, KHPL, was interviewed by the CAD in relation to its investigations on 2 May 2018; and
- (v) Mr. Kwek Che Yong, Adviser to KHPL and deemed substantial shareholder of the Company, was interviewed by the CAD in relation to its investigations on 2 May 2018.
- (vi) Mr Teo Teng Ho was appointed on 8 June 2018 as Property Consultant of the Company to handle property management for the Group Companies.

Certain staff and ex-staff of the Group were also interviewed by the CAD in relation to its investigations on 2 May 2018.

On 11 May 2018, the Company addressed SGX-ST's queries in relation to the investigations by CAD. The Company informed SGX, amongst other things, that the potential contravention relates to Section 197 of the Securities and Futures Act and the investigation was in relation to the Shares of the Company. The Company had also disclosed to SGX-ST that Ms Michelle Ibanez Gonzales, an Administrative Accounts Executive of KHPL, had been requested to post a bond on 11 May 2018 and the following individuals had their passports impounded by the CAD:

- (i) Mr. Teo Teng Beng;
- (ii) Ms. Teo Xian-Hui Amanda Marie;
- (iii) Ms. Ho Hui Min;
- (iv) Mr. Koh Hai Yang; and
- (v) Mr. Kwek Che Yong.

The Company had also provided further information on certain staff and ex-staff of the Group interviewed by the CAD in relation to its investigations on 2 May 2018:

- (i) Mr. Teo Teng Ho, a former Consultant of the Company and brother of Mr. Teo Teng Beng, was interviewed by the CAD to assist in the investigations on 2 May 2018;
- (ii) Ms. Michelle Ibanez Gonzales, an Administrative Accounts Executive of KHPL, was interviewed by the CAD to assist in the investigations on 2 May 2018, 3 May 2018 and 4 May 2018;
- (iii) Ms. Lee Suang Hee, an Assistant Manager, Local Retail of KHPL, was interviewed by the CAD to assist in the investigations on 2 May 2018;
- (iv) Mr. Goh Lai Hock, a Manager, Regional Business (Bearings) of KHPL, was interviewed by the CAD to assist in the investigations on 2 May 2018;
- (v) Ms. Faith Kristine Dominguez Suarez, the Assistant Finance Manager of the Company, was interviewed by the CAD to assist in the investigations on 2 May 2018; and

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- (vi) Mr. Seah Kin Phuay, the Finance and Admin Manager and Acting Head, Indonesia Operations of the Company, was interviewed by the CAD to assist in the investigations on 2 May 2018.

Save for Mr. Teo Teng Ho who had his passport impounded, and Ms. Michelle Ibanez Gonzales who had her passport impounded and requested to post a bond on 11 May 2018, none of the abovementioned individuals had posted bail, provided a bond to the CAD or had their passports impounded by the CAD.

The Company further updated SGX-ST that:

- (i) Mr. Teh Geok Koon, the Executive Director and Chief Operating Officer of the Company, was interviewed by the CAD to assist in the investigations on 10 May 2018;
- (ii) Ms. Teo Xian-Hui Amanda Marie, an Executive Director and deemed substantial shareholder of the Company, was further interviewed by the CAD to assist in the investigations on 8 May 2018;
- (iii) Mr. Teo Teng Beng, the Managing Director of the Company, was further interviewed by the CAD to assist in the investigations on 9 May 2018; and
- (iv) Mr. Koh Hai Yang, an Executive Director and Business Development director of KHPL, was further interviewed by the CAD to assist in the investigations on 9 May 2018.

On 17 May 2018, the Board provided further updates on investigations by CAD, in particular that:

- (i) Mr. Teo Teng Beng, the Managing Director of the Company, was interviewed by the CAD in relation to its investigations on 11 May 2018 and 15 May 2018. Mr. Teo had provided a bond to report back to the CAD on 31 May 2018 to assist further in its investigations;
- (ii) Ms. Teo Xian-Hui Amanda Marie, an Executive Director and deemed substantial shareholder of the Company had provided a bond to report back to the CAD on 31 May 2018 to assist further in its investigations;
- (iii) Ms. Ho Hui Min, the Chief Financial Officer and Head, Corporate of the Company, had provided an updated bond and had been requested to report back to the CAD on 31 May 2018 to assist further in its investigations;
- (iv) Mr. Koh Hai Yang, an Executive Director and Business Development director of KHPL and Mr. Teo Teng Ho, a former Consultant of the Company and brother of Mr. Teo Teng Beng, had each been requested by the CAD to provide a bond; and
- (v) Ms. Michelle Ibanez Gonzales, an Administrative Accounts Executive of KHPL, had been requested to report back to the CAD on 25 May 2018 to assist further in its investigations.

It was also announced that the passports of Mr. Teo Teng Beng, Ms. Teo Xian-Hui Amanda Marie and Ms. Ho Hui Min were released by the CAD for the purposes of overseas travel following the provision of a bond.

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On 18 June 2018, the Board provided further updates on investigations by CAD, in particular that:

- (i) Mr. Teo Teng Beng, the Managing Director of the Company, was interviewed by the CAD in relation to its investigations on 12 June 2018 and 14 June 2018;
- (ii) Ms. Ho Hui Min, the Chief Financial Officer and Head, Corporate of the Company, was interviewed by the CAD in relation to its investigations on 6 June 2018;
- (iii) Mr. Koh Hai Yang, an Executive Director and Business Development director of KHPL, had provided a bond to report back to the CAD on 2 July 2018 to assist further in its investigations;
- (iv) Mr. Kwek Che Yong, Adviser to KHPL and deemed substantial shareholder of the Company, had provided a bond to report back to the CAD on 3 July 2018 to assist further in its investigations;
- (v) Mr. Goh Lai Hock, a Manager, Regional Business (Bearings) of KHPL, was interviewed by the CAD in relation to its investigations on 8 June 2018; and
- (vi) Ms. Faith Kristine Dominguez Suarez, the Assistant Finance Manager of the Company, was interviewed by the CAD in relation to its investigations on 13 June 2018.

It was also announced that the passport of Mr. Koh Hai Yang was released by the CAD for the purposes of overseas travel following the provision of a bond.

On 14 August 2018, the Company responded to SGX-ST queries on 8 August 2018 relating to the Company's half yearly results announced on 1 August 2018.

On 20 September 2018, the Company announced the cessation of Ms. Teo Xian-Hui Amanda Marie as Executive Director of the Company, with effect from 19 September 2018.

On 28 November 2018, the Company announced the cessation of Mr. Koh Hai Yang as Executive Director of the Company's principal subsidiary, KHPL, with effect from 27 November 2018.

On 28 November 2018, the Company announced the cessation of Mr. Teo Teck Yao Glenn Ashley as Executive Director of the Company's principal subsidiary, KHPL, with effect from 27 November 2018.

On 5 December 2018, the Board announced that SGX-ST had notified the Company that, pursuant to Listing Rule 1311(2), the Company would be placed on the Watch-list due to the minimum trading price entry criteria with effect from 5 December 2018. The Company must take active steps to meet the requirements of Listing Rule 1314(2) within 36 months from 5 December 2018, failing which SGX-ST may either delist the Company, or suspend trading of the listed securities of the Company with a view to delisting the Company. Listing Rule 1314(2) states that the Company will be assessed by SGX-ST for removal from the watch-list if it records volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the last 6 months.

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From 1 January 2019 to the Latest Practicable Date

On 9 January 2019, the Company announced that it was proposing to undertake the Rights Issue. The Company had further announced, that it had been informed that Ms. Teo Xian-Hui Amanda Marie, a deemed substantial shareholder of the Company, had received official notification from the CAD on 9 January 2019 in relation to the release of her bond on 3 January 2019.

On 10 January 2019, the Company requested for a trading halt pending the release of an announcement. On 14 January 2019, the Company announced the unaudited full year financial statement for the year ended 31 December 2018 and on the same day, the Company requested for a lifting of the trading halt.

On 17 January 2019, the Company announced that RUPL has on 16 January 2019 given an irrevocable and unconditional renunciation of its entitlement to 153,418,633 Rights Shares in favour of Ms. Teo Xian-Hui Amanda Marie, and Ms. Teo Xian-Hui Amanda Marie has provided an irrevocable undertaking to subscribe for in aggregate 153,928,533 Rights Shares pursuant to the Irrevocable Undertaking.

On 29 January 2019, the Board announced that the Company had, on 28 January 2019, signed the transfer documents for unit #02-03 Citimac Industrial Complex Singapore 368240 ("**Citimac**") as part of a collective sale for a gross proceeds of S\$6,133,000/-exclusive of goods and services tax (the "**Sale of Property**"). Citimac is an investment property of the Company which has a freehold tenure with a land area of 436 sq m. Completion for the Sale of Property shall take place on 6 March 2019 subject to full compliance of all owners with regards to the execution of documents in relation to the collective sale by 30 January 2019. The Sale of Property was completed on 8 March 2019.

On 4 March 2019, the Board announced the proposed change of auditors of the Company from Deloitte & Touche LLP ("**DT**") to Lo Hock Ling & Co for the current financial year ending 31 December 2019, at the annual general meeting on 8 April 2019 ("**AGM**"). DT had served as the external auditors of the Company for 8 years, since 2011. As part of the ongoing corporate governance initiatives and cost saving exercise, the Board was of the view that it would be appropriate and timely to effect the change of the external auditors with effect from the AGM. The Board further updated on 18 March 2019 that following due consideration, the Company will be re-appointing DT as the auditors of the Company at the forthcoming AGM. DT had not withdrawn its consent to act as auditors and had confirmed that they will continue to hold office until such time the Company elects to appoint new auditors, subject to the approval of the Shareholders of the Company. The Board and the audit committee of the Company are in the process of sourcing and selecting an international firm to be appointed as the Company's auditors. The Company will make further announcements as appropriate to update Shareholders in due course.

