



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

(Incorporated in the Republic of Singapore on 25 March 2011)

**PROPOSED ISSUE OF 6% CONVERTIBLE SENIOR NOTES IN AGGREGATE PRINCIPAL
AMOUNT OF UP TO US\$20 MILLION TO CREDE CG III LTD.**

1. INTRODUCTION

Further to the announcement made by the Kitchen Culture Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) on 14 September 2016 regarding a potential transaction, the board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to announce that the Company has, on 3 January 2017, entered into a subscription agreement (“**Subscription Agreement**”) with Crede CG III Ltd. (“**Investor**”), pursuant to which the Company proposes to issue, and the Investor has agreed to subscribe for up to US\$20 million in principal amount of convertible senior notes (“**Notes**”), in up to four (4) tranches each of a principal amount equal to the applicable Notes Issue Price (as defined in paragraph 4.1 of this announcement) (“**Proposed Notes Issue**”).

The Notes are convertible into fully paid-up new ordinary shares in the capital of the Company (“**Conversion Shares**”) and will not be listed and quoted on Catalist or any other exchange.

The Company and the Investor agree that the Notes will be issued to the Investor in reliance of Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. Hence, no prospectus or offer information statement will be lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) acting as agent on behalf of the Monetary Authority of Singapore.

2. INFORMATION ON THE INVESTOR AND SOCIUS CAPITAL PARTNERS, INC. (“SCP”)

- 2.1 The Investor is a wholly-owned subsidiary of Crede Capital Group LLC, an accredited, institutional investor based in the United States of America. It is a leading international investment firm and a provider of innovative financial solutions. The Investor has completed numerous investment portfolios in more than eight (8) countries in emerging growth companies, with a particular focus on life sciences, healthcare, energy, natural resources, media, social media, lifestyle, technology and special situations. Headquartered in Los Angeles, and with offices in New York and Beijing, the Investor has invested in more than 70 companies, providing both growth capital as well as business assistance that has been instrumental in many of these companies developing their business plans, technologies, and financial market sponsorship. As a result of the significant capital it has deployed in many of

its portfolio companies, the Investor has made numerous filings globally, reflecting large ownership positions and meeting the associated regulatory reporting requirements.

- 2.2 The Investor was introduced to the Company by SCP, an arranger appointed by the Company pursuant to an arranger service agreement dated 23 November 2016 (“**Arranger Agreement**”). SCP is an investment advisory firm, focusing on small to mid-market opportunities in Asia. SCP identifies and executes investment opportunities in a range of areas, including energy, lifestyle, real estate, pharmaceuticals, internet, and new materials. SCP engineers solutions for mergers and acquisitions and private investment in public equities (PIPE). SCP advises and arranges financing for companies that require growth capital, as well as provides strategic support to expand businesses and unlock value. SCP fosters partnerships with the clients, not only arranging financing but also adding value at every step of the investment cycle.
- 2.3 Pursuant to the terms of the Arranger Agreement, the Company shall pay to SCP an arranger fee comprising an aggregate cash payment of an amount equivalent to five per cent. (5%) of the actual amount invested by the Investor, which shall be payable in tranches in accordance with the subscription of the Notes pursuant to the terms and conditions of the Subscription Agreement (“**Cash Payment**”). The Cash Payment for each of the Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes and the Tranche 4 Notes, if applicable, shall be five per cent. (5%) of the Notes Issue Price of the respective tranche, and shall be payable within 10 calendar days after the respective Subscription Date.
- 2.4 The Cash Payment shall be made free and clear of deductions for any taxes, levies, duties or any other deductions of any nature imposed. No fee or expense payable by the Company to any advisor, auditor, legal counsel, or other third party shall reduce or otherwise affect any amounts payable by the Company to SCP.
- 2.5 None of the Directors or substantial shareholders of the Company or their respective associates has any connection (including business relationship) with the Investor or SCP, or their directors or substantial shareholders.

3. **SHAREHOLDERS’ APPROVAL FOR THE PROPOSED NOTES ISSUE**

Rule 803 of the SGX-ST’s Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Rule 805 of the Catalyst Rules states that except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.

Rule 824 of the Catalyst Rules states that every issue of convertible securities not covered under a general mandate must be specifically approved of by shareholders in general meeting.

