

3CENERGY LIMITED

(Company Registration No.: 197300314D)
(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

The board (the “**Board**” or “**Directors**”) of 3Cenergy Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten proposed renounceable non-underwritten rights issue of up to 2,300,290,483 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.022 (the “**Issue Price**”) for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the company (the “**Share**”) held by the shareholders of the Company (the “**Shareholders**”) as at a date and time to be determined by the directors of the Company (such date, the “**Books Closure Date**”) for the purpose of determining the Shareholders’ entitlement, fractional entitlements to be disregarded (the “**Rights Issue**”).

The Company has appointed CIMB Bank Berhad, Singapore Branch as the manager for the Rights Issue. The Company will be seeking specific approval from the Shareholders by way of an extraordinary general meeting (“**EGM**”) to be convened for the undertaking of the Rights Issue. A circular setting out, amongst other things, the details of, and other relevant information pertaining to the Rights Issue (the “**Circular**”), together with the notice of the EGM, will be despatched to the Shareholders in due course.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1 Basis of Provisional Allotment

The Company is proposing the Rights Issue to be offered on a renounceable non-underwritten basis to Entitled Shareholders (as defined below) 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.

2.2 Issue Price

The issue price is proposed to be S\$0.022 per Rights Share and represents a discount of approximately 45.0% to the closing market price of S\$0.04 for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 21 February 2018 (being the last market day on which the Shares were transacted on the SGX-ST immediately preceding the date of this announcement).

2.3 Size

As at the date of this announcement, the Company has:

- (a) an existing issued and paid-up share capital comprising 1,533,526,989 Shares (excluding treasury shares) (the “**Existing Share Capital**”); and
- (ii) 766,763,494 free detachable warrants (the “**Warrants**”) which are exercisable into 766,763,494 Shares.

For illustrative purposes only, based on the Existing Share Capital and assuming (i) all the Entitled Shareholders subscribe and pay for their *pro-rata* entitlements of Rights Shares; and (ii) all of the Warrants are exercised on or prior to the Books Closure Date, the Company will issue up to 2,300,290,483 Rights Shares.

2.4 Non-Underwritten Basis

In view of the Irrevocable Undertaking (as defined below) 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.

3. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

3.1 Entitled Shareholders

The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Rights Issue (the “Entitled Shareholders”), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the offer information statement to be issued by the Company for the Rights Issue (the “**Offer Information Statement**”) together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the Central Depository (Pte) Limited (“**CDP**”) or the Share Registrar (as defined below), as the case may be.

3.2 Entitled Depositors

Shareholders whose Shares are registered in the name of CDP and whose securities accounts with CDP (the “**Securities Accounts**”) are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as the books closure date or if they have registered addresses outside Singapore, must provide CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being at least three (3) market days prior to the books closure date, in order to receive their provisional allotments of Rights Shares.

3.3 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 5.00 p.m. (Singapore time) on the books closure date by the Company’s share registrar, Tricor Barbinder Share Registration Services (the “**Share Registrar**”) at 80 Robinson Road #02-00, Singapore 068898 will be registered to determine the provisional entitlements of the transferee (such transferee, the “**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 Rights Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the books closure date or who if they have registered addresses outside Singapore, must provide the Share Registrar at 80 Robinson Road #02-00, Singapore 068898 at with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being at least

three (3) market days prior to the books closure date, in order to receive their provisional allotments of Rights Shares.

3.4 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or other renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares 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 disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

3.5 CPF Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (the "CPF Funds") may use the same for the payment of the issue price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares and (if applicable) apply for the excess Rights Shares 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 the Rights Shares directly from the market.

3.6 Foreign Shareholders

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares 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 CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the "Foreign Shareholders"). The Offer Information Statement and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

Entitlements to Rights Shares which would otherwise accrue to Foreign Shareholders will, if practicable, be sold "nil-paid" on the Catalist Board of the SGX-ST or be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company as soon as practicable after dealings in the provisional allotments of Rights Shares commence.

