



TA CORPORATION LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 201105512R)

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF WARRANTS AND RECEIPT OF APPROVAL IN-PRINCIPLE

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of TA Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that:

- (a) the Company is proposing to undertake a renounceable underwritten rights issue of up to 120,567,589 warrants (“**Warrants**” and each, a “**Warrant**”) at an issue price of S\$0.003 for each Warrant (“**Issue Price**”), on the basis of one (1) Warrant for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by shareholders of the Company (“**Shareholders**”) as at the books closure date (the “**Books Closure Date**”) to be determined by the Directors, fractional entitlements to be disregarded (the “**Rights Issue**”). Each Warrant will entitle the holder (a “**Warrantholder**”) to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at an exercise price of S\$0.28 for each New Share (“**Exercise Price**”), subject to the terms and conditions of the Warrants as set out in the deed poll executed by the Company (the “**Deed Poll**”); and
- (b) the Company had, on 29 March 2017, obtained the approval in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for the Warrants and the New Shares on the Official List of the Main Board of the SGX-ST (the “**Mainboard**”), subject to the following conditions:
 - (i) compliance with the SGX-ST’s listing requirements;
 - (ii) a written undertaking from the Company that it will comply with Rule 704(30), Rule 815 and Rule 1207(20) of the listing rules of the SGX-ST (the “**Listing Rules**”);
 - (iii) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Rules that the Undertaking Shareholders (as defined below) who have given their Irrevocable Undertakings (as defined below) have sufficient financial resources to fulfil their obligations under the Irrevocable Undertakings;
 - (iv) a written confirmation from the Company that there is a satisfactory spread of Warrantholders (at least 100) to provide an orderly market for the Warrants in compliance with Rule 826 of the Listing Rules;
 - (v) a written confirmation from the Company that the terms of the Warrants do not permit revision of the Exercise Price and/or ratio in any form, other than in compliance with Rule 829(1) of the Listing Rules;
 - (vi) a written confirmation from the Company that Rule 877(10) of the Listing Rules will be complied with in relation to the allotment of any Excess Warrants (as defined below); and

- (vii) a written undertaking from the Company that Rule 818, Rule 830 and Rule 831 of the Listing Rules will be complied with.

The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Warrants, the New Shares, the Company and/or its subsidiaries.

The allotment and issuance of the Warrants and the New Shares are proposed to be made pursuant to the authority granted under the share issue mandate passed by Shareholders at the annual general meeting of the Company held on 27 April 2016 (the “**General Mandate**”). Hence, no further Shareholders’ approval will be specifically sought for the Rights Issue and the allotment and issuance of the New Shares arising from the exercise of the Warrants.

The General Mandate authorises the Company to issue new Shares and convertible securities not exceeding 50% of the total number of issued Shares (excluding treasury shares) as at the date of the grant of the General Mandate (the “**Relevant Share Capital**”), provided that the aggregate number of Shares and convertible securities to be issued other than on a *pro rata* basis to Shareholders shall not exceed 20% of such Relevant Share Capital. As the Relevant Share Capital comprised 465,000,000 Shares, the Company may issue up to 232,500,000 new Shares under the General Mandate on a *pro rata* basis. From the date of the grant of the General Mandate and up to the date of this announcement, no Shares or convertible securities have been issued pursuant to the authority granted under the General Mandate. Accordingly, the issue of up to 120,567,589 Warrants which are exercisable into 120,567,589 New Shares pursuant to the Rights Issue falls within the limits of the General Mandate.

To show their support for the Rights Issue as well as demonstrate their commitment to and confidence in the prospects of the Group, Mr. Liong Kiam Teck, Mr. Neo Tiam Boon, Mr. Neo Tiam Poon @ Neo Thiam Poon and Mr. Neo Thiam An (each an “**Undertaking Shareholder**” and collectively, the “**Undertaking Shareholders**”), have each provided an irrevocable undertaking (“**Irrevocable Undertakings**”) to the Company, among others, to subscribe and pay for all their respective provisional allotments under the Rights Issue. Please refer to paragraph 6 below for further information on the Irrevocable Undertakings.