In addition, Rule 811(2) of the Catalyst Rules states that in the issue of convertible securities where the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before

conversion. However, pursuant to Rule 811(3), this rule is not applicable if shareholder's approval is sought for the issue of convertible securities.

Accordingly, the Directors propose to seek approval from shareholders of the Company ("**Shareholders**") for (i) the issue of the full amount of the Notes pursuant to Rule 803, 805(1) and 824 of the Catalist Rules and for (ii) the allotment and issue of the Conversion Shares at the proposed Conversion Price (as defined below) pursuant to Rule 811. Please refer to paragraph 4 of this announcement for further details on the Proposed Notes Issue.

4. THE PROPOSED NOTES ISSUE

4.1 Summary of the Proposed Notes Issue

The Notes shall be issued in registered form in denominations of US\$200,000 or integral multiples thereof. The Notes are convertible into the Conversion Shares, which when issued, shall rank *pari passu* in all respects with all other ordinary shares in the capital of the Company ("**Shares**"). The subscription and conversion of the Notes shall be in accordance with the terms of the Subscription Agreement and subject to the terms and conditions of the Notes ("**Notes Conditions**" and each a "**Note Condition**").

A summary of the key terms of the Subscription Agreement and the Notes Conditions is set out below:

Issuer	: Kitchen Culture Holdings Ltd.
Principal amount	: Up to US\$20,000,000
Notes Issue Price	: The notes issue price for each tranche of the Notes shall be (i) the amount of US\$5,000,000 or, (ii) at the election of the Investor, the amount equal to one-sixth of the aggregate US\$ value of all Shares traded on Catalist in the 20 days on which the SGX-ST is open for securities trading (" Trading Days ") immediately preceding the applicable subscription date, provided always that the aggregate of the notes issue price for all the Notes shall not be more than US\$20,000,000 (" Notes Issue Price ").
Subscription of Notes	: The Investor shall subscribe the Notes in the following manner: (a) On a date falling no later than five (5) Business Days from the fulfilment of the last Conditions Precedent (as defined below) (or such other date that the Parties may agree in writing) (" Tranche 1 Subscription Date "), the Company shall issue to the Investor, and the Investor shall subscribe and pay for Notes (" Tranche 1 Notes ") of a principal amount of (i) US\$5,000,000, or (ii) at the election of the Investor, an amount equivalent to 1/6 of the aggregate US\$ value of all Shares traded on the Catalist in the 20 Trading Days immediately

preceding the Tranche 1 Subscription Date (**"Tranche 1 Notes Issue Price"**).

- (b) On the earlier of (i) a date elected by the Investor by way of a written notice to the Company; or (ii) the date falling 20 Business Days immediately following the Tranche 1 Subscription Date (**"Tranche 2 Subscription Date"**), the Company shall issue to the Investor, and the Investor shall subscribe and pay for Notes (**"Tranche 2 Notes"**) of a principal amount of (i) US\$5,000,000, or (ii) at the election of the Investor, an amount equivalent to 1/6 of the aggregate US\$ value of all Shares traded on the Catalist in the 20 Trading Days immediately preceding the Tranche 2 Subscription Date (**"Tranche 2 Notes Issue Price"**); Provided that, notwithstanding the foregoing and without prejudice to the Investor's obligation to the Tranche 3 Notes and Tranche 4 Notes, where either (A) the volume-weighted average price per Share in the 20 Trading Days prior to the Tranche 2 Subscription Date; or (B) the Closing Price on the day prior to the Tranche 2 Subscription Date, is lower than 153% of the NAV per Share, the Investor may (at its sole discretion) elect to not subscribe for the Tranche 2 Notes.