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

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares and for excess application for the Rights Shares pursuant to the Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

4. IRREVOCABLE UNDERTAKING

As at the date of this announcement, Phileo Capital Limited (“**Phileo Capital**”) holds directly 723,973,920 Shares representing approximately 47.21% of the issued and paid-up share capital of the Company. Phileo Capital is wholly owned by TMF Trustees Singapore Limited, the trustee of a family trust of which Datuk Tong Kooi Ong is the sole beneficiary. Datuk Tong Kooi Ong is the non-executive chairman of the Company. Accordingly, Phileo Capital, TMF Trustees Singapore Limited and Datuk Tong Kooi Ong are presumed to be acting in concert as set out in the Singapore Code on Take-overs and Mergers (the “**Code**”).

To show its support for the Rights Issue and to demonstrate its commitment to the Company, Phileo Capital has furnished an irrevocable undertaking (the “**Irrevocable Undertaking**”) to the Company, *inter alia*, that:

- (a) it will not sell, transfer or otherwise deal with any of the Shares that it owns or controls prior to the Books Closure Date;
- (b) it will subscribe or procure the subscription in full its entitlement of Rights Shares based on the Shares that it owns as of the Books Closure Date; and
- (c) it will vote in favour of the Rights Issue.

The Irrevocable Undertaking given by Phileo Capital is subject to and conditional upon:

- (a) the grant of a waiver by the Securities Industry Council (the “**SIC**”) to Phileo Capital and persons acting in concert with it (collectively, the “**Offeror**”) from making a mandatory take-over offer pursuant to Rule 14 of the Code in the event the Offeror’s shareholdings in the Company increases by more than 1% in any 6-month period based on the Company’s enlarged issued capital as a result of the allotment and issue of the Offeror’s pro-rata entitlement of the Rights Shares to the Offeror, and such approval not having been withdrawn or revoked prior to the completion of the Rights Issue;
- (b) approval in-principle having been granted by the SGX-ST) for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board 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 to such conditions, such conditions being acceptable to the Company;
- (c) the approval of the Shareholders for the Rights Issue being obtained at the EGM to be convened;
- (d) the approval of the Shareholders who are independent of the Offeror to waive their rights to receive the mandatory offer from the Offeror for Shares not owned or controlled by the Offeror being obtained at the EGM to be convened; and
- (e) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights Issue with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.

Phileo Capital has furnished a confirmation of its financial resources from a financial institution to the Company pursuant to the Irrevocable Undertaking.

5. WHITEWASH RESOLUTION

5.1 Illustrative shareholding effects of the Rights Issue

For illustrative purposes only, depending on the level of subscription of the Rights Issue, the shareholdings of Phileo Capital after the completion of the Rights is set out below:

- (a) Assuming only Phileo Capital and its concert parties subscribe for their pro-rata entitlement of the Rights Shares, and no other person subscribes for the Rights Shares (the “**Minimum Subscription Scenario**”) and further assuming that:
 - (i) no Warrants are exercised before the Books Closure Date, Phileo Capital will have an interest in approximately **64.14%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue;
 - (ii) all Warrants are exercised before the Books Closure Date, Phileo Capital will have an interest in approximately **64.14%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue; and
 - (iii) only Phileo Capital exercises all its Warrants before the Books Closure Date, Phileo Capital will have an interest in approximately **72.85%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.
- (b) Assuming the Rights Issue is fully subscribed (the “**Maximum Subscription Scenario**”) and further assuming that:
 - (i) no Warrants are exercised before the Books Closure Date, Phileo Capital will have an interest in approximately **47.21%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue;
 - (ii) all the Warrants are exercised before the Books Closure Date, Phileo Capital will have an interest in approximately **47.21%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue; and
 - (iii) only Phileo Capital exercises all its Warrants before the Books Closure Date, Phileo Capital will have an interest in approximately **57.29%** of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

Please refer to the **Appendix** for further details on the shareholding effects of the Rights Issue.

5.2 Whitewash Resolution

Based on the scenarios set out in paragraph 5.1 above, the aggregate shareholding interests of Phileo Capital and its concert parties in the Company may increase by more than 1% or more within a period of 6 months. Accordingly, Phileo Capital and its concert parties may incur an obligation to make a mandatory offer for the Company pursuant to Rule 14.1 of the Code.

