

# WE HOLDINGS LTD.

(Company Registration No. 198600445D)  
(Incorporated in the Republic of Singapore)  
("Company")

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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 4,206,033,689 WARRANTS ON THE BASIS OF 9 WARRANTS FOR EVERY 10 EXISTING ORDINARY SHARE

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### 1. INTRODUCTION

The Board of Directors ("**Board**" or "**Directors**") of WE Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company is proposing a renounceable non-underwritten rights issue of up to 4,206,033,689 warrants ("**Warrants**") at an issue price of S\$0.001 ("**Issue Price**") for each Warrant, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at an exercise price of S\$0.003 for each New Share ("**Exercise Price**"), on the basis of 9 Warrants for every 10 existing ordinary share in the capital of the Company ("**Share**"), held by the shareholders of the Company ("**Shareholders**") as at a date and time to be determined by the Directors for the purpose of determining the entitlements of the Entitled Shareholders (as defined below) ("**Books Closure Date**"), fractional entitlements to be disregarded ("**Warrants Issue**").

### 2. PRINCIPAL TERMS OF THE WARRANTS ISSUE

- 2.1 **Form and Subscription Rights of the Warrants.** Up to 4,206,033,689 Warrants will be issued in registered form and will be subject to the terms and conditions to be set out in an instrument by way of a deed poll constituting the Warrants ("**Deed Poll**"). The Warrant will carry the right to subscribe for one (1) New Share at the Exercise Price of S\$0.003 for each New Share at any time during the period commencing on and including the date of the issue of the Warrants and expiring at 5:00 pm on the date immediately preceding the date falling three (3) months from the date of the issue of the Warrants ("**Exercise Period**"), unless such date is a date on which the register of members of the Company ("**Register of Members**") is closed or is not a day on which Catalist is open for securities trading ("**Market Day**"), in which case the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the register of holders of Warrants may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.
- 2.2 **Trading of the Warrants.** The Warrants will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system upon the listing and quotation of the Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Subject to any further changes that the SGX-ST may announce, each board lot of Warrants will comprise 100 Warrants from 19 January 2015. Entitled Shareholders should note that the Warrants Issue may result in them holding odd lots of Warrants (that is, lots other than board lots of 100 Warrants). The exercise of such Warrants would also result in an Entitled

Shareholder holding odd lots of Shares. Entitled Depositors who wish to trade in lot sizes other than the board lot size, can do so on the Unit Share Market of the SGX-ST.

- 2.3 **Eligibility of Shareholders to participate in the Warrants Issue.** The Company proposes to provisionally allot Warrants to all the “**Entitled Shareholders**”, comprising Entitled Depositors and Entitled Scripholders (both as defined herein).
- 2.4 **Entitled Depositors.** Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited (“**CDP**”) and whose securities accounts with CDP are credited with Shares as at the Books Closure Date (“**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must 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.
- 2.5 **Entitled Scripholders.** Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by Tricor Barbinder Share Registration Services (“**Share Registrar**”), will be registered to determine the provisional entitlements of the transferee (“**Scripholder**”, which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Warrants Issue. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
- 2.6 **CPF Investment Scheme.** Persons who bought their Shares previously using their Central Provident Fund account savings (“**CPF Funds**”) may use the same for the payment of the Issue Price to accept their provisional allotments of the Warrants and (if applicable) apply for excess Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Warrants and (if applicable) apply for the excess Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of Warrants directly from the market.
- 2.7 **Foreign Shareholders.** For practical reasons and in order to avoid violation of relevant securities legislation applicable in countries other than Singapore, the Warrants Issue is only made in Singapore and the Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least three (3) market days prior to the Books Closure Date, provided to the Company, the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement (to be set out in detail below) to be issued for the Warrants Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor will be valid. Entitlements to Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on Catalist after dealings in the provisional allotments of Warrants commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount 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 in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP and their respective officers in connection therewith. Where such provisional allotments of Warrants are sold "nil-paid" on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Warrants or the Warrants represented by such provisional allotments.

- 2.8 **Status and Ranking.** The New Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which is on or after the relevant date of exercise of the Warrants and shall rank *pari passu* in all respect with the then existing issued Shares. For the purpose herein, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the 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.
- 2.9 **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of Warrants and will be eligible to apply for Warrants in excess of their provisional allotments under the Warrants Issue. Provisional allotments of Warrants which are not taken up for any reason shall be used to satisfy excess applications for Warrants (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for excess Warrants, if any, provided that where there are insufficient excess Warrants to allot to each application, the Company shall allot the excess Warrants to Entitled Shareholders such that 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 the day-to-day affairs of the Company or the terms of the Warrants Issue, or have representation (direct or through a nominee) on the board of the Company will either be ineligible for excess Warrants, or if eligible, rank last in priority for the rounding of odd lots and allotment of excess Warrants. The Company will also not make any allotment and issue of any excess Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Fractional entitlements to Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company. The Exercise Price and/or the number of Warrants to be held by each

warrantholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital distributions. Any such adjustments shall (unless otherwise provided under the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") from time to time) be announced by the Company.