On 6 March 2019, the Board announced its release of a quarterly update on its efforts and the progress made in meeting the exit criteria of the Watch-list. The Board referred to its Full Year Results announcement of the unaudited financial statements of the Group for the year ended 31 December 2018, released via the SGXNET on 14 January 2019, for an update of the Group's financial performance and position. The Group will continue to focus its efforts on its operations and would update its Shareholders quarterly for any progress in meeting the exit criteria of the Watch-list.

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On 20 March 2019, the Company announced that the SGX-ST had granted in-principle approval for the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST pursuant to the Rights Issue, subject to certain conditions.

On 5 April 2019, the Company announced its response to the query raised by SGX-ST in its email dated 2 April 2019 in connection with the appointment of auditors for its foreign-incorporated subsidiaries. SGX-ST noted that the Company stated on pages 78 to 80 of its annual report for FY 2018 that its foreign-incorporated subsidiaries/associated companies are audited by Nexia International and Dicky Lau & Co. and had requested for clarification if the foreign-incorporated entities are significant and if so, to provide the Board's and Audit Committee's confirmation of the suitability of these auditing firms and the basis for their assessment.

The Company responded that the Board and Audit Committee had confirmed the suitability of these auditing firms in their respective country of registration after taking into consideration their profile, size, experience and track record. The Board and Audit Committee believe that the appointment of these auditing firms would not compromise the standard and effectiveness of the audit of its foreign-incorporated subsidiaries. These foreign-incorporated subsidiaries are considered not significant as their individual net tangible assets or pre-tax profits represent less than 20% of the Company's consolidated net tangible assets or pre-tax profits as defined in the Listing Manual. PT Kian Ho Indonesia, audited by Nexia International, is currently in active operations; and Kian Ho (H.K.) Company Limited, audited by Dicky Lau & Co, ceased operations since 2016.

On 8 April 2019, Shareholders of the Company had, at the EGM, approved all the resolutions in relation to the Rights Issue as set out in the Notice of EGM dated 22 March 2019 issued together with the circular dated 22 March 2019. Accordingly, the Company had, on 8 April 2019, announced that Shareholders had approved the ordinary resolution in relation to the Rights Issue.

On 8 April 2019, the Company announced that the Books Closure Date in relation to the Rights Issue shall be 5.00 p.m. on 16 April 2019.

8(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
-

As at the Latest Practicable Date, the share capital and loan capital of the Company is as follows:

Issued and Paid-up Share Capital	:	S\$31,657,586.66
Number of ordinary shares in issue	:	234,060,000
Number of treasury shares	:	Nil
Loan Capital	:	Nil

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8(e) where –

- (i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
 - (ii) the relevant entity is not a corporation, state the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**
-

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company, were as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%⁽⁴⁾	No. of Shares	%
Raffles United Pte Ltd	153,418,633	65.55	–	–
Teo Xian-Hui Amanda Marie (Note 1)	509,900	0.22	153,418,633	65.55
Teo Teck Yao Glenn Ashley (Note 2)	–	–	153,418,633	65.55
KHB Holdings Pte Ltd	16,159,700	6.90	–	–
Kwek Che Yong (Note 3)	1,193,000	0.51	16,159,700	6.90

Notes:

- (1) Teo Xian-Hui Amanda Marie is deemed interested through RUPL. Teo Xian-Hui Amanda Marie holds 55,000 ordinary shares in RUPL, representing approximately 52.38% of the issued and paid up share capital of RUPL.
 - (2) Teo Teck Yao Glenn Ashley is deemed interested through RUPL. Teo Teck Yao Glenn Ashley holds 50,000 ordinary shares in RUPL, representing approximately 47.62% of the issued and paid-up share capital of RUPL.
 - (3) Kwek Che Yong is deemed interested through KHB Holdings Pte Ltd.
 - (4) Based on 234,060,000 Shares as at Latest Practicable Date.
-

8(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

Save as disclosed below and in this Offer Information Statement, as at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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On 28 December 2017, the Board announced that the Company and its wholly-owned subsidiary KHPL had, on 26 December 2017, been served with a writ of summons endorsed with a statement of claim, filed by Shenzhen Zhaoheng Industrial Co., Ltd (“SZZH”) in the High Court of the Republic of Singapore (“HC/S1210/2017”) dated 22 December 2017. SZZH is claiming from the Company a sum of approximately S\$335,000 and from KHPL a sum of approximately S\$215,000. The Company and KHPL are currently disputing the claims made by SZZH and the trial of HC/S 1210/2017 is currently fixed for April 2019.

8(g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date

- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
 - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;**
-

No securities, securities-based derivatives contracts or equity interests have been issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

8(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save as disclosed in paragraph 8(c) above, neither the Company nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of lodgement of this Offer Information Statement.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART V OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
 2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:
 - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
 3. Despite paragraph 1 of this Part, where –
 - (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
 - (b) the audited financial statements for that year are unavailable,

the date mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.
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DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The audited consolidated income statements of the Group for FY2016, FY2017 and FY2018 are set out below:

S\$'000	FY2016	Audited FY2017	FY2018
Revenue	71,441	72,974	68,443
Other Income including interest income	90	31	94
Changes in inventories	(24,252)	(7,886)	(430)
Raw materials and consumables used	(34,165)	(50,344)	(52,990)
Staff costs	(7,694)	(7,409)	(7,585)
Depreciation of property, plant and equipment	(867)	(879)	(955)
Foreign exchange loss, net	(128)	(278)	(983)
Impairment loss recognised on trade debtors	(212)	(89)	(227)
(Provision)/Write-back of provision for slow-moving inventories, net	(4,187)	886	943
Impairment loss (recognised)/reversed on amounts due from an associate	(400)	(250)	73
Impairment loss (recognised)/reversed on sundry debtors	–	(295)	117
Impairment loss on other investments	–	(57)	–
(Loss)/Gain on changes in fair value of investment properties	(73)	408	323
Gain on disposal of plant and equipment/Plant and equipment written off, net	–	58	(32)
Loss on disposal of a subsidiary	(1,302)	–	–
Non-controlling interest share on waiver of intercompany debts on disposal of a subsidiary	(147)	–	–
Other operating expenses	(3,670)	(2,804)	(3,261)
Finance costs	(1,321)	(1,053)	(1,031)
Share of results of associates	308	10	16
(Loss)/Profit before tax	(6,579)	3,023	2,515
Income tax (expense)/credit	(163)	623	(642)
(Loss)/Profit for the year	(6,742)	3,646	1,873
(Loss)/Profit attributable to:			
Owners of the Company	(6,989)	3,394	1,827
Non-controlling interests	247	252	46
	(6,742)	3,646	1,873

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

S\$'000	FY2016	Audited FY2017	FY2018
Consolidated Statement of Comprehensive Income:			
(Loss)/Profit for the year	(6,742)	3,646	1,873
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss			
Revaluation of land and buildings, net of tax	473	510	4,419
	473	510	4,419
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation	(493)	139	888
	(493)	139	888
Other comprehensive (loss)/income for the year, net of tax	(20)	649	5,307
Total comprehensive (loss)/income for the year	(6,762)	4,295	7,180
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(7,042)	4,037	7,131
Non-controlling interests	280	258	49
	(6,762)	4,295	7,180
Dividends declared per share	Nil	Nil	Nil
(Loss)/Earnings per share attributable to owners of the Company			
(i) Basic	(2.99)	1.45	0.78
(ii) Diluted	(2.99)	1.45	0.78
(Loss)/Earnings per share after adjusting for Rights Issue⁽¹⁾			
(iii) Basic	(1.80)	0.87	0.47
(iv) Diluted	(1.80)	0.87	0.47

(1) Adjusted for the Rights Shares based on the Minimum Subscription Scenario which are assumed to have been issued on the first day of the financial year. However, this does not take into account the effects of the use of proceeds from the Rights Issue on the earnings of the Group.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

4. In respect of –

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FY2016, FY2017 and FY2018 is set out below:

FY2016 vs FY2015

Group revenue declined by 6% from S\$76.4 million to S\$71.4 million in FY2016 primarily due to:

- (i) stiff price competition in the dealers' markets in ASEAN and Western countries and subdued global demand;
- (ii) the disposal of its Taiwan subsidiary, Ascend Bearings Co., Ltd ("**ABC**"), in second half of FY2016;
- (iii) lower business activities in the Singapore and Malaysia domestic Maintenance, Repair and Overhaul ("**MRO**") market; and
- (iv) currency translation effects arising from the weakening Malaysian Ringgit against the Singapore Dollar currency.

This was partially mitigated by:

- (i) upswing of Original Equipment Manufacturer ("**OEM**") market particularly in the fourth quarter of FY2016; and
- (ii) active inventory promotion to generate positive cash-flow in view of the uncertain and challenging global market conditions during the year.

The Group also generated higher rental income from the property division, following its acquisition of 51% of the issued and paid-up share capital of Raffles Capital Enterprise Pte Ltd in the second half of FY2015.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Gross profit margin declined to 18% (FY2015: 22%) mainly due to active inventory promotion at reduced prices during the year. The decline was partially mitigated by higher revenue contribution from the property division.

The Group registered a net loss before taxation of S\$6.6 million for FY2016 compared to S\$0.8 million net profit before taxation in FY2015. The shift to loss position was mainly attributed by:

- (i) S\$4.2 million provision for slow-moving inventories;
- (ii) S\$3.5 million decrease in gross profit mainly due to active inventory promotion at reduced prices during the year;
- (iii) S\$0.5 million decrease in gain on changes in fair value of investment properties;
- (iv) S\$0.4 million provision for doubtful debts, associate;
- (v) S\$0.2 million increase in provision for trade doubtful debts; and
- (vi) S\$0.2 million increase in finance costs;

which were partially mitigated by the:

- (i) S\$1.5 million decrease in staff costs; and
- (ii) S\$0.3 million share of results of associates.