As there is no intention to trigger a mandatory take-over obligation under the Code arising from the proposed Rights Issue, the Company intends to obtain the approval of Shareholders independent of Phileo Capital and its concert parties (the “**Independent Shareholders**”) for the waiver of their right to receive a mandatory offer from Phileo Capital and its concert parties (the “**Whitewash Resolution**”) pursuant to Rule 14 of the Code.

Accordingly, the Company applied, on behalf of Phileo Capital and its concert parties, to the SIC on 5 January 2018 for a waiver (the “**Whitewash Waiver**”) of the obligation of Phileo Capital and

its concert parties to make a mandatory offer under Rule 14 of the Code arising from the subscription by Phileo Capital and its concert parties for their pro-rata entitlement of Rights Shares.

On 23 January 2018, the SIC granted the Whitewash Waiver subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from Phileo Capital and its concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) Phileo Capital and its concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) Phileo Capital and its concert 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 first announcement of the Rights Issue and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the 6 months prior to the first announcement of the Rights Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights Issue;
- (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 its shareholders:
 - (i) details of the Rights Issue including the Irrevocable Undertaking;
 - (ii) the dilution effect to existing holders of voting rights upon the issue to Phileo Capital of the Rights Shares;
 - (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 options in respect of shares in the Company held by Phileo Capital and its concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by Phileo Capital and its concert parties as a result of their subscription of the Rights Shares;
 - (v) specific and prominent reference to the fact that the subscription of the Rights Shares could result in Phileo Capital and its concert parties holding shares carrying over 49% of the voting rights of the Company and to the fact that Phileo Capital and its concert parties will be free to acquire further shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
 - (vi) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from Phileo Capital and its concert parties at the highest price paid by any of them for the Company's shares in the past 6 months preceding the commencement of the offer;

- (g) the circular by the Company to its Shareholders states that the waiver granted by SIC to Phileo Capital and its concert parties from the requirements to make a general offer under Rule 14 is subject to the conditions stated at paragraphs 5.2(a) to (f) above;
- (h) the Company obtains SIC'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 subscription of Rights Shares by Phileo Capital must be completed within 3 months of the date of the approval of the Whitewash Resolution.

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Directors who are deemed independent for the purpose of making the recommendation to Independent Shareholders in relation to the Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular (as defined below).

6. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

6.1 Previous fund-raising exercises

Compliance Placement

The Company raised net proceeds of S\$5,025,000 (the “**Compliance Placement Proceeds**”) from a placement of 75,000,000 Shares in 30 August 2016 (the “**Compliance Placement**”) for the purposes of restoring the minimum number of Shares held in public hands pursuant to Rule 724 of the Catalist Rules following the acquisition of 3C Marina Park Sdn Bhd (formerly known as Liberty Bridge Sdn Bhd) (“**3CMP**”). The uses of the Compliance Placement Proceeds were allocated for (i) expenses incurred in relation to the acquisition of 3CMP and the Compliance Placement; and (ii) working capital purposes.

As at the Latest Practicable Date, the Compliance Placement Proceeds have been utilised in the following manner:

Intended use of proceeds	Amount Allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Expenses incurred in relation to the acquisition of 3CMP and the placement ⁽¹⁾	761	(691)	70
Working Capital ⁽²⁾	4,264	(4,251)	13
Total	5,025	(4,942)	83

Notes:

- (1) Expenses incurred relate to professional fees, placement commission and listing fees.
- (2) Working Capital consists of payments for the Group's operating expenses, director fees, staff salaries and related expenses.

The use of the Compliance Placement Proceeds is in accordance with the intended use as disclosed in the Company's offer information statement dated 16 August 2016 in relation to the Compliance Placement.

Rights cum Warrants Issue

In May 2017, the Company completed a rights cum warrants Issue (the “**Rights cum Warrants Issue**”) of up to 383,381,747 rights shares at an issue price of S\$0.067 for each rights share, with up to 766,763,494 Warrants, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share.