### 3. SIZE OF WARRANTS ISSUE

3.1 As at the date of this announcement, the existing issued and paid-up share capital of the Company is 2,845,517,495 Shares ("**Existing Share Capital**"), and the Company has:

- (a) 953,222,568 outstanding free detachable warrants issued pursuant to the rights cum warrants issue announced by the Company on 2 April 2013, exercisable into 953,222,568 ("**FY2013 Warrants**"); and
- (b) 874,630,703 outstanding free detachable warrants issued pursuant to the rights cum warrants issue announced by the Company on 13 January 2014, exercisable into 874,630,703 ("**FY2014 Warrants**").

For illustration purposes only:

- (i) based on the Existing Share Capital and assuming that (a) before the Books Closure Date, the FY2013 Warrants or FY2014 Warrants has been exercised in full; and (b) the Warrants Issue is fully subscribed, an aggregate 4,206,033,689 Warrants will be issued pursuant to the Warrants Issue; and
- (ii) based on the Existing Share Capital and assuming (a) before the Books Closure Date, none of the FY2013 Warrants or the FY2014 Warrants have been exercised, and (b) the Warrants Issue is fully subscribed, an aggregate 2,560,965,745 Warrants will be issued pursuant to the Warrants Issue.

### 4. RATIONALE AND USE OF PROCEEDS

4.1 **Rationale.** The purpose of the Warrants Issue is to provide Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the New Shares through the exercise of the Warrants. Additionally, the Company is proposing to undertake the Warrants Issue as a strategic initiative to raise additional funding to strengthen the financial position of the Group by enlarging the Group's working capital and capital base and enhance the financial flexibility of the Company to capitalise on potential growth and acquisition opportunities.

4.2 **Use of Proceeds.** Assuming that (i) before the Books Closure Date, none of the FY2013 Warrants or the FY2014 Warrants have been exercised, and (ii) the Warrants Issue is subscribed in full, the estimated net proceeds ("**Net Proceeds**") will be approximately S\$2,405,923 after deducting professionals' fees and related expenses incurred in connection with the Warrants Issue. On the basis of the foregoing, and assuming that all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants ("**Exercise**

**Proceeds**") will be approximately S\$7,682,897. In view thereof, the total proceeds comprising the Net Proceeds and Exercise Proceeds amount to approximately S\$10.1 million.

Assuming that (i) before the Books Closure Date, the FY2013 Warrants and FY2014 Warrants have been exercised in full; and (ii) the Warrants Issue is fully subscribed, the estimated Net Proceeds from the Warrants Issue will be approximately S\$4,050,991, after deducting professionals' fees and related expenses incurred in connection with the Warrants Issue. On the basis of the foregoing, and assuming that all Warrants issued are exercised, the Exercise Proceeds will be approximately S\$12,618,101. In view thereof, the total proceeds comprising the Net Proceeds and Exercise Proceeds amount to approximately S\$16.7 million.

The Company intends to use the Net Proceeds towards the Group's working capital requirements.

As and when the Warrants are exercised, the Exercise Proceeds raised may, at the discretion of the Directors, be applied towards potential acquisitions and/or working capital requirements of the Group. Pending the deployment of Net Proceeds and/or Exercise Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

The Company has decided to proceed with the Warrants Issue on a non-underwritten basis as the Company believes that the Issue Price of S\$0.001 and the Exercise Price of S\$0.003 for each Warrant is sufficiently attractive. Further, the Directors are of the opinion that there is no minimum amount which must be raised from the Warrants Issue. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Warrants Issue on a non-underwritten basis.

## **5. OFFER INFORMATION STATEMENT**

The terms and conditions of the Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

## 6. APPROVALS

The Warrants Issue will be undertaken pursuant to the share issue mandate ("**Share Issue Mandate**") approved by Shareholders at the annual general meeting of the Company held on 29 July 2014 ("**AGM**") and no further Shareholders' approval will be specifically sought for the Warrants Issue and the New Shares arising therefrom. The Share Issue Mandate authorised, *inter alia*, the Directors to issue new Shares whether by way of bonus issue, rights issue or otherwise provided that, among others, the aggregate number of Shares to be issued pursuant to the Share Issue Mandate shall not exceed 100% of the total number of issued Shares as at the date of the AGM (subject to certain adjustments provided in the Share Issue Mandate).

The Warrants Issue is subject to, *inter alia*, (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrants and the New Shares on Catalist, and (ii) lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore). RHT Capital Pte Ltd, acting as Sponsor to, and on behalf of, the Company, will submit an additional listing confirmation to the SGX-ST for permission for the listing and quotation of the Warrants and the New Shares on Catalist. An appropriate announcement will be made in due course to notify Shareholders when the listing and quotation notice is obtained.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial Shareholders of the Company has any interests, direct or indirect, in the Warrants Issue (other than in his capacity as Director or Shareholder of the Company).

## 8. CONFIRMATION BY DIRECTORS

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
- (b) the present bank facilities and the proceeds from the Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

## 9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has

been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

## **10. FURTHER ANNOUNCEMENTS**

Further announcements will be made by the Company in relation to the Warrants Issue as and when appropriate.

### **BY ORDER OF THE BOARD**

Terence Tea Yeok Kian  
Executive Chairman & Managing Director  
26 January 2015

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*This Announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of the Announcements.*

*This Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Announcement including the correctness of any of the statements or opinions made or reports contained in this Announcement.*

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