Overall, the Group recorded a net loss attributable to owners of the Company of S\$7.0 million for FY2016 as compared to S\$0.3 million net profit attributable to owners of the Company for FY2015.

FY2017 vs FY2016

The Group revenue increased by 2% to S\$73.0 million from S\$71.4 million in FY2016 primarily due to:

- (i) contribution from the Group's subsidiary, ACEE which was acquired in March 2017; and
- (ii) a significant increase in sales contribution from the OEM market in Singapore, Malaysia, Indonesia and Vietnam.

The increase was offset by:

- (i) absence of revenue contribution from ABC in FY2017 (FY2016: S\$4.6 million) following its disposal in the second half of FY2016;
- (ii) stiff competition in the dealers' market primarily in Western and other Asian countries; and
- (iii) inventory clearance at reduced prices in FY2016.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Gross profit margin improved to 20% in FY2017 (FY2016: 18%) mainly due to old stocks promotion at reduced prices in FY2016.

The Group recorded a strong turnaround with profit before taxation (“**PBT**”) of S\$3.0 million in FY2017, from a net loss before taxation of S\$6.6 million in FY2016 primarily due to the:

- (i) S\$5.1 million shift from provision for slow-moving inventories to write-back following sales of previously provided inventories;
- (ii) S\$1.7 million increase in gross profit in FY2017 due to old stocks clearance at reduced prices in FY2016;
- (iii) S\$1.4 million drop in loss on disposal of a subsidiary;
- (iv) S\$0.9 million fall in other operating expenses;
- (v) S\$0.5 million increase in gain on changes in fair value of investment properties;
- (vi) S\$0.3 million decline in staff costs; and
- (vii) S\$0.3 million reduction in finance costs;

offset by:

- (i) S\$0.3 million decline in share of results of associates; and
- (ii) S\$0.3 million provision for sundry debtors.

The property and new segments contributed positively to the Group’s revenue and PBT.

Overall, the Group recorded a net profit attributable to owners of the Company of S\$3.4 million for FY2017 as compared to S\$7.0 million net loss attributable to owners of the Company for FY2016.

FY2018 vs FY2017

The Group’s revenue declined by 6% to S\$68.4 million from S\$73.0 million in FY2017, largely due to the bearings and seals segment as follows:

- (i) stiff competition in the dealers’ market primarily in the Association of Southeast Asian Nations (“**ASEAN**”) and other Asian countries;
- (ii) cyclical downturn in OEM market in Singapore; and
- (iii) longer delivery lead time from certain suppliers resulting in the delay in the fulfillment of certain customers’ back orders during the year.

Revenue from the property segment also declined by S\$0.2 million, to S\$1.9 million in FY2018, due to vacant units for certain property units during the year. This was offset by full year sales from the Group’s beauty division in FY2018.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Gross profit margin improved to 21.9% (FY2017: 20.2%) largely due to general improvement in the operating market conditions in Malaysia.

The Group recorded a decline in PBT of S\$0.5 million to S\$2.5 million in FY2018, from S\$3.0 million in FY2017 primarily due to:

- (i) S\$0.7 million increase in foreign exchange loss; and
- (ii) S\$0.5 million increase in other operating expenses;

offset by:

- (i) S\$0.4 million net impact on the reversal of impairment loss recognised on sundry debtors; and
- (ii) S\$0.3 million net impact on the reversal of impairment loss recognised on amounts due from an associate.

Overall, the Group recorded a net profit attributable to owners of the Company of S\$1.8 million for FY2018 as compared to S\$3.4 million for FY2017.

Financial Position

- 5. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
 - (a) **the most recently completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**
 - 6. **The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items: –**
 - (a) **number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
 - (b) **net assets or liabilities per share; and**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**
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DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

The audited consolidated statement of financial position of the Group for FY2016, FY2017 and FY2018 are set out below.

	FY2016	FY2017	FY2018
	S\$'000	S\$'000	S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	23,767	29,355	36,019
Investment in associates	764	764	780
Investment properties	56,527	56,818	57,031
Other investments	57	–	–
	<u>81,115</u>	<u>86,937</u>	<u>93,830</u>
Current assets			
Trade debtors	14,311	13,722	10,831
Other debtors	958	332	81
Prepayments	124	231	302
Amounts due from an associate	724	8	–
Inventories	36,721	29,721	30,234
Cash at banks and on hand	11,414	6,128	4,847
	<u>64,252</u>	<u>50,142</u>	<u>46,295</u>
Total assets	<u><u>145,367</u></u>	<u><u>137,079</u></u>	<u><u>140,125</u></u>
EQUITY AND LIABILITIES			
Current liabilities			
Interest bearing loans and borrowings	28,349	10,109	12,800
Trade creditors and accruals	11,325	13,500	13,313
Other creditors	1,007	1,014	844
Amounts due to related parties	2,393	2,389	2,384
Provision for taxation	53	124	119
	<u>43,127</u>	<u>27,136</u>	<u>29,460</u>
Net current assets	21,125	23,006	16,835
Non-current liabilities			
Interest bearing loans and borrowings	23,437	26,080	18,410
Deferred tax liabilities	2,750	3,027	4,124
	<u>26,187</u>	<u>29,107</u>	<u>22,534</u>
Total liabilities	<u><u>69,314</u></u>	<u><u>56,243</u></u>	<u><u>51,994</u></u>
Net assets	<u><u>76,053</u></u>	<u><u>80,836</u></u>	<u><u>88,131</u></u>

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

	FY2016 S\$'000	FY2017 S\$'000	FY2018 S\$'000
Equity attributable to owners of the Company			
Share capital	31,658	31,658	31,658
Assets revaluation reserve	11,891	12,401	16,820
Foreign currency translation reserve	(6,163)	(6,030)	(5,145)
Revenue reserve	30,544	33,938	35,765
	<u>67,930</u>	<u>71,967</u>	<u>79,098</u>
Non-controlling interests	8,123	8,869	9,033
Total equity	<u>76,053</u>	<u>80,836</u>	<u>88,131</u>
Total equity and liabilities	<u>145,367</u>	<u>137,079</u>	<u>140,125</u>
Number of shares after adjusting for Rights Issue	387,988,533	387,988,533	387,988,533
NAV per share (cents)	29.02	30.75	33.79
NAV per share after adjusting for Rights Issue (cents)	17.51	18.55	20.39

Liquidity and Capital Resources

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recently completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated cash flow statement of the Group for FY2017 and FY2018 are set out below:

	FY2017 S\$'000	FY2018 S\$'000
Operating activities		
Profit before tax	3,023	2,515
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	879	955
Impairment loss recognised on trade debtors	89	227
Write-back of provision for slow moving inventories, net	(886)	(943)
Impairment loss recognised/(reversed) on sundry debtors	295	(117)
Impairment loss recognised/(reversed) on amounts due from an associate	250	(73)
Gain on changes in fair value of investment properties	(408)	(323)

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

	FY2017	FY2018
	S\$'000	S\$'000
Gain on disposal of plant and equipment/Plant and equipment written off, net	(58)	32
Share of results of associates	(10)	(16)
Impairment loss on other investments	57	–
Foreign currency adjustments	292	993
Interest expense	1,053	1,031
Interest income	(7)	(3)
Operating cash flows before changes in working capital	4,569	4,278
Changes in working capital		
Decrease in inventories	8,036	407
Decrease in trade debtors	2,146	2,624
Decrease in amount due from an associate	466	81
Decrease in other debtors	226	285
Increase/(Decrease) in trade creditors and accruals	565	(60)
Decrease in other creditors	(41)	(167)
Decrease in trade amounts owing to related parties	(5)	(5)
Cash flows generated from operations	15,962	7,443
Income tax received/(paid)	849	(434)
Interest paid	(1,053)	(1,031)
Interest income received	7	3
Net cash flows generated from operating activities	15,765	5,981
	FY2017	FY2018
	S\$'000	S\$'000
Investing activities		
Purchase of property, plant and equipment	(5,753)	(2,347)
Acquisition of a subsidiary	400	–
Dividends received from an associate	10	–
Proceeds from disposal of plant and equipment	73	–
Net cash flows used in investing activities	(5,270)	(2,347)
Financing activities		
Proceeds from term loans from banks	22,973	26,023
Repayment of term loans from banks	(38,111)	(31,002)
Proceeds from trade financing	13,367	625
Repayment of trade financing	(13,985)	(625)
Capital injection by non-controlling shareholders of a subsidiary	–	115
Net cash flows used in financing activities	(15,756)	(4,864)
Net decrease in cash and cash equivalents	(5,261)	(1,230)
Effect of exchange rate changes on cash and cash equivalents	(25)	(51)
Cash and cash equivalents at 1 January	11,414	6,128
Cash and cash equivalents at 31 December	6,128	4,847

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

FY2018

The Group's cash and cash equivalents remained healthy at S\$4.8 million as at 31 December 2018 as compared to S\$6.1 million as at 31 December 2017.

Net cash flows from operating activities for FY2018 remained positive at S\$6.0 million as compared to S\$15.8 million in FY2017 mainly due to receipts from operations during the year.

Net cash flows used in investing activities for FY2018 was mainly due to acquisition of a property in Singapore for its branch operations.

Net cash flows used in financing activities for FY2018 was S\$4.9 million mainly due to net repayment of term loans from banks.

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- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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As at the date of the lodgement of this Offer Information Statement, the Directors are of the opinion that, barring unforeseen circumstances, and taking into account the Group's internal resources, operating cash-flows, working capital facilities available and the estimated Net Proceeds from the Rights Issue in the Minimum Subscription Scenario, the working capital available to the Group is sufficient for at least the next 12 months.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
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To the best of the knowledge of the Directors as at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity.

Trend Information and Profit Forecast or Profit Estimate

10. Discuss –

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and
 - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled “**Cautionary Note on Forward-Looking Statements**” of this Offer Information Statement for further details.