The Rights cum Warrants Issue was undertaken for the following reasons:

- (a) to carry out the first phase of the development of the undeveloped lands held by 3CMP, a wholly-owned subsidiary of the Company, into a mixed-use development featuring the largest tropical “Rambla” in Nusajaya, Malaysia (the “**Land Development**”);
- (b) partial repayment of the term loans undertaken by 3CMP from Public Bank Berhad (the “**Term Loans**”); and
- (c) repayment of shareholder’s loan.

Pursuant to the Rights cum Warrants Issue, net proceeds of S\$25.69 million have been raised. As previously announced by the Company on 8 February 2018, the Board had re-allocated S\$21,000 and S\$5.839 million of the unutilised proceeds from the Rights cum Warrants Issue, which was originally allocated for expenses incurred in relation to Rights cum Warrants Issue and to carry out the first phase of the Land Development respectively, to be utilised for partial repayment of the Term Loans (the “**Re-allocation**”). As at the date of this announcement, the proceeds have been utilised in the following manner:

Intended use of proceeds	Amount allocated S\$’000	Amount utilised as at the date hereof S\$’000	Balance S\$’000
Expenses incurred in relation to Rights cum Warrants Issue ¹	281	(281)	-
To carry out the first phase of the Land Development	8,161	(7,353)	808
Partial repayment of the Term Loans	13,360	(10,991)	2,369
Repayment of shareholder’s loan	3,885	(3,885)	-
Total	25,687	(22,510)	3,177

Note(s):

- (1) Expenses incurred in relation to the Rights cum Warrants Issue relate to Professional Fees and Listing Fees.

The use of proceeds from the Rights cum Warrants Issue is in accordance with the Re-allocation and the intended uses as disclosed in the Company’s offer information statement dated 3 May 2017.

The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Rights cum Warrants Issue as and when the proceeds are materially disbursed.

6.2 Rationale for the Rights Issue

The Company had envisaged that repayment of the Term Loans would be financed in part by the progress payments from buyers of units in the Land Development. The first phase of the Land Development was initially contemplated to be unveiled by the third quarter of 2017. However, as announced by the Company on 8 February 2018, the Land Development has been deferred due to re-planning following some regulatory changes and the weak property market sentiment in Malaysia.

Furthermore, the proceeds raised by the Company in the Compliance Placement and the Rights cum Warrants Issue have been substantially utilised. In addition, the Company wishes to highlight that although there are a material number of Warrants outstanding as at the date hereof, the exercise price of S\$0.10 per Warrant is substantially higher than the current traded price of the Shares. It is therefore highly unlikely that the Company will be able to raise further funds from the exercise of the outstanding Warrants.

In light of the above, the Company intends to undertake the Rights Issue for the purposes of:

- (a) repaying the Term Loans. The Term Loans are repayable on a monthly basis and the first monthly repayment commenced on 1 June 2017; and
- (b) financing the working capital requirements of the Company and its subsidiaries (the “Group”). The working capital requirements of the Group include expenses which have been, or may be incurred, in connection with the Land Development.

6.3 Use of Proceeds from the Rights Issue

The estimated net proceeds (the “Net Proceeds”) arising from the Rights Issue, after deducting estimated expenses of S\$0.3 million, are expected to be approximately S\$15.63 million under the Minimum Subscription Scenario (assuming no Warrants are exercised) and S\$33.44 million under the Maximum Subscription Scenario (assuming no Warrants are exercised). The intended uses of such Net Proceeds are set out below:

Use of Proceeds	Minimum Subscription Scenario (assuming no Warrants exercised)		Maximum Subscription Scenario (assuming no Warrants exercised)	
	Amount (S\$' 000)	Percentage Allocation	Amount (S\$' 000)	Percentage Allocation
Repayment of Term Loans	10,376	66.40	22,200	66.40
General working capital	5,251	33.60	11,238	33.60
Total	15,627	100	33,438	100

In relation to the repayment of the Term Loans, the Company shall first fully utilise the remaining proceeds from the Rights cum Warrants Issue which have been earmarked for the partial repayment of the Term Loans before it utilises any Net Proceeds towards repayment of the same.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's annual report.

Pending the deployment of the Net Proceeds, the Net Proceeds may be placed as deposits with financial institutions and/or invested in short-term money market or debt instruments and/or for any such other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit.