The Company had, on 26 January 2017, made an application to the Securities Industries Council (the “**Council**”) to seek the Council’s ruling in relation to (i) the dispensation of the obligation to make a mandatory take-over offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (“**Take-Over Code**”) by the Concert Party Group (as defined below) in connection with the Rights Issue, and (ii) the exclusion of Mr. Lim Hock Beng, the Lead Independent Director, from the Concert Party Group (the “**SIC Application**”).

On 3 March 2017, the Company received a ruling from the Council that (i) Mr. Liong Kiam Teck will not be required to make a general offer for the Company pursuant to Rule 14 of the Take-Over Code in the event that his percentage shareholding in the Company increases by more than 1% in any 6-month period as a result of his exercising the Warrants acquired pursuant to the Irrevocable Undertaking; and (ii) Mr. Lim Hock Beng is not part of the Concert Party Group (“**Council’s Ruling**”). Please refer to paragraph 7 below for further information on the SIC Application.

The Company has appointed United Overseas Bank Limited as the manager (“**Manager**”) and underwriter (“**Underwriter**”) of the Rights Issue, pursuant to the terms of a management and underwriting agreement entered into between the Company and the Manager and Underwriter on 30 March 2017 (the “**Management and Underwriting Agreement**”). Please refer to paragraph 9 below for further information on the Management and Underwriting Agreement.

2. APPROVALS AND CONDITIONS

The Rights Issue is subject to, among others, the following:

- (a) the approval in-principal from the SGX-ST not having been withdrawn or revoked on or prior to the closing date of the Rights Issue;
- (b) the Council's Ruling not having been amended, withdrawn or revoked on or prior to the closing date of the Rights Issue; and
- (c) the lodgement of the offer information statement ("**OIS**"), together with all other accompanying documents, in connection with the Rights Issue, with the Monetary Authority of Singapore (the "**Authority**").

3. PRINCIPAL TERMS OF THE RIGHTS ISSUE

3.1. Form and Subscription Rights of the Warrants

The Warrants will be constituted by the Deed Poll and will be issued in registered form. The Deed Poll sets out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified.

The Warrants are payable in full on acceptance and/or application by Entitled Shareholders (as defined below). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price within the period during which the Warrants may be exercised (the "**Exercise Period**"), being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 60 months from the date of issue of the Warrants, unless such date is a date on which the register of members of the Company ("**Register of Members**") and the register of warrant holders of the Company ("**Register of Warrantholders**") is closed and/or is not a day on which the SGX-ST is open for trading in securities ("**Market Day**"), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members and the Register of Warrantholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

3.2. Issue Price and Exercise Price

The Issue Price for each Warrant is S\$0.003, payable in full on acceptance and/or application.

The Exercise Price for each New Share is S\$0.28, payable in full upon exercise of the Warrants (subject to any adjustment under certain circumstances as provided in the Deed Poll).

The total cost of each New Share, being the aggregate of the Issue Price and the Exercise price, is S\$0.283 and represents a premium of approximately 8.4% to the volume-weighted average price of S\$0.261 per Share on the SGX-ST on 21 March 2017 (being the last full market day on which the Shares were traded on the SGX-ST prior to the date of this announcement).

3.3. Size of the Rights Issue

As at the date of this announcement, the Company has an issued and paid-up share capital of 482,270,359 Shares (the “**Existing Share Capital**”). The Company does not have any outstanding convertibles or treasury shares. Based on the Existing Share Capital, up to 120,567,589 Warrants will be issued pursuant to the Rights Issue.

Assuming that all the 120,567,589 Warrants have been fully exercised, the enlarged share capital of the Company would increase to 602,837,948 Shares.

3.4. Trading of the Warrants and the New Shares

Subject to, among others, there being a sufficient spread of holdings of the Warrants, upon listing of and quotation for the Warrants and the New Shares on the Mainboard, the Warrants and the New Shares will be traded under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters which are issued to Entitled Scripholders (as defined below) will not be valid for delivery pursuant to trades done on the SGX-ST.