Business and financial prospects of the Group for the next 12 months

The Group expects the business operating environment to remain challenging globally in the year ahead. The Group will continue to exercise prudence in its operations as well as generate positive cashflow to maintain a healthy balance sheet and working capital position.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Barring any unforeseen circumstances, the Directors expect the performance of the Group for FY2019 to remain profitable.

The Company hopes to complete the Rights Issue to raise funds towards improving the Group's working capital and gearing, and strengthening the Group's financial position.

Trends for the current financial year

Save as disclosed in this Offer Information Statement, the Company's annual reports, circulars and public announcements, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that may cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

Certain business factors or risks which could materially affect the Group's profitability are set out in **Appendix A** entitled "**Risk Factors**" of this Offer Information Statement. There are uncertainties, demands, commitments or events that may have a material and adverse impact on the business, results of operations, financial condition and prospects of the Group, should they take place. **Appendix A** of this Offer Information Statement is only a summary, and is not an exhaustive description, of all uncertainties, demands, commitments or events. There may be additional uncertainties, demands and commitments or events not presently known to the Group or that the Group may currently deem immaterial, which could affect its business, results of operations, financial condition and prospects. Save as disclosed in this Offer Information Statement and, in particular, **Appendix A** of this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to the attention of the issue manager or person which gives the issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes/Meaning of "published"

16. Disclose any event that has occurred from the end of –

- (a) the most recently completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET, the Directors are not aware of any event which has occurred since 31 December 2018 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART VI THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**
-

The Issue Price for each Rights Share is S\$0.05, payable in full on acceptance and/or application.

The expenses incurred by the Company in respect of the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

Not applicable. The Shares are and the Rights Shares shall be traded on the Mainboard of the SGX-ST.

- 3. If –**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

Notwithstanding the above, RUPL had on 16 January 2019, given an undertaking to irrevocably and unconditionally renounce its entitlement to all 153,418,633 Rights Shares in favour of the Undertaking Shareholder, and the Undertaking Shareholder had provided an irrevocable undertaking to subscribe for, in aggregate, 153,928,533 Rights Shares.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement. Please refer to the section entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement for further information.

-
- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any securities exchange –**
- (a) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts –**
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
-

The highest and lowest market prices and volume of the Shares traded on the SGX-ST for each of the last twelve (12) calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from 1 April 2019 to the Latest Practicable Date, are as follows:

Month	Price Range		Volume (’000)
	High Price ⁽¹⁾	Low Price ⁽²⁾	
	(S\$)	(S\$)	
April 2018	0.210	0.136	75.2
May 2018	0.145	0.102	454.2
June 2018	0.120	0.100	137
July 2018	0.125	0.125	16
August 2018	0.104	0.092	43.8
September 2018	0.109	0.091	60.4
October 2018	0.108	0.073	114
November 2018	0.073	0.060	76.4
December 2018	0.074	0.051	44.3
January 2019	0.082	0.055	149.1
February 2019	0.056	0.046	90.5
March 2019	0.065	0.047	114.4
1 April 2019 to the Latest Practicable Date	0.079	0.050	81.9

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Notes:

- (1) Based on highest closing market price for the Shares in a particular month/period.
- (2) Based on lowest closing market price for the Shares in a particular month/period.

Source: Bloomberg L.P.. Bloomberg L.P. has not consented for the purposes of Section 249 and Section 277 of the SFA to the inclusion of the information above which is publicly available, and is thereby not liable for these statements under Section 253 and Section 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of these statements. The Company is not aware of any disclaimers made by Bloomberg L.P in relation to these quotes.

- (b) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts –**
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.

-
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and**

Save for the temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com> in accordance with the requirements of the Listing Manual, there has not been any significant trading suspension of the Shares on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

-
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.**

Not applicable. The Shares are regularly traded on the Mainboard of the SGX-ST.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –
- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and
 - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or *pari passu* with the securities or securities-based derivatives contracts being offered.
-

Not applicable. The Rights Shares, upon allotment and issue, shall rank *pari passu* in all respects with the existing Shares and with each other, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares. The Rights Shares are to be issued pursuant to the specific approval granted by Shareholders to the Directors at the Company's EGM held on 8 April 2019.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling effects of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.
-

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at the Issue Price of S\$0.05 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the Existing Share Capital of the Company of 234,060,000 Shares, as at the Latest Practicable Date, up to 234,060,000 Rights Shares will be issued.

The Rights Issue is not underwritten by any financial institution. However, the Company has obtained the Irrevocable Undertaking from the Undertaking Shareholder in respect of her entitlement of Rights Shares.

The Rights Shares are payable in full upon acceptance and/or application and will, on allotment and issue, rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Entitled Shareholders shall be at liberty to accept, decline, or otherwise renounce or (in the case of Entitled Depositors) trade their provisional allotments of Rights Shares and are eligible to apply for Excess Rights Shares under the Rights Issue. Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the Rights Trading Period. **For the avoidance of doubt and notwithstanding anything in this Offer Information Statement, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.**

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold Nil-paid Rights of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL, the ARE, the ARS and/or any other application form for Rights Shares, be aggregated and issued to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of any 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 its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The Rights Shares are not offered through the selling efforts of any broker or dealer. As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement.

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, the PAL, the ARE and the ARS.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.

Not applicable. The Rights Issue is non-underwritten.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART VII ADDITIONAL INFORMATION

Statement by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Manager and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

Not applicable. No issue manager or underwriter was appointed for this Rights Issue exercise.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity’s business operations or financial position or results; or**
 - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.**
-

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET and to the best of the Directors’ knowledge, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Group’s business operations, financial position, or results or investments by holders of securities or securities-based derivatives contracts in the Company.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

**PART VIII ADDITIONAL INFORMATION REQUIRED
FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES**

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

PART IX ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART X ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE

1. Provide –

- (a) the particulars of the rights issue;**
 - (b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
 - (c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
 - (d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
 - (e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
-

Please refer to the section entitled “**Principal Terms of the Rights Issue**” of this Offer Information Statement for particulars of the Rights Issue.

Last date and time for splitting : 30 April 2019 at 5.00 p.m.

Last date and time for acceptance and payment : 7 May 2019 at 5.00 p.m.

Last date and time for renunciation and payment : 7 May 2019 at 5.00 p.m.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.

The allotment and issue of the Rights Shares are governed by the terms and conditions as set out in this Offer Information Statement, and in the ARE, the ARS and the PAL.

-
- 1. (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the entity to subscribe for their entitlements; and**
-

As at the Latest Practicable Date, the Undertaking Shareholder, a controlling shareholder of the Company, has a direct interest in 509,900 Shares, representing approximately 0.22% of the existing issued and paid-up share capital of the Company. RUPL, a controlling shareholder of the Company, holds an aggregate of 153,418,633 Shares representing approximately 65.55% of the existing issued and paid-up share capital of the Company, and RUPL had on 16 January 2019, undertaken to irrevocably and unconditionally renounce its entitlement to all 153,418,633 Rights Shares in favour of the Undertaking Shareholder. The Undertaking Shareholder holds 55,000 ordinary shares in RUPL, representing approximately 52.38% of the issued and paid-up share

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

capital of RUPL, and Teo Teck Yao Glenn Ashley holds the remaining shares in RUPL, representing approximately 47.62% of the issued and paid up share capital of RUPL.

As an indication of support and commitment to the Company, the Undertaking Shareholder has provided an irrevocable undertaking to the Company (the “**Irrevocable Undertaking**”), *inter alia*:

- (i) that as at the Books Closure Date, she will own, directly no less than 509,900 Shares and indirectly no less than 153,418,633 Shares (the “**Undertaken Shares**”);
- (ii) that she will not sell, transfer or otherwise dispose of the Undertaken Shares on or prior to the Books Closure Date;
- (iii) to vote and/or procure her nominees/proxies or relevant persons to vote, in respect of the Undertaken Shares in favour of the resolutions to be proposed at the EGM to be convened to approve the Rights Issue; and
- (iv) to, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 153,928,533 Rights Shares to be provisionally allotted to it on the basis of Undertaken Shares as at the Book Closure Date.

The Irrevocable Undertaking is subject to and shall be conditional upon the following:

- (i) the approval of Shareholders for the Rights Issue being obtained at the EGM to be convened;
- (ii) the receipt of the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST and such approval 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 and fulfilled by the Company; and
- (iii) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) in connection with the Rights Issue, with the Authority.

The Undertaking Shareholder has also provided confirmation from a financial institution that she has sufficient financial resources to fulfill her obligations under the Irrevocable Undertaking.

1. (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

In view of the Irrevocable Undertaking, and taking into consideration the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE
UNDER APPENDIX 8.2 OF THE LISTING MANUAL**

1. A review of the working capital for the last three (3) financial years and the latest half year, if applicable.

The summary of the working capital of the Group as at 31 December 2016, 31 December 2017, 31 December 2018 are as follows:

	Audited As at 31 December 2016 (S\$'000)	Audited As at 31 December 2017 (S\$'000)	Audited As at 31 December 2018 (S\$'000)
Total Current Assets	64,252	50,142	46,295
Total Current Liabilities	43,127	27,136	29,460
Net Working Capital	21,125	23,006	16,835

A review of the working capital of the Group for the relevant periods is set out below.

As at 31 December 2016 compared to 31 December 2015

The decline in net working capital of S\$11.2 million, from S\$32.3 million as at 31 December 2015 to S\$21.1 million as at 31 December 2016 was primarily due to the factors stated below.

Current assets decreased by approximately S\$23.8 million from approximately S\$88.0 million as at 31 December 2015 to approximately S\$64.2 million as at 31 December 2016 primarily due to the following:

- (i) trade debtors declined primarily due to the disposal of ABC in the second half of FY2016 and collections received during the year. This was partially offset by higher sales to OEM customers in the fourth quarter of FY2016;
- (ii) inventories largely account for the bearings and seals products of the Group. It decreased in FY2016 mainly due to the disposal of ABC in the second half of FY2016, a continued tight control on purchases, active inventory promotion at reduced prices to generate positive cash-flow in view of the uncertain and challenging global market conditions during the year, and provision for slow-moving inventories of S\$4.2 million for the Group; and
- (iii) there were no more fixed deposits as at year-end following disposal of ABC in second half of FY2016.