For the purposes of Rule 814(1)(e) of the SGX-ST Listing Manual Section B: Rules of Catalist, the Directors are of the opinion that (i) after taking into consideration the present bank facilities of the Group (which have been fully drawn down as at the date hereof), the working capital available to the Group is insufficient to meet its present requirements and the Rights Issue is being undertaken for the reasons stated in paragraph 6.2, and (ii) after taking into consideration the present bank facilities (which have been fully drawn down as at the date hereof) and the net proceeds of the Rights Issue (assuming the Minimum Subscription Scenario), the working capital available to the Group will be sufficient to meet its present requirements.

7. ADJUSTMENTS TO WARRANTS

As a result of the Rights Issue and pursuant to the terms and conditions of the Warrants set out in the deed poll constituting the Warrants (the "**Deed Poll**"), the Company is required to make adjustments to the number and/or the exercise price of the Warrants (the "**Warrants Adjustments**").

The Warrant Adjustments are subject to certification by the Company's auditors as required by the Deed Poll. The Warrant Adjustments, if any, will be effective from the commencement of the next market day following the closing date of the offer of the Rights Shares under the Rights Issue. Details of the Warrants Adjustments will be announced by the Company separately in due course.

8. APPROVALS

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

- (a) the Whitewash Waiver granted by the SIC not having been withdrawn or revoked on or prior to the completion of the Rights Issue;
- (b) approval in-principle having been granted by the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the approval of the Shareholders for the Rights Issue and the approval of the independent Shareholders for the Whitewash Resolution being obtained at the EGM to be convened;
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in connection with the Rights Issue, with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore; and
- (e) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the completion of the Rights Issue.

An application to the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST will be made. Appropriate announcement(s) in relation to the application will be made in due course.

9. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The Offer Information Statement containing the final terms and conditions of the Rights Issue will be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of the Singapore and despatched to Entitled Shareholders together with the appropriate application forms and accompanying documents in due course following the EGM, if the Rights Issue is approved at the EGM.

10. CIRCULAR AND EGM

The Company intends to convene the EGM to seek Shareholders' approval for the Rights Issue. A circular setting out, *inter alia*, the details of, and other relevant information pertaining to the Rights Issue (the "Circular"), together with the notice of EGM, will be dispatched to the Shareholders in due course.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above in this announcement and in respect of Ms Anne Tong Kooi Lian, who is the sister of Datuk Tong Kooi Ong, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights Issue (other than in his capacity as Director or Shareholder).

12. 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 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 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.

13. FURTHER ANNOUNCEMENTS

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

By Order of the Board

Anne Tong Kooi Lian
Managing Director and Chief Executive Officer
2 March 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume 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. The contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

APPENDIX

For illustrative purposes only, depending on the level of subscription of the Rights Issue, the changes in shareholdings of Phileo Capital and its concert parties after the completion of the Rights Issue are set out below:

Scenario A – Minimum Subscription Scenario

- (i) **Scenario A1** – Based on the issued and paid-up share capital of the Company as at the date hereof comprising 1,533,526,989 Shares (the “**Existing Share Capital**”) and assuming (1) no Warrants are exercised before the books closure date of the Rights Issue (the “**BCD**”); and (2) the Minimum Subscription Scenario, the Company will issue 723,973,920 Rights Shares

	Current Shareholding as at the date hereof		Warrants exercised before the BCD	Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%			(No. of Warrant Shares)	(No. of Shares)
Shareholders						
Phileo Capital and its concert parties	723,973,920	47.21	-	723,973,920	1,447,947,840	64.14
Other Shareholders	809,553,069	52.79	-	-	809,553,069	35.86
Total	1,533,526,989	100.00	-	723,973,920	2,257,500,909	100.00

- (ii) **Scenario A2** – Based on the Existing Share Capital and assuming (1) all outstanding 766,763,494 Warrants are exercised before the BCD; and (2) the Minimum Subscription Scenario, the Company will issue 1,085,960,880 Rights Shares