- (c) On the earlier of (i) a date elected by the Investor by way of a written notice to the Company; or (ii) the date falling 20 Business Days immediately following the Tranche 2 Subscription Date (**"Tranche 3 Subscription Date"**), the Company shall issue to the Investor, and the Investor shall subscribe and pay for Notes (**"Tranche 3 Notes"**) of a principal amount of (i) US\$5,000,000, or (ii) at the election of the Investor, an amount equivalent to 1/6 of the aggregate US\$ value of all Shares traded on the Catalist in the 20 Trading Days immediately preceding the Tranche 3 Subscription Date (**"Tranche 3 Notes Issue Price"**); Provided that, notwithstanding the foregoing and without prejudice to the Investor's obligation to the Tranche 4 Notes, where either (A) the volume-weighted average price per Share in the 20 Trading Days prior to the Tranche 3 Subscription Date; or (B) the Closing Price on the day prior to the Tranche 3 Subscription Date, is lower than 153% of the NAV per Share, the Investor may (at its sole discretion) elect to not subscribe for the Tranche 3 Notes.

- (d) On the earlier of (i) a date elected by the Investor by way of a written notice to the Company; or (ii) the date falling 20 Business Days immediately following the Tranche 3 Subscription Date ("**Tranche 4 Subscription Date**"), the Company shall issue to the Investor, and the Investor shall subscribe and pay for Notes ("**Tranche 4 Notes**") of a principal amount of (i) US\$5,000,000; or (ii) at the election of the Investor, an amount equivalent to 1/6 of the aggregate US\$ value of all Shares traded on the Catalist in the 20 Trading Days immediately preceding the Tranche 4 Subscription Date ("**Tranche 4 Notes Issue Price**"); Provided that, notwithstanding the foregoing, where either (A) the volume-weighted average price per Share in the 20 Trading Days prior to the Tranche 4 Subscription Date; or (B) the Closing Price on the day prior to the Tranche 4 Subscription Date is lower than 153% of the NAV per Share, the Investor may (at its sole discretion) elect to not subscribe for the Tranche 4 Notes;

Provided That where the aggregate amount of the Tranche 1 Notes Issue Price, the Tranche 2 Notes Issue Price, the Tranche 3 Notes Issue Price paid by the Investor and the Tranche 4 Notes Issue Price as set out in paragraph (d)(i) or (ii) above (as the case may be) is equal or more than US\$20,000,000, then the principal amount of the Tranche 4 Notes (and accordingly the definition of "Tranche 4 Notes Issue Price") shall be an amount equivalent to the difference between (1) US\$20,000,000 and (2) the aggregate value of the Tranche 1 Notes Issue Price, the Tranche 2 Notes Issue Price, the Tranche 3 Notes Issue Price paid by the Investor.

For the purposes of determining the US\$ value of Shares traded on Catalist, the Parties agree that the S\$ value of Shares traded on any Trading Day shall be converted to US\$ at the average of the Singapore Interbank Offered Rate exchange rate for the 20 Business Days immediately preceding the relevant Subscription Date.

"Business Day" means a day, other than a Saturday or Sunday or a gazetted public holiday on which banks are open for business in Singapore.

"Parties" mean the Company and the Investor.

Maturity and Redemption : The date falling 24 months from the relevant date the Notes have been issued and registered ("**Maturity Date**").

The conversion rights in relation to the Notes are exercisable up till one (1) week prior to the Maturity Date. The Company shall make an announcement when the Maturity Date falls due.

The Company shall redeem the Notes on the Maturity Date. Notwithstanding the foregoing, the Company may, subject to the prior consent of the Investor, redeem the Notes at any time from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement and the Note Conditions up to the close of business on the Maturity Date.

The Notes shall be redeemed at one hundred per cent (100%) of their principal amount, together with any unpaid accrued interest.

Form and denomination : The Notes will be issued in registered form in denomination of US\$200,000 or integral multiples thereof. A note certificate (each a "**Certificate**") will be issued to each holder of the Notes (each a "**Noteholder**"). Each Note and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Company shall keep and maintain.

Interest : The Notes shall bear interest from the respective date of their issue at the rate of six per cent. (6%) per annum on the principal amount of the Notes.

Interest shall accrue on a daily basis and is payable on a semi-annual basis, the first payment to be paid on the date falling six (6) months from the relevant date of subscription of the Note and subsequent interest payments to be paid on a date falling every subsequent six (6) months thereafter (each an "**Interest Payment Date**").

