OLS ENTERPRISE LTD.

(formerly known as Transcu Group Limited)
(Incorporated in the Republic of Singapore on 24 July 1968)
(Company Registration Number: 196800320E)

UPDATE ON THE PROPOSED SCHEME OF ARRANGEMENT WITH CREDITORS OF THE COMPANY

– **APPLICATION TO THE SGX-ST FOR THE LISTING OF AND QUOTATION FOR THE 857,212,000 SCHEME SHARES**

– **RECEIPT OF THE WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

– **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISERS IN RESPECT OF THE WHITEWASH RESOLUTION**

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*Unless otherwise defined herein, all capitalised terms and references used herein shall bear the same meanings ascribed to them in the Company's announcements dated 21 April 2014, 3 June 2014, 10 June 2014, 7 July 2014 and 31 July 2014 (the "**previous announcements**").*

1. INTRODUCTION

The Board of Directors (the "**Board**") of OLS Enterprise Ltd. (the "**Company**") refers to the Company's previous announcements in respect of the proposed Creditors' Scheme, pursuant to which:-

(a) 20% of the debts due and owing to entitled Scheme Creditors under the Creditors' Scheme as admitted by the Company or which were proven as against the Company (the "**Adjudicated Debts**") shall be satisfied in cash by the Company to entitled Scheme Creditors; and

(b) the remaining 80% of the Adjudicated Debts shall be satisfied by way of an allotment and issue of new ordinary shares in the capital of the Company ("**Shares**") at an issue price of S$0.008 per Share to entitled Scheme Creditors (the "**Debt-to-Equity Conversion**"). Such Shares will be credited as fully paid, free from any liens, charges and other encumbrances and ranking *pari passu* in all respects with the then existing Shares.

2. ADJUDICATED DEBTS UNDER THE CREDITORS' SCHEME

The claims of the Scheme Creditors against the Company valued as at 29 May 2014 under the terms of the Creditors' Scheme amounted to S$8,684,359.35 (the "**Claims**").

Based on the adjudication of the Claims by Messrs Thio Khiaw Ping Kelvin and Terence Ng Chi Hou, care of Rodgers Reidy (SGP) Pte Ltd., the scheme managers of the Creditors' Scheme, the Adjudicated Debts amounted to S$8,572,100.35. Based on the terms of the Creditors' Scheme, 20% of the Adjudicated Debts (amounting to S$1,714,420.07 would be satisfied in cash, and the balance 80% (amounting to S$6,857,680.28) would be satisfied by an allotment and issue of 857,212,000 new ordinary shares in the capital of the Company (the "**Scheme Shares**") to entitled Scheme Creditors under the Debt-to-Equity Conversion.

The list of Scheme Creditors and their Adjudicated Debts are set out in the table below:-

Scheme Creditor	Adjudicated Debt (S$)	Payable in Cash (S$)	Number of Scheme Shares
Stamford Law Corporation for corporate and legal services	670,707.11	134,141.42	67,071,000
Koo Ah Seang (Executive Chairman of the Company) for deferred salaries due from February 2014 to May 2014	49,563.64	9,912.73	4,957,000
Alan David Gordon (former Chief Financial Officer of the Company) for deferred salaries due from February 2014 to May 2014	43,500.00	8,700.00	4,350,000
Lawrence Rikio Komo (former Executive Director) for deferred salaries due from February 2014 to May 2014	22,200.00	4,440.00	2,220,000
KPMG Services Pte Ltd for fees due for internal audit services	13,375.00	2,675.00	1,338,000
Stone Forest Corporate Advisory for fees due for valuation services	86,385.60	17,277.12	8,639,000
AP Investment Advisory Services Pte Ltd for fees due for business advisory services	50,000.00	10,000.00	5,000,000

Scheme Creditor	Adjudicated Debt (S$)	Payable in Cash (S$)	Number of Scheme Shares
Advance Opportunities Fund for loan and unsecured debt	7,636,369.00	1,527,273.80	763,637,000
Sagestudio Pte Ltd for the fees due for printing charges of annual report of the Company	0	0	0
Advances due to Akihiko Matsumura (former Chairman and Non-Executive Director)	0	0	0
Total	8,572,100.35	1,714,420.07	857,212,000

3. RECEIPT OF THE WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL

The Creditors' Scheme is conditional upon, *inter alia*, the grant of a waiver by the Securities Industry Council to certain Scheme Creditors from making a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") and Section 139 of the Securities and Futures act, Chapter 289 of Singapore in the event that the issue of Scheme Shares triggers an obligation for such Scheme Creditors to make a mandatory general offer (the "**Whitewash Waiver**").