	Current Shareholding as at the date hereof		Warrants exercised before the BCD	Shareholding assuming all the 766,763,494 Warrants exercised by the BCD		Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%		(No. of Shares)	%		(No. of Rights Shares)	(No. of Shares)
Shareholders			(No. of Warrant Shares)					
Phileo Capital and its concert parties	723,973,920	47.21	361,986,960	1,085,960,880	47.21	1,085,960,880	2,171,921,760	64.14
Other Shareholders	809,553,069	52.79	404,776,534	1,214,329,603	52.79	-	1,214,329,603	35.86
Total	1,533,526,989	100.00	766,763,494	2,300,290,483	100.00	1,085,960,880	3,386,251,363	100.00

- (iii) **Scenario A3** – Based on the Existing Share Capital and assuming (1) only Phileo Capital exercises its Warrants before the BCD; and (2) the Minimum Subscription Scenario, the Company will issue 1,085,960,880 Rights Shares

	Current Shareholding as at the date hereof		Warrants exercised before the BCD	Shareholding assuming only Phileo Capital exercises its Warrants by the BCD		Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%		(No. of Shares)	%		(No. of Rights Shares)	(No. of Shares)
Shareholders			(No. of Warrant Shares)					
Phileo Capital and its concert parties	723,973,920	47.21	361,986,960	1,085,960,880	57.29	1,085,960,880	2,171,921,760	72.85
Other Shareholders	809,553,069	52.79	-	809,553,069	42.71	-	809,553,069	27.15
Total	1,533,526,989	100.00	361,986,960	1,895,513,949	100.00	1,085,960,880	2,981,474,829	100.00

Scenario B – Maximum Subscription Scenario

- (i) **Scenario B1** – Based on the Existing Share Capital and assuming (1) no Warrants are exercised before the BCD; and (2) the Maximum Subscription Scenario, the Company will issue 1,533,526,989 Rights Shares

	Current Shareholding as at the date hereof		No Warrants exercised before the BCD	Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%			(No. of Warrant Shares)	(No. of Shares)
Shareholders						
Phileo Capital and its concert parties	723,973,920	47.21	-	723,973,920	1,447,947,840	47.21
Other Shareholders	809,553,069	52.79	-	809,553,069	1,619,106,138	52.79
Total	1,533,526,989	100.00	-	1,533,526,989	3,067,053,978	100.00

- (ii) **Scenario B2** - Based on the Existing Share Capital and assuming (1) all outstanding 766,763,494 Warrants are exercised before the BCD; and (2) the Maximum Subscription Scenario, the Company will issue 2,300,290,483 Rights Shares

	Current Shareholding as at the date hereof		Warrants exercised before the BCD	Shareholding assuming all the 766,763,494 Warrants exercised by the BCD		Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%		(No. of Shares)	%		(No. of Shares)	%
Shareholders			(No. of Warrant Shares)			(No. of Rights Shares)		
Phileo Capital and its concert parties	723,973,920	47.21	361,986,960	1,085,960,880	47.21	1,085,960,880	2,171,921,760	47.21
Other Shareholders	809,553,069	52.79	404,776,534	1,214,329,603	52.79	1,214,329,603	2,428,659,206	52.79
Total	1,533,526,989	100.00	766,763,494	2,300,290,483	100.00	2,300,290,483	4,600,580,966	100.00

- (iii) **Scenario B3** – Based on the Existing Share Capital and assuming (1) only Phileo Capital exercises its Warrants before the BCD; and (2) the Maximum Subscription Scenario, the Company will issue 1,895,513,949 Rights Shares

	Current Shareholding as at the date hereof		Warrants exercised before the BCD	Shareholding assuming only Phileo Capital exercises its Warrants by the BCD		Rights Entitlements Subscribed (1 for 1)	Shareholding after Rights Issue	
	(No. of Shares)	%		(No. of Shares)	%		(No. of Shares)	%
Shareholders			(No. of Warrant Shares)			(No. of Rights Shares)		
Phileo Capital and its concert parties	723,973,920	47.21	361,986,960	1,085,960,880	57.29	1,085,960,880	2,171,921,760	57.29
Other Shareholders	809,553,069	52.79	-	809,553,069	42.71	809,553,069	1,619,106,138	42.71
Total	1,533,526,989	100.00	361,986,960	1,895,513,949	100.00	1,895,513,949	3,791,027,898	100.00