Each Note will cease to bear interest on the date on which such Note is redeemed or converted in accordance with the Notes Conditions; Provided Always That, notwithstanding anything contained in the Note Conditions, in the event that a Note is redeemed or converted before its Maturity Date, the interest accruing for the period from and including the Interest Payment Date immediately prior to the date of such redemption or conversion (as the case may be):

(i) until and including the date falling immediately 12 months from such date of redemption or conversion (as the case may be); or

(ii) until and including the Maturity Date,

whichever period being shorter, shall be payable by virtue of this Note Condition and shall be paid on such date of redemption or conversion (as the case may be).

Conversion Price

: The price at which Shares shall be issued upon conversion in respect of the Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes and the Tranche 4 Notes ("**Conversion Price**") shall be the higher of (i) the NAV per Share and (ii) the Trading Price.

"NAV per Share" means the net asset value of the Group per Share based on the latest consolidated audited financial statements of the Company made available as at the Conversion Date of the Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes respectively.

"Trading Price" means:

- (i) in respect of the Tranche 1 Notes, 65% of the Closing Price per Share of the Trading Day immediately prior to the Tranche 1 Subscription Date; and
- (ii) in respect of the Tranche 2, Tranche 3 and Tranche 4 Notes, the lower of:
 - a. 65% of the volume-weighted average price per Share in the 20 Trading Days prior to the relevant Subscription Date; and
 - b. 65% of the Closing Price on the day prior to the relevant Subscription Date.

Provided that, on the Adjustment Date, the Trading Price of the Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes and the Tranche 4 Notes (as the case may be) shall be adjusted to the lower of (a) 65% of the volume-weighted average price per Share in the 20 Trading Days prior to the relevant Adjustment Date; and (b) 65% of the Closing Price on the day prior to the relevant Adjustment Date.

"Closing Price" means, in relation to any Trading Day

("reference date"), the last traded price of Shares on the SGX-ST, or where no trades were conducted on such Trading Day, the last traded price of Shares on the last Trading Day preceding the reference date on which Shares were traded.

"Adjustment Date" means the 21st Trading Day following the respective subscription of the Tranche 1 Notes, Tranche 2 Notes, the Tranche 3 Notes and the Tranche 4 Notes (as the case may be) and each successive 21st Trading Day thereafter.

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| Conversion Period | : | The Notes are convertible at the option of the Noteholder, at any time from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement and the Note Conditions up to the close of business on the date falling one (1) week prior to the Maturity Date (" Conversion Period "). |
| Status of the Notes | : | The Notes constitute senior, direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without any preference among themselves, and, subject as mentioned above and save as otherwise provided under any applicable laws or regulations, equally with all other present and future senior, direct, unconditional, unsubordinated and unsecured obligations of the Company from time to time outstanding. |
| Status of the Conversion Shares | : | The Conversion Shares shall be issued unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank <i>pari passu</i> in all respects with all other Shares, except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the relevant Conversion Date of the Notes, and will be admitted to listing on Catalist. |
| Right of Participation | : | In consideration of the Investor agreeing to subscribe for the Notes in accordance with the Subscription Agreement, the Company undertakes that the Investor shall have the first right to participate in any equity or equity-linked financing offering (" Offering ") proposed or to be undertaken by the Company at any time during the period of 180 calendar days commencing from the earlier of (a) the Tranche 4 Subscription Date; and (b) the date on which the aggregate principal amount of Notes subscribed and paid for by the Investor is equal to US\$20 million (the " Last Subscription Date "), and the Company undertakes that in the event it wishes to make such |

Offering, it shall give written notice to the Investor, such notice to contain details and particulars of the Offering size, price and other material terms and conditions ("**Participation Notice**").

A Participation Notice shall be deemed an offer ("**Offer**") by the Company for the Investor to participate in the relevant Offering on such terms contained in the Participation Notice. An Offer may be accepted by the Investor only in full and not in part by giving written notice to the Company within 14 calendar days from the date of the relevant Participation Notice. Failing such acceptance, the Offer shall be deemed to have been declined.

Where an Offer is declined or deemed to have been declined by the Investor, the Company shall have the right to make the Offering to third parties; provided that the terms and conditions of such Offering shall not be more favourable than the Offer made to the Investor.