Based on the Adjudicated Debts, the issue of Scheme Shares to Advance Opportunities Fund would trigger an obligation for Advance Opportunities Fund to make a mandatory general offer under the Code. Accordingly, an application has been made to the Securities Industry Council for a Whitewash Waiver for Advance Opportunities Fund and its concert parties (the "**Obliged Parties**").

The Board wishes to inform Shareholders that the Securities Industry Council had on 10 February 2015 granted the Whitewash Waiver, subject to the following conditions:-

(a) a majority of Shareholders independent of the allotment and issue of the Scheme Shares to the Obliged Parties approve at a general meeting, before the issue of the Scheme Shares to the Obliged Parties, a resolution by way of a poll to waive their rights to receive a mandatory general offer from the Obliged Parties (the "**Whitewash Resolution**");

(b) the Whitewash Resolution is separate from other resolutions to be tabled by the Company to Shareholders;

(c) the Obliged Parties and parties not independent of them abstain from voting on the Whitewash Resolution;

(d) the Obliged Parties did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the circular):-

(i) during the period between the announcement of the Debt-to-Equity Conversion and the date Shareholders' approval is obtained for the Whitewash Resolution; and

(ii) in the 6 months prior to the announcement of the Debt-to-Equity Conversion but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Debt-to-Equity Conversion;

(e) the Company appoints an independent financial adviser to advise its independent Shareholders on the Whitewash Resolution;

(f) the Company sets out clearly in its circular to Shareholders:-

(i) details of the Debt-to-Equity Conversion as well as the Equity-Linked Notes and the Rights cum Warrants Issue;

(ii) the dilution effect of the issue of Scheme Shares to the Obliged Parties to existing Shareholders;

(iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of shares in the Company held by the Obliged Parties as at the latest practicable date;

(iv) the number and percentage of voting rights to be acquired by the Obliged Parties under the Debt-to-Equity Conversion; and

(v) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a mandatory general offer from the Obliged Parties at the highest price paid by the Obliged Parties for the shares in the past 6 months preceding the allotment and issuance of the Scheme Shares;

(g) the circular by the Company to its Shareholders states that the Whitewash Waiver granted by the Securities Industry Council to the Obliged Parties from the requirement to make a mandatory general offer under Rule 14.1 of the Code is subject to the conditions stated at sub-paragraphs 3(a) to (f) above;

(h) the Company obtains the Securities Industry Council's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and

(i) to rely on the Whitewash Resolution, the acquisition of the Scheme Shares by the Obliged Parties must be completed within 3 months of approval of the Whitewash Resolution.

4. APPLICATION TO THE SGX-ST FOR THE LISTING OF AND QUOTATION FOR THE 857,212,000 SCHEME SHARES

The Board wishes to inform Shareholders that the Company had today submitted an additional listing application to the SGX-ST for the listing of and quotation for the 857,212,000 Scheme Shares and a draft circular to Shareholders for clearance by the SGX-ST.

5. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISERS IN RESPECT OF THE WHITEWASH RESOLUTION

The Board wishes to inform Shareholders that it has appointed Provenance Capital Pte. Ltd. as the independent financial advisers to the directors of the Company who are considered independent for the purposes of the Whitewash Resolution.

6. FURTHER ACTION

The Company will continue to keep all its Shareholders updated on any material developments on a timely basis.

BY ORDER OF THE BOARD
OLS ENTERPRISE LTD.

Koo Ah Seang
Executive Chairman
5 March 2015