Each board lot of Warrants or Shares (as the case may be) will consist of 100 Warrants or 100 Shares respectively. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Mainboard. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrant holders will not be able to trade their Warrants on the SGX-ST but the Company shall nevertheless proceed with and complete the Rights Issue.

3.5. Status of the New Shares

The New Shares shall, when allotted and issued upon the exercise of the Warrants, 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 respects 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 Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.6. Fractional Entitlements

Fractional entitlements to the Warrants, if any, will be disregarded in arriving at Entitled Shareholders’ entitlements and will, together with the provisional allotments of Warrants which are not taken up or allotted for any reason, be aggregated and used to satisfy Entitled Shareholders’ application for additional Warrants in excess of their provisional allotment (if any) (“**Excess Warrants**”), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

3.7. Excess Warrants

Entitled Shareholders are at liberty to accept, decline or renounce their provisional allotment of Warrants (“**Rights**”) and will be eligible to apply for the Excess Warrants. In addition, Entitled Depositors will also be eligible to trade their Rights (in full or in part) on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for Excess Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Listing Rules. For the

avoidance of doubt, only Entitled Shareholders (and not the purchasers of the Rights or the renounees) shall be entitled to apply for Excess Warrants.

In the allotment of Excess Warrants, 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 Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Warrants. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting

3.8. Adjustments

The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Warrants as set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the Listing Rules.

3.9. Winding-up

Where there is a members' voluntary winding-up of the Company, each Warranholder may elect to be treated as if he had immediately prior to the commencement of such winding-up, exercised the Warrants and had on such date been the holders of the New Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Warranholder in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution.

3.10. Notice of Expiry

The Company shall, no later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall also, no later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify the Warranholders in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the registered address of the Warranholder as maintained in the Register of Warranholders.

3.11. Alteration to Terms

No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll or the prior approval of Shareholders at a general meeting has been sought.

3.12. Governing Law

The terms of the Warrants are governed by the Laws of the Republic of Singapore.

4. RATIONALE AND USE OF PROCEEDS

4.1. Rationale

The Directors believe that the Rights Issue will provide Warranholders with the opportunity to further participate in the equity of the Company by subscribing for New Shares through the exercise of the Warrants. In addition, the Directors believe that the proceeds arising from the Rights Issue and through the exercise of the Warrants (as and when exercised), will (i) expand and strengthen the capital base of the Company, (ii) provide additional resources for business expansion and diversification of income streams within the South East Asia region, and (iii)

confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements.

4.2. Amount to be raised from the Rights Issue

Based on the Existing Share Capital and assuming that the Rights Issue is fully subscribed, 120,567,589 Warrants will be issued pursuant to the Rights Issue and the net proceeds from the subscription of the Warrants will amount to approximately S\$0.15 million (“**Net Proceeds**”) after deducting professional fees as well as related expenses of approximately S\$0.25 million incurred in connection with the Rights Issue.

On the basis of the foregoing, and assuming that all 120,567,589 Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S\$33.8 million (“**Exercise Proceeds**”). In view thereof, the total proceeds comprising the Net Proceeds and the Exercise Proceeds will amount to approximately S\$33.9 million.

All the Net Proceeds arising from the Rights Issue will go to the Company.

4.3. Use of proceeds

The Company intends to use the Net Proceeds for the Group’s general working capital purposes.

As and when the Warrants are exercised, the Company intends for the Exercise Proceeds arising therefrom to be applied to the following purposes:

- (a) to fund the construction and property development projects, the distribution business and the dormitory business of the Group as well as to fund general corporate activities, including but not limited to, acquisitions, entering into strategic alliances and/or joint ventures;
- (b) repayment of the Group’s borrowings; and
- (c) the Group’s general working capital purposes.