- Transfer : A Note may be transferred by delivery of the Certificate issued in respect of that Note, with the form of transfer duly completed and signed by the holder or his attorney duly authorised in writing, to the registered office of the Company.
- Alteration to the Terms of the Notes : Any material alteration in the terms of the Notes after issue which is to the advantage of the Investor shall be subject to the approval of Shareholders, except where the alterations are made pursuant to the terms of the Subscription Agreement.
- Governing Law : Singapore law

4.2 Covenants by the Company

- (i) The Company undertakes that it shall use its best endeavours to convene an extraordinary general meeting ("**EGM**") of the Company no later than 14 Business Days following the date of clearance by the SGX-ST of the circular to obtain Shareholder's approval of the Proposed Notes Issue pursuant to the Subscription Agreement ("**Circular**").
- (ii) The Company further covenants and undertakes to the Investor that, for the period commencing on the date of the Subscription Agreement and ending on the date falling 90 calendar days immediately following from the Tranche 4 Subscription Date, the Company shall not issue any new or additional Shares or any other form of securities, save and except for the issuance of the Notes and/or Conversion Shares pursuant to the terms and conditions of the Subscription Agreement and the Note Conditions.

4.3 **Covenant by the Investor**

The Investor covenants and undertakes that it shall not, at anytime while any Notes shall remain outstanding, convert any Notes which would result in the Investor and parties acting in concert with the Investor holding Shares (immediately after such conversion) which carry 30% or more of the voting rights of the Company.

4.4 **Conditions Precedent**

The Investor shall not be obliged to subscribe and pay for any of the Notes unless, *inter alia*, the following conditions precedent have been satisfied on or before the date falling three (3) months from the date of the Subscription Agreement and remains satisfied on each relevant Subscription Date of the Notes:

- (i) the Shares remaining listed and quoted on Catalist;
- (ii) the approval-in-principle issued by the SGX-ST for the listing and quotation of Conversion Shares on Catalist ("**Listing Approval**") having been obtained and not being revoked or amended, and if any conditions are attached to the Listing Approval ("**Listing Conditions**"), such Listing Conditions (i) being on terms reasonably satisfactory to the Investor (including there being no Listing Condition imposing any moratorium or other restriction on the Investor in dealing with the Notes or any Conversion Shares), (ii) which are required to be fulfilled on or before the relevant Subscription Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (iii) the approval of the Shareholders in general meeting having been obtained for the Proposed Notes Issue;
- (iv) all applicable governmental and regulatory approvals required in connection with the Proposed Notes Issue, including, but not limited to, the Listing Approval having being obtained and not revoked;
- (v) there not having occurred any event of default under any deed, agreement or other instrument entered into by the Company relating to the provision of any financing, loan or credit to the Company or the grant of any guarantee or security by the Company;
- (vi) the Investor receiving an undertaking from Lim Wee Li ("**Undertaking Shareholder**") (in such form as the Investor may reasonably require) that the Undertaking Shareholder will not sell or transfer any Shares held by him from the date of the Subscription Agreement up to the date falling 90 calendar days from the Last Subscription Date;
- (vii) all representations, warranties, undertakings and covenants of the Company (as set out in the Subscription Agreement) being accurate and correct in all respects; and
- (viii) the Company not having experienced or suffered any event or series of events on or after the date of the Subscription Agreement that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business, operations, properties, prospects or conditions (financial or otherwise) on the Group.

(collectively, the “**Conditions Precedent**”).

The Investor may, at its sole and absolute discretion, waive compliance with Conditions Precedent set out in paragraph 4.4(i), 4.4(v), 4.4(vi), 4.4(vii) and 4.4(viii) above.

5. SHARE LENDING ARRANGEMENT

In connection with the Proposed Notes Issue, a share lending agreement (“**Share Lending Agreement**”) has today been entered into between the Executive Chairman, Chief Executive Officer and the controlling shareholder of the Company, Lim Wee Li (in the context of the Share Lending Agreement, the “**Lender**”) and the Investor (in the context of the Share Lending Agreement, the “**Borrower**”), pursuant to which the Borrower has requested to borrow and the Lender has agreed to lend the Borrower the Loan Shares (as defined below) to facilitate the Borrower’s dealing of Shares pending the delivery of the Conversion Shares in respect of the Tranche 1 Notes, subject to the terms and conditions of the Share Lending Agreement.