Current liabilities decreased by approximately S\$12.7 million from approximately S\$55.8 million as at 31 December 2015 to approximately S\$43.1 million as at 31 December 2016 primarily due to the following:

- (i) the amount due to related party pertains to the outstanding loan owing to the minority shareholder of Raffles Capital Enterprise Pte Ltd and deemed controlling shareholder of the Company, being repayable within a year, was reclassified from non-current liabilities to current liabilities during the year;

ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE UNDER APPENDIX 8.2 OF THE LISTING MANUAL

- (ii) bank borrowings were secured on certain properties of the Group. It declined in FY2016 primarily due to disposal of ABC and repayments made during the year; and
- (iii) Group trade creditors had increased in line with higher purchases meant for the OEM sector following higher revenue generated in the last quarter of FY2016 as compared to the same period last year. This was partially offset by disposal of ABC in the second half of FY2016.

As at 31 December 2017 compared to 31 December 2016

The slight increase in net working capital of S\$1.9 million, from S\$21.1 million as at 31 December 2016 to S\$23.0 million as at 31 December 2017 was mainly due to the factors stated below.

Current assets decreased by approximately S\$14.1 million from approximately S\$64.2 million as at 31 December 2016 to approximately S\$50.1 million as at 31 December 2017 primarily due to the following:

- (i) the decline in Group trade debtors was primarily due to collections received during the year. This was however, offset, by the consolidation of ACEE's trade debtors into the Group's accounts following its acquisition during the year;
- (ii) the decline in other debtors at Group and the Company level was primarily due to settlement of the prior year deferred consideration on the sale of shares of ABC to its minority shareholder as well as a provision for remaining deferred consideration for the sale of shares of its China subsidiary, Kian Ho Guangzhou Co., Ltd, in FY2015;
- (iii) the decline in amount owing from an associate was primarily due to partial settlements and provisions made during the year; and
- (iv) the decrease in inventories was despite an increase in Group purchases of S\$7.4 million. This was mainly due to continued stringent controls over purchases and improved sales of existing inventory holding and purchases during the year. In addition, significant purchase orders placed by the Group to replenish its inventory holding were pending delivery from suppliers.

Current liabilities decreased by approximately S\$16.0 million from approximately S\$43.1 million as at 31 December 2016 to approximately S\$27.1 million as at 31 December 2017 primarily due to net repayments of bank borrowings of \$15.8 million during the year.

As at 31 December 2018 compared to 31 December 2017

The decrease in net working capital of S\$6.2 million, from S\$23.0 million as at 31 December 2017 to S\$16.8 million as at 31 December 2018 was in line with the factors stated below.

Current assets decreased by approximately S\$3.8 million from approximately S\$50.1 million as at 31 December 2017 to approximately S\$46.3 million as at 31 December 2018 primarily due to the following:

- (i) the decline in the Group's trade debtors was primarily due to lower sales for the bearings and seals division and collections received during the year; and

ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE UNDER APPENDIX 8.2 OF THE LISTING MANUAL

- (ii) the decline in Group other debtors was primarily due to deposits made in the prior year in relation to the acquisition of a property in Singapore for its branch operations. The said deposit was subsequently capitalized into property, plant and equipment upon completion of the acquisition in the current year.

Current liabilities decreased by approximately S\$2.3 million from approximately S\$27.1 million as at 31 December 2017 to approximately S\$29.4 million as at 31 December 2018 primarily due to the following:

- (i) bank borrowings declined primarily due to net repayments made during the year. It was, however, offset by an increase due to the acquisition of a property in Singapore for its branch operations during the year; and
- (ii) the decline in other creditors at the Group level was primarily due to lower advances received from customers of the Group.

2. Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832.**
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

-
- (i) Not applicable. The Rights Issue does not involve an issue of convertible securities.
 - (ii) Not applicable. The Rights Issue is not underwritten.

3. Responsibility Statement by the Financial Adviser

A statement by the Financial Adviser that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonably enquiry.

As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable.

APPENDIX A – RISK FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Prospective subscribers should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects of the Group could be materially and adversely affected. In that event, the trading price of the Shares and/or the Rights Shares could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares.

The headings herein are inserted for convenience only. Risk factors inserted under a particular division or segment of the Group's business may not be exclusively applicable to such division or segment and may also be applicable to the other business divisions or segments of the Group. This section should be read together with the key developments of the Company set out in Paragraph 8(c) of the Part IV Key Information at pages 42 to 49.

RISKS RELATING TO THE GENERAL BUSINESS OF THE GROUP

The Group is subject to general business risks

The Group's businesses are subject to general business risks including:

- (a) war and terrorism, and its adverse effect on business;
- (b) global financial downturn and its effect on the performance of the local economy; and
- (c) changes in government regulations that burden operating costs or restrict business.

It is recognised that such risks can never be eliminated totally and that the cost controls in minimising these risks may outweigh their potential benefits. Accordingly, the Group continues to focus on risk management and incident management, supported by risk transfer mechanisms such as insurance, where appropriate.

The Group is dependent on key personnel

The Group's success is dependent upon the continued services and efforts of its key personnel as well other skilled personnel. Having a team of experienced management staff and skilled personnel is critical in fulfilling the Group's contractual obligations and maintaining its relationships with its customers and suppliers. The Group's continued success depends to a significant extent on its management team and personnel. Competition for qualified personnel is intense and the Group may be unable to identify and recruit such personnel if and when needed on short notice. If the Group loses the services of any of its existing key personnel or management team without timely and suitable replacements or are unable to attract new personnel with suitable experience as the Group grows, its business may be materially and adversely affected.

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The Group may be subject to risks associated with litigation and other disputes

Legal proceedings, whether litigation, arbitration or otherwise, may arise from time to time in the ordinary course of business, and the Group may not be able to anticipate and/or prevent such proceedings from being brought against it. Regardless of whether such claims are valid, the Group could be required to expend financial resources to defend against or pursue these claims. Any adverse outcome from any proceedings, whether brought by or against the Group, could have an adverse effect on its business, financial condition, results of operations and prospects.

The Group is exposed to risk of default by its customers and/or payment delays

The Group's customers may be unable to meet their contractual payment obligations to it, either in a timely manner or at all, or may otherwise default on these obligations. The reasons for such non-payment or payment delays may include the customer's insolvency, a general downturn in the various industries in which the Group operates, inability of customers to raise sufficient financing, and other business-related decisions by its customers. Any delay or default in payment owed to the Group from its customers could adversely affect its financial performance.

The Group is exposed to foreign exchange risks

As the Company's functional and presentation currency is denominated in S\$, any depreciation in foreign exchange rates against the S\$ may affect the Group's profitability and financial position.

The Group is exposed to interest rate risks, liquidity risks and credit risks

The Group is exposed to financial risks arising from its operations and the use of financial instruments, including hedging instruments.

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from bank loans.

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of facilities.

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. If there are any unforeseen circumstances affecting the ability or willingness of the Group's clients to pay the Group, the Group may experience payment delays or non-payment. In any of such events, the Group's business may be materially and adversely affected.

The Group may not be able to successfully implement its future plans

The Group's future plans involve numerous risks, including but not limited to, the incurrence of working capital requirements. Further, these plans may also require substantial capital expenditure and financial resources. There is no assurance that these plans will achieve revenue that will be commensurate with the Group's investment costs, or that it will be successful in securing more projects. If the Group fails to achieve a sufficient level of revenue or if it fails to manage its costs efficiently, it will not be able to recover its investment. If such events occur, the Group's business may be materially and adversely affected.

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There is no assurance on the sustainability of the growth of the Group

There are numerous factors such as intense market competition and general economic conditions, which are beyond the Group's control, which may affect the growth of the Group. There is no assurance that the Group will continue to be able to achieve or maintain similar levels of growth in its revenue and profits in the future.

The Group may face risks arising from its indebtedness

While the Group has unutilised facilities and funds available for use, there can be no assurance that the Group will be able to refinance its borrowings as it becomes due on commercially reasonable terms, or at all. The Group may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways, including by limiting its ability to pay dividends or requiring it to procure consents before it can pay dividends to holders of shares. Additionally, the Group's level of indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

The Group's bank facilities contain restrictive covenants that, if not satisfied or waived, could impact the Group's ability to borrow money under these facilities and could result in acceleration of the Group's debt obligations under these facilities that may be outstanding from time to time.

The Group's failure to comply with restrictive covenants in its credit facilities could result in an event of default which, if not satisfied or waived, could preclude the Group from drawing down on such credit facilities or which may result in the Group being required to repay any borrowings it may have under such credit facilities. If the Group is unable to utilise these credit facilities to finance its operations or if it is unable to refinance its borrowings under its credit facilities that may fall due, its business may be materially and adversely affected.

The financial performance, financial condition and future growth of the Group's operations may be susceptible to changes in the political, economic and social conditions in Singapore or in the surrounding region

The Group's operations are primarily in Singapore, Malaysia and Indonesia. The Group's operations and business may be materially and adversely affected by changes in the legal, political, economic and social conditions in Singapore or in the surrounding region, including but not limited to:

- (a) shifts in political powers, political unrest and economic instability;
- (b) acts of terrorism;
- (c) changes in laws and regulations;
- (d) growth rate and degree of development;
- (e) uniformity in the implementation and enforcement of laws;
- (f) content of and control over capital investment;

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- (g) control of foreign exchange and allocation of resources;
- (h) changes in the rate and method of taxation;
- (i) difficulties in managing supply chain channels; and
- (j) employment and labour issues.

The Group may be affected by outbreaks of severe communicable diseases, epidemics, acts of God, war and terrorist attacks

The outbreak of communicable diseases in Singapore, if uncontrolled, could have an adverse effect on the overall business sentiments and environment in Singapore, which may materially and adversely affect the Group's business. In addition, in the event of an outbreak of epidemic in Singapore, if any of the Group's employees are infected with such diseases, the Group's business may be materially and adversely affected.

Natural disasters and other acts of God which are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people of Singapore in which the Group operates. The Group's business may be materially and adversely affected if such natural disasters occur. War and terrorist attacks may cause damage or disruption to the Group and its employees, facilities and clients, any of which may materially and adversely affect the Group's business. Furthermore, war or hostility between countries may result in a drop in the value of global stock markets and have a negative impact on the global economy. The above may have a material and adverse impact on the Group's business.

The Group faces risks from changes to its accounting policies

From time to time, the Group may be required to make changes to its accounting policies due to, amongst others, changes in applicable financial reporting standards. There can be no assurance that the adoption of the new accounting policies will not have a significant impact on the Group's financial condition and results of operations.

Tax positions which the Group has taken may be challenged and the Group is subject to the risk of changing income tax rates and laws

From time to time, the Group may be subject to various types of tax audits (including routine and special audits) in connection with which tax positions that have been taken may be challenged and overturned. If this were to occur, the Group's tax rates could significantly increase and the Group may be required to pay significant back taxes, interests and/or penalties. The outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Group's tax audits are resolved in a manner not consistent with the Group's expectations, the Group could be required to adjust its provision for income tax in the period such resolution occurs. Any significant proposed adjustments could have a material and adverse effect on the business.

In addition, a change in tax laws, treaties or regulations, or their interpretation, of any country in which the Group operates could result (including with retrospective effect) in a higher tax rate or have a material impact on the Group's tax exposure. While the Group may seek tax advice or opinions from external advisers from time to time in relation to its operations, there is no assurance that a tax position adopted by the Group (with or without such tax advice or opinion) will not be successfully challenged by the tax authorities in the countries that the Group operates in.

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Also, a number of countries in which the Group is located allow for tax holidays or provide other tax incentives to attract and retain business. However, any tax holiday or incentive the Group has could be challenged, modified or even eliminated by taxing authorities or changes in law. In addition, the tax laws and rates in certain jurisdictions in which the Group operates can change with little or no notice and any such change may even apply retroactively. Any of such changes could adversely affect the Group's effective tax rate and therefore materially and adversely affect the business.

RISKS RELATING TO THE BEARINGS AND SEALS, GEARBOX AND ELECTRICAL PRODUCTS BUSINESS

The bearings and seals, gearbox and electrical products industries are highly competitive

Competitive factors, including changes in market penetration, increase price competition, the introduction of new products and technology by existing and new competitors as well as changes in customer demand on sales, product mix and prices could have a material adverse effect on the Group's business.

The Group's business is capital intensive, and if there are downturns in the industries that they serve, they may be forced to significantly curtail or suspend operations with respect to those industries, which could result in recording asset impairment charges or taking other measures that may adversely affect results of operations and profitability of the Group

The Group's business operations are capital intensive, and devotes a significant amount of capital to certain industries. The Group's profitability is dependent on factors such as inventory management, which are subject to risks that the Group may not be able to control. If there are downturns in the industries that the Group serves, the Group may be forced to significantly curtail or suspend our operations with respect to those industries, including recording asset impairment charges and other measures, which may adversely affect the Group's results of operations and profitability.

The Group is exposed to risks from changes in manufacturing costs and availability or costs for raw materials

Changes in cost associated with various levels of operations including, but not limited to, effects of unplanned work stoppages, cost of labour, and the cost and availability of materials and energy could have a material adverse effect on the Group's business and results of operations. The availability and prices of raw materials and energy sources may be subject to change due to, among other things, new laws or regulations, suppliers' allocations to other purchasers, interruptions in production by suppliers, change in exchange rates and worldwide price levels. Moreover, future disruptions in the supply of raw materials could impair the Group's ability to manufacture our products for our customers or require the Group to pay higher prices in order to obtain these raw materials from other sources. Any significant increase in the prices for such raw materials could adversely affect the Group's results of operations and profit margins.

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RISKS RELATING TO THE PROPERTY INVESTMENT AND DEVELOPMENT BUSINESS

The Group is subject to changes in economic situation, government regulations and market conditions for the property development and investment business

When evaluating and deciding on the investments to make, the Board will also factor in the extent of the Group's and management's capability and familiarity to undertake such investments or projects in view of potential requirements and peculiarities which may be unique to the relevant jurisdiction. It would consider the relevant jurisdiction's socio-political situation and potential developments of the same.

The performance of the property investment and development business depends largely on the economic situation and the performance of the property industry and there is no assurance that the property sectors of the relevant jurisdiction in which the Group undertakes the property development and investment business will continue to grow. Should the economy or the property market experience a downturn in the relevant jurisdiction in which the Group undertakes the property development and investment, the performance of the property development and investment business segments may be adversely affected. In addition, as the gestation period for a property development project is long, typically between two to three years, any downturn in the economy or the property market during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's financial performance. Changes in government regulations in the relevant jurisdiction in which the Group undertakes the property development/investment business may also result in the Group being unable to complete any property development project, or sell any completed property development project or purchased property at a profit, or at all. This may adversely affect the financial position of the Group. Changes in the business environment for jurisdictions in which the Group operates may include delays in procuring the necessary relevant approvals, licenses or certificates from government bodies, changes in laws, regulations and policies in relation to property development, fluctuations in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes and fluctuation in costs of construction materials and other costs of development. Such delays may result in the Group incurring additional costs, thus affecting the profitability of the Group.

The Group may face intense competition from existing competitors and new market entrants in the property investment business

The property investment and property development business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources or stronger track records. In the event that the Group is unable to be competitive, the Group's financial position and performance will be adversely affected.

The Group is subject to various government regulations

The property industry is subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, property investment, property development, addition and alteration works and building works.

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If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the property business. The Group must also comply with the applicable laws and regulations, for example, in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and/or prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

The Group may face potential liability and claims from property development projects and may be involved in legal and other proceedings arising from its operations from time to time

The time required to complete a property development project or property enhancement works projects depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties.

Accidents during the course of construction may give rise to personal injuries and third party liability. In addition, the Group may be involved from time to time in disputes with various parties such as purchasers, contractors, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and other proceedings. If the Group is unable to manage such risks, the Group's business and financial position will be affected if any compensation or damages is payable by the Group.

Fluctuations in property prices and the Group's ability to identify suitable land sites and property development projects may have an adverse impact on the Group's property development business and financial condition

Property prices and the availability of suitable land sites will fluctuate. Should property market prices experience a downward trend, the Group's earnings may be adversely affected as the Group may have to postpone the sale of such property development project to a later date, if and when market conditions improve. In the event that the Group is required to sell its property development projects at lower prices, the Group's financial performance will be adversely affected. The Group can build up its land bank by scouting for and acquiring land sites appropriate for its property development projects via offers from private owners, by participating in property auctions and government land sales programmes as well as through third-party property agents.

The Group will face competition for new land sites from other property developers and there is no assurance that suitable sites will always be available to the Group for the purposes of the property development business. If the Group is not able to procure suitable land sites to carry out its property development projects, or if the Group carries out property development projects at less favourable locations that may not be as marketable, the Group's sales volume and profitability may be adversely affected.

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The Group's performance is also dependent on its ability to identify profitable property development projects, and following such identification, to successfully complete such projects. The viability and profitability of the Group's property development projects are subject to fluctuations and are dependent on, amongst others, the demand for the Group's development projects, the pricing and number of property development projects and the overall schedules of the Group's projects which are in turn, to a large extent, affected by the market sentiment, market competition, general economic and property markets conditions, as well as government regulations.

The Group is subject to risks of late payment or non-payment by its clients

The Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness in respect of purchases of the Group's development properties. There is no assurance that the Group will be able to collect any progress payments on a timely basis, or at all. In the event that there are defaulting purchasers or a significant delay in collecting progress payments from purchasers, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which will have an adverse impact on the Group's financial performance.

The Group may face potential liability and claims from property development and property enhancement works projects

The time required to complete property development or property enhancement works projects depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather condition, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for damages from purchasers of the properties or clients for property enhancement works projects. Accidents during the course of construction may give rise to personal injuries and third party liability. In addition, the Group may be involved from time to time in disputes with various parties such as purchasers, contractors, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and other proceedings. If the Group is unable to manage such risks, the Group's business and financial position will be affected if any compensation or damages is payable by the Group.

An inability to generate adequate returns on properties acquired or developed and held for long-term investment purposes may result in losses to the Group and may have an adverse impact on the Group's financial position

Property investment is subject to varying degrees of risks. The investment returns available from the property development and property investment business depend, to a large extent, on the amount of capital appreciation generated. The ability to eventually dispose of properties at a profit will depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuations. Further, completed projects and invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any

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adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

In addition, the revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns from such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

The Group is subject to revenue and profit volatility

The Group is vulnerable to revenue volatility which is a characteristic of companies engaged in businesses similar to the property investment and development business. The amount of revenue to be recognised in a financial year is dependent on the number, value and stage of completion of projects undertaken by the Group and the sale prices of the Group's property development projects or investment properties, which in turn depend on various factors, such as availability of the Group's resources, market sentiment, market competition and general economic conditions.

Thus, there is no assurance that the amount of revenue from the sale or rental of property development projects or investment properties will remain comparable every year, or that the Group will be able to continuously secure new projects of similar value and volume or to continuously realise the value of the Group's property development projects or investment properties at similar value or volume.

Should there be any reasons that cause the Group not to undertake or consistently secure such projects or to sell its property development projects or investment properties, or should there be any delay in the progress of the development or sale of any of the projects or properties in the Group's portfolio, the Group's business operations, financial performance and financial condition may be adversely affected.