The aggregate number of Shares to be delivered pursuant to the Share Lending Agreement (the “**Loan Shares**”) shall be such number of Shares which is the lower of:

- (a) the aggregate number of Conversion Shares to be issued to the Borrower pursuant to the conversion of the Tranche 1 Notes by the Borrower in accordance with the terms and conditions of the Subscription Agreement; or
- (b) an aggregate value of US\$1,250,000 (converted to Singapore Dollars at the average of the Singapore Interbank Offered Rate exchange rate for the 20 Business Days immediately preceding the Tranche 1 Subscription Date). For the purpose of this determination, the value of a Loan Share shall be the closing price per Share on the Trading Day immediately preceding the date of the respective borrowing request.

The Share Lending Agreement is conditional on the subscription by the Borrower for the Tranche 1 Notes and the conversion of the Tranche 1 Notes in accordance with the Subscription Agreement. The Loan Shares will not carry 30% or more of the voting rights of the Company.

Other than a minimal consideration payment of S\$1.00 from the Borrower to the Lender, Lim Wee Li has confirmed that he will not derive any financial benefit, whether directly or indirectly, from the Share Lending Agreement.

6. RATIONALE AND USE OF PROCEEDS

The Proposed Notes Issue is being carried out to enable the Company to improve the Group’s cash position, working capital requirements and the funding of future growth expansions.

Assuming that the Notes are subscribed in full by the Investor, the estimated net proceeds from the Proposed Notes Issue, after deducting estimated fees and expenses of approximately S\$100,000, is approximately S\$27,900,000 (“**Net Proceeds**”) (assuming an exchange rate of US\$1.00 to S\$1.40).

The Company intends for the Net Proceeds to be used in the following manner:

- (i) approximately 10% to 20% will be used for the repayment of debts and shareholders' loans and advances;
- (ii) approximately 20% to 30% will be used for capital expenditure;
- (iii) approximately 15% to 30% will be used for growth expansion; and
- (iv) any balance shall be used towards general working capital requirements of the Group.

The Company will make periodic announcements on the use of the Net Proceeds as and when such they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

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

- (i) the present bank facilities and shareholder's funds, the working capital available to the Group is sufficient to meet its present requirements. As the Group currently requires short-term advances from a Shareholder to meet its working capital requirements, the Directors are of the view that the Proposed Notes Issue should be undertaken to improve financial flexibility and strengthen the financial position of the Group; and
- (ii) the present bank facilities, shareholder's funds and Net Proceeds from the Proposed Notes Issue, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company or their respective associates has any interest, whether direct or indirect, in the Proposed Notes Issue and the Arranger Agreement, save through his shareholding in the Company (if any).

None of the Notes will be issued to any person or groups of persons prohibited under Rule 812 of the Catalist Rules.

8. ADDITIONAL LISTING APPLICATION TO THE SGX-ST

An application will be made to the SGX-ST through the Company's sponsor in due course for the listing and quotation of the Conversion Shares to be allotted and issued upon conversion of the Notes from time to time within the Conversion Period. The Company will make the

necessary announcements upon the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Conversion Shares on Catalist.

9. FURTHER INFORMATION

The Company will be convening an EGM to seek the approval of its Shareholders for the Proposed Notes Issue. The Circular containing more information, *inter alia*, on the financial effects of the Proposed Notes Issue and the notice of EGM thereof will be despatched to the Shareholders in due course.

The Company will make further announcements when there are material developments in respect of the Proposed Notes Issue.

10. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement and Arranger Agreement are available for inspection during normal business hours at the business office of the Company at 25 New Industrial Road #02-01 KHL Industrial Building Singapore 536211 for a period of three (3) months from the date of this announcement.

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Shares as there is no certainty that the Proposed Notes Issue will be completed as it is subject to the fulfilment of the terms and conditions set out in the Subscription Agreement as well as Shareholders' approval. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisers immediately.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company 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 Proposed Notes Issue, the Company and the Group 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 the announcement in its proper form and context.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer

3 January 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (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 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.

The contact person for the Sponsor is Ms. Lee Khai Yinn (telephone no.: (65) 6532 3829), at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.