The Group's results may fluctuate due to increases or decreases in the appraised fair value of its investment properties

The Group is required to reassess the fair value of its investment properties upon their completion and transfer to properties held for investment and at every reported statement of financial position date thereafter. Under the Singapore Financial Reporting Standards, gains or losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise. However, fair value gains do not change the Group's overall cash position or liquidity as long as it continues to hold such investment properties.

The amount of fair value adjustments has been, and will continue to be, subject to market fluctuations. There is no assurance that changes in market conditions (if any) will continue to create fair value gains on investment properties at previous levels or at any level at all, or that the fair value of the Group's investment properties will not decrease in the future or that the Group's investment properties will increase substantially or at all. In particular, the fair value of the Group's investment properties could decline in the event that, among other things, the real estate industry experiences a downturn as a result of government policies aimed at "cooling-off" the real estate market, or any global market fluctuations and economic downturn. There is no assurance that the

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fair value gains (if any) on the Group's investment properties will increase due to any increase in its portfolio of investment properties and/or increase overall value appreciation of properties. In addition, fair value gains of the Group's properties are based on valuations performed by an independent valuer and are calculated based on assumptions adopted by them. There is no assurance that the assumptions used by the independent valuer will be realised. Any decrease in the fair value of the Group's investment properties could lead to a decrease in fair value gains on investment properties in its income statement which could adversely affect its financial performance.

The Group may not be able to provide the capital investments needed to undertake the property investment and property development projects

The property investment and development business requires substantial capital investments or cash outlay. There is no assurance that such financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

The Group may rely on bank financing to part finance its operations, in particular for its property development and investment projects, which are capital intensive in nature. As such, the availability of adequate financing, including bank financing, may affect the Group's ability to acquire land or property and complete its property development projects according to plan. The Group's ability to obtain debt financing or funds from the capital markets for its requirements depends on the prevailing economic conditions, its ongoing performance, the general condition of the property market and the acceptability of the financing terms offered. These facilities may have variable interest rates and accordingly, any increase in such interest rates may have an adverse effect on the Group's profitability and financial performance.

Additional debt financing may restrict the Group's freedom to operate its business, as new debt covenants may (i) increase its vulnerability to general adverse economic and industry conditions; (ii) limit its ability to pay dividends or require the Group to seek consent for the payment of dividends; (iii) require the Group to dedicate a portion of its cash flow from operations to payments of its debts, which would consequently reduce the availability of the Group's cash flow to fund capital expenditures, working capital requirements and other general corporate purposes; and (iv) limit its flexibility in planning for, or reacting to, changes in the Group's business and industry.

When planning for financing as well as project expenses and earnings for its projects, the Group needs to take into account various factors such as potential consumer response to its development projects, the timing of completion, the expected interest charges to be incurred for the entire duration of the project, the risk of recall of loans and the possibility that financial institutions may require that the Group to provide additional security for its loans. Any variation in any of the factors mentioned above may lead to a corresponding change to the Group's estimated project expenses, including the cost of financing and earnings.

The Group cannot be assured that additional financing will be available when needed or that, if available, such financing may be obtained on terms and interest rates that are acceptable to it. There is also no guarantee that the terms for additional financing will be as favourable as those previously obtained. In the event that the Group is unable to obtain acceptable financing, it may not be able to undertake certain new projects and its business operations, financial performance and financial condition may be adversely affected.

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The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies or in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

The property development/investment business is subject to the general risks of doing business overseas

There are inherent general risks in doing business overseas and these general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks if materialised may affect the Group's business and financial condition. In addition, if the government in the relevant jurisdiction in which the Group intends to undertake the property development/investment business tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currency, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests

The Group may hold property investments through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the property investment business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation, performance and/or financial returns of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

The Group may experience negative operating cash flow from time to time due to significant capital outlay which may be required for its property investment and development business

Due to the nature of the property investment and development business, the Group's property projects will typically require substantial capital outlay during the property or land acquisition and construction phases. Typically, a property development project will have net cash outflow in its early phases, where significant cash outlay is required for the purchase of land for development and most of the payment for units sold would be received in the later phases, on a progressive basis.

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To finance the significant capital outlay arising from the property investment and development business, the Group may have to rely on external financing. As such, in the event that the Group is unable to obtain the required financing and do not have sufficient cash flow to fund projects and sustain business operations, the Group's business operations, financial performance and financial condition may be adversely affected.

The Group's property development projects may be affected by cost overruns and/or increases in costs

Unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions, unanticipated construction constraints at worksites, increase in the costs of labour, construction materials, equipment, rental and sub-contracting services, unanticipated variations in labour and equipment productivity over the term of a development or corrective measures for poor workmanship may arise in the course of the projects which may result in additional unanticipated costs over and above the initial budget. Where these costs overruns cannot be passed onto customers, the Group may have to absorb the cost overruns and may suffer losses on the project. The Group's profitability and financial performance may be materially and adversely affected.

The Group's property development projects are dependent on the services rendered by contractors

The Group is expected to rely on main contractors and sub-contractors to provide various services for the property development projects, including building construction works, piling and foundation works, structural works, architectural works and engineering works. There is no assurance that the services rendered by the Group's contractors will continue to be satisfactory to the Group or meet the Group's requirements for quality.

Furthermore, any contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or leading to a failure to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any loss or damage which arises from the default of such contractors, the Group may have to incur losses to rectify such defects, materially and adversely affecting the Group's financial performance and financial condition.

The Group may be subject to limitations of property valuations

Valuation of the Group's properties is based on certain assumptions and is not intended to be a prediction of, and may not accurately reflect, the actual values likely to be realised by the Group from these investments. The inspections of the property and other works undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. In addition, unfavourable changes to the economic or regulatory environment or other relevant factors may negatively affect the premises upon which the valuation is based and hence, the conclusion of such valuation may be adversely affected. As such, the Group's properties may not retain the price at which it may be valued or be realised at the valuation or property value which was recorded. The value of the properties of the Group may fluctuate from time to time due to market and other conditions. Such adjustments to the Group's shares of the value of the properties in the Group's portfolio could have an adverse effect on the net asset value and profitability of the Group.

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Increases in interest rates affect the attractiveness of mortgage financing to potential purchasers of the Group's properties and increase its finance costs

Increases in interest rates will increase the Group's finance costs and reduce its ability to source funding through bank loans and other loans. Increases in interest rates may also affect the Group's customers' ability to secure mortgages on acceptable terms, which in turn may affect their ability to purchase properties. There can be no assurance that the financial institutions will not raise lending rates further or otherwise discourage bank financing (such as by increasing the down payment requirement or imposing other conditions).

The loss of tenants or a downturn in the business of key tenants may have an adverse effect to the Group

The Group may be adversely affected by the bankruptcy, insolvency or downturn in the business of its key tenants, including their decision not to renew any lease or to terminate any lease before it expires. The renewal of lease agreements with the tenants will also depend on its ability to negotiate lease terms acceptable to both parties. There is no assurance that all or any of Group's tenants, including the key tenants, will renew or continue to renew their lease agreements, or that the new or renewed lease terms will be as favourable to the Group as the existing leases.

In the event that any tenant does not renew its lease, the Group will need to find a replacement tenant or tenants, which could subject investment properties to periods of vacancy and/or refitting for which the Group would not receive rental income. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

RISKS RELATING TO THE BEAUTY BUSINESS

The Group may face difficulties in anticipating changes in consumer tastes and buying preferences

The operating results of the Group could be adversely affected if products, business opportunities, and other initiatives do not generate sufficient enthusiasm and economic benefit to retain our existing consumers. If the Group is unable to gauge beauty trends and react to changing consumer preferences in a timely manner, sales may decrease.

Production difficulties, quality control problems, inaccurate forecasting and reliance on third-party suppliers may harm the Group's business

The Group acquires finished products from third-party manufacturers. A loss of any of these suppliers and any difficulties in finding or transitioning to alternative suppliers could harm its business. Production difficulties, quality control problems, inaccurate forecasting and reliance on third party suppliers to manufacture and deliver products that meet the Group's specifications in a timely manner could harm its business.

The Group is exposed to risks of product liability claims

As a result of the type of products that the Group sells, the Group may be subject to various product liability claims, including that the products fail to meet quality or manufacturing specifications, contain contaminants, include inadequate instructions as to their proper use, include inadequate warnings concerning side effects and interactions with other substances or for persons with health conditions or allergies, or cause adverse reactions or side effects. Further, if its sales force or employees provide improper or inappropriate advice regarding the products, their use or safety, the Group may be subject to additional product liability.

APPENDIX A – RISK FACTORS

RISKS ASSOCIATED WITH THE RIGHTS ISSUE, THE RIGHTS SHARES AND THE SHARES

An active trading market may not develop for the Nil-paid Rights and, if a market does develop, the Nil-paid Rights may be subject to greater price volatility than the Shares

A trading period for the Nil-paid Rights has been set from 22 April 2019 at 9.00 a.m. to 30 April 2019 at 5.00 p.m. There is no assurance that an active trading market for the Nil-paid Rights on the SGX-ST will develop during the Nil-paid Rights trading period or that any over-the-counter trading market in the Nil-paid Rights will develop. Even if an active market develops, the trading price of the Nil-paid Rights, which depends on the trading price of the Shares, may be volatile and subject to the same risks as noted elsewhere in this Offer Information Statement. In addition, in certain jurisdictions, Shareholders are not allowed to participate in the Rights Issue. The Nil-paid Rights relating to the Shares held by such ineligible Shareholders may be sold by the Company, which could make the market price of the Nil-paid Rights fall.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

If Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his Nil-paid Rights, or such Nil-paid Rights are sold on his behalf, the consideration he receives, if any, may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

Foreign Shareholders should note that to the extent that it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Nil-paid Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading of the Rights on a “nil-paid” basis. The net proceeds of such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and paid to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made of amounts of less than S\$10.00 to a single or joint Foreign Shareholder and the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company. No Foreign Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, CDP or the Share Registrar and their respective officers in connection therewith.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the expansion of the Group’s business and strengthen its capital base, repay borrowings and/or finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

The Company’s share price may fluctuate

The market price for the Shares on the SGX-ST (including the Nil-paid Rights and the Rights Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market’s perception of the likelihood of completion of the Rights Issue and/or be in response to various

APPENDIX A – RISK FACTORS

factors some of which are beyond the Group's control. The sale of a significant amount of Shares on the SGX-ST after the Rights Issue, or the perception that such sales may occur, could materially affect the market price of the Shares. This volatility may adversely affect the price of the Shares, including the Rights Shares, regardless of the Group's operating performance. Examples of such factors include, *inter alia*:

- (a) variations in the Group's operating results;
- (b) changes in financial estimates and recommendations by securities analysts;
- (c) success or failure of the Group's management team in implementing business and growth strategies;
- (d) the gain or loss of an important business relationship or contract;
- (e) the operating and stock price performance of other companies in a similar industry;
- (f) developments affecting the Group, its customers or competitors;
- (g) fluctuations in general stock market prices and trading volume;
- (h) changes or uncertainty in the political, economic and regulatory environment in the markets in which the Group operates;
- (i) changes in accounting policies; and
- (j) other events or factors described in this Offer Information Statement.

The Issue Price is fixed at S\$0.05 for each Rights Share. A fall in the price of the Shares could have a material adverse impact on the value of the Nil-paid Rights and the Rights Shares. There is no assurance that investors will be able to sell the Rights Shares at a price equal to or greater than the Issue Price. Accordingly, investors who are existing Shareholders or have acquired Nil-paid Rights in the secondary market and/or subscribed to the Rights Shares, whether existing Shareholders or not, may suffer a loss.

The liquidity of the Shares may not change or improve

Active and liquid trading of securities generally results in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, *inter alia*, the size of the free float, the price of each board lot, institutional interest, the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the SGX-ST may change or improve after the Rights Issue.

The Company was placed on the Watch-list

The Company was placed on the Watch-list under the minimum trading price entry criteria with effect from 5 December 2018. The Company must take active steps to meet the requirements of Listing Rule 1314(2) within 36 months from 5 December 2018, failing which SGX-ST may either delist the Company, or suspend trading of the listed securities of the Company with a view to delisting the Company. Listing Rule 1314(2) states that the Company will be assessed by SGX-ST for removal from the Watch-list if it records volume-weighted average price of at least S\$0.20 and an average daily market capitalization of S\$40 million or more over the last 6 months.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renouneees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
 - (i) by hand to **RAFFLES UNITED HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588;**
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **RAFFLES UNITED HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

in each case so as to arrive not later than **5.00 P.M. ON 7 MAY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – RAFFLES UNITED RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.2 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

2.3 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix B which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.4 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.1 above to CDP.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.5 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the Nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from The Central Depository (Pte) Limited.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.6 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Shares as set out in his ARE on the basis of one (1) Rights Share for every one (1) existing ordinary Share at an issue price of S\$0.05 for each Rights Share. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

- (a) Accept his entire provisional allotment of 10,000 Rights Shares (if applicable) apply for Excess Rights Shares.

Procedures to be taken

Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 10,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$500 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares with Warrants applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – RAFFLES UNITED RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **RAFFLES UNITED HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at **9 NORTH BUONA VISTA DRIVE #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **RAFFLES UNITED HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 6,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the Mainboard.

Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 6,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$300, in the prescribed manner described in alternative (a) above, to CDP, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the Mainboard during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 6,000 provisionally allotted Rights Shares, and reject the balance.

Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 6,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$300, in the prescribed manner described in alternative (a) above to CDP so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through CDP by **5.00 p.m. on 7 May 2019**.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS 5.00 P.M. ON 7 MAY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE;

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through CDP by **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix B, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Rights Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Rights Shares, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.4 Deadlines

It should be particularly noted that unless:

- (a) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – RAFFLES UNITED RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **RAFFLES UNITED HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **RAFFLES UNITED HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '1' for 'All CDP account related queries'
4. Press '3' for 'Corporate Actions Announcement and Transactions'
5. Press '2' for your rights application status
6. Enter your 12 digit CDP securities account number
7. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS, by pressing the “Enter” or “OK” or “confirm” or “Yes” key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Bank, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the “**Relevant Persons**”) for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

PROCEDURE TO COMPLETE THE ARE/ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares
currently held by you

XX,XXX

This is your
shareholdings as at
Record Date.

Shares as at
XX January 2015
(Record Date)

This is the date to
determine your
rights entitlements.

Number of Rights
Shares provisionally
allotted*

XX,XXX

This is your number of
rights entitlement.

Issue Price

S\$0.0X per Rights Share

This is the price that
you need to pay
when you subscribe
for one Rights Share.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. MAIL Complete section below and submit this form to CDP by XXXXXXX 2019 at 5.00 p.m.

(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-XXXXXX RIGHTS ISSUE ACCOUNT" will be accepted

(ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER** or **MONEY ORDER** will be rejected

(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date and time to subscribe for the Rights Shares through CDP.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, and payee name on the Cashier's Order.

Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied: _____, , ,

(Provisionally Allotted+Excess Rights Shares)

ii. Cashier's Order/Banker's Draft Details:

(Input last 6 digits of CO/BD)

Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares and excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO/BD number (eg.001764) within the boxes.

Sign within the box.

Notes:

- (1) If the total number of Rights Shares applied for exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (2) The total number of Rights Shares applied for will be based on the cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied for quantity exceeds this amount.
- (3) Please note to submit one Cashier's Order per application form.

**APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND
EXCESS APPLICATION BY ENTITLED DEPOSITORS**

Sample of a Cashier's Order

CASHIER'S ORDER

DATE DD / MM / YY

PAY CDP - RIGHTS ISSUE ACCOUNT

OR ORDER S\$ 7,600.00

SINGAPORE DOLLARS **SEVEN THOUSAND SIX HUNDRED ONLY**

BANK REF. : 0105085000052 S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆ 00 1 76 4 ⑆ 7 1 7 1 ⑆ 105 ⑆ 105099999 7 ⑆

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

- 1.1 Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

- 1.2 The provisional allotment of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements (if any) having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.

- 1.3 THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**

- 1.4 With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Constitution of the Company and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application for Rights Shares and/or Excess Rights in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or Share Registrar may, at its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other processes of remittance at any time after receipt in such manner as they/it may deem fit.

- 1.5 The Company and/or Share Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 1.6 Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.
- 1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the PAL has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and
- (b) forward **AT THE SENDER'S OWN RISK**, by post in the self-addressed envelope provided, the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623, SINGAPORE 048544**, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

The attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix C entitled "**Appropriation**" which sets out the circumstances and manner in which the Company and/or Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and/or the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

3. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)

- 3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one (1) person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs (“**Split Letters**”) according to their requirements.

The duly completed and signed Request for Splitting (Form B) together with the PAL in its entirety should then be returned, by post in the self-addressed envelope provided, **AT THE SENDER’S OWN RISK**, to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 30 April 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B together with the PAL in its entirety is received after **5.00 p.m. on 30 April 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete and sign the Form of Acceptance (Form A) of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded by post at their own risk in the enclosed self-addressed envelope provided, to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete and sign the Form of Renunciation (Form C) for the number of provisional allotments or Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 The renounee(s) should complete and sign the Form of Nomination (Form D) and forward the Form of Nomination (Form D), together with the PAL in its entirety, duly completed and signed, and a single remittance for the full amount due and payable in the prescribed manner by post **AT HIS/THEIR OWN RISK**, in the self-addressed envelope provided, to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 4.2 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing the Form of Acceptance (Form A) and the Consolidated Listing Form in the Form of Nomination (Form D) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them.
- 4.3 A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one (1) name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in the Form of Nomination (Form D) of only one (1) PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO THE FORM OF ACCEPTANCE (FORM A) OR THE FORM OF NOMINATION (FORM D) (AS THE CASE MAY BE).

5. PAYMENT

- 5.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**RAFFLES UNITED HOLDINGS LTD – RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft. The completed and signed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided and **AT THE SENDER’S OWN RISK**, to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 5.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance. Such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST AND AT THE RISK OF THE ENTITLED SCRIPHOLDERS OR THEIR RENOUNCEE(S), AS THE CASE MAY BE**, without interest or any share of revenue or benefit arising therefrom, within 14 days after the Closing Date.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

- 6.1 Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it together with the PAL in its entirety with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out in paragraph 5 of this Appendix C, by post in the self-addressed envelope provided **AT THEIR OWN RISK**, to **RAFFLES UNITED HOLDINGS LTD, C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD AT 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 7 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2 The Excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, the unsold "nil paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under the Excess Rights Shares Application Form (Form E) in any manner as the Directors deem fit and to refuse, in full or in part, any application for Excess Rights Shares without assigning any reason whatsoever.
- 6.3 If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar **AT THEIR OWN RISK.**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

7. GENERAL

- 7.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.
- 7.2 **Entitled Scripholders who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser.**
- 7.3 Upon listing and quotation on the Mainboard of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited**", as the same may be amended from time to time. Copies of the above are available from CDP.
- 7.4 **To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or applying for any Excess Rights Shares, in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them can be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or (if applicable) apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be sent by ORDINARY POST to person(s) entitled thereto AT HIS/THEIR OWN RISK and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.**
- 7.5 If an Entitled Scripholder's address stated in the PAL is different from his address maintained in the records of CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- 7.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

(including any applicable fee) in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

7.7 THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 7 MAY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

8. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Shareholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the Purposes; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

This Offer Information Statement is dated 16 April 2019

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts relating to the Rights 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 Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of
RAFFLES UNITED HOLDINGS LTD
Board of Directors

TAN SAIK HOCK

TEO TENG BENG

TEH GEOK KOON

LEE JOO HAI

NGOI SING SHANG

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