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

The Company will make periodic announcements on the use of the Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of Net Proceeds and/or Exercise Proceeds in the Company’s annual report(s). Where there is any material deviation from the stated use of the Net Proceeds and/or Exercise Proceeds, the Company will announce the reasons for such deviation. In addition, where the Net Proceeds and/or Exercise Proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds and/or Exercise Proceeds for working capital in the Company’s announcement and in the Company’s annual report(s).

4.4. Sufficiency of working capital

As at the date of this announcement, the Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration the internal resources and the present banking facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements.

5. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

“Entitled Shareholders” comprising Entitled Depositors and Entitled Scripholders are entitled to participate in the Rights Issue and to receive the OIS and the Accompanying Documents (as defined below). Entitled Shareholders will be provisionally allotted the Warrants on the basis of their shareholdings as at the Books Closure Date, fractional entitlements to be disregarded.

“Entitled Depositors” are Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Book Closure Date and whose addresses with CDP are in Singapore as at the Book Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore for the service of notices and documents.

“Entitled Scripholders” are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company’s share registrar (the **“Share Registrar”**), B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who had, 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.

- 5.1. **CPF Investment Scheme.** Shareholders who bought their Shares under the Central Provident Fund Investment Scheme using monies standing to the credit of their respective Central Provident Fund savings account (**“CPF Funds”**) (the **“CPFIS Members”**) should note that they cannot accept the Warrants and/or apply for Excess Warrants using their CPF Funds to pay for the Issue Price. In addition, CPFIS Members cannot use their CPF Funds for payment of the Exercise Price upon the exercise of the Warrants.
- 5.2. **SRS Funds.** Shareholders who subscribed for or purchased Shares under the Supplemental Retirement Scheme (**“SRS”**) (**“SRS Investors”**) may, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the relevant approved banks (**“SRS Approved Banks”**), use monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Warrants and (if applicable) application for Excess Warrants. Such Shareholders who wish to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants using SRS monies, must instruct their respective SRS Approved Banks in which they hold their SRS accounts to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants on their behalf in accordance with the OIS. SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants. SRS monies may not, however, be used for the purchase of the provisional allotments of the Warrants directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Bank for information and directions as to the use of monies standing to the credit of their respective SRS account.
- 5.3. **Foreign Shareholders.** The distribution of the OIS and the Accompanying Documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of relevant securities legislation applicable in countries other than in Singapore, the OIS and the Accompanying Documents have not been and will not be despatched to Shareholders whose registered addresses with the Share Registrar or CDP, as the case may be, are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (**“Foreign Shareholders”**), or to any jurisdictions outside Singapore.

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

If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the provisional allotment of Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Warrants commence. Such sales will, 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 or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore 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, the Directors, the Manager and Underwriter, CDP or the Share Registrar and their respective officers in connection therewith.

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

If such provisional allotment of Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotment of Warrants, the Warrants represented by such provisional allotment will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner 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, the Directors, the Manager and Underwriter, CDP or the Share Registrar and their respective officers in connection therewith.

6. IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, the Undertaking Shareholders, Mr. Liong Kiam Teck, Mr. Neo Tiam Boon, Mr. Neo Tiam Poon @ Neo Thiam Poon and Mr. Neo Thiam An hold 159,592,818¹, 80,495,622, 76,594,953 and 37,942,870 Shares respectively representing approximately 33.09%, 16.69%, 15.88% and 7.87% of the Existing Share Capital respectively, and does not have any outstanding convertibles.

Accordingly, Mr. Liong Kiam Teck, Mr. Neo Tiam Boon, Mr. Neo Tiam Poon @ Neo Thiam Poon and Mr. Neo Thiam An will be entitled to subscribe for 39,898,204², 20,123,905, 19,148,738 and 9,485,717 Warrants respectively pursuant to the Rights Issue.

As at the date of this announcement, the Undertaking Shareholders collectively hold majority control in the Company, with an aggregate shareholding interest of 354,626,263 Shares representing approximately 73.53% of the Existing Share Capital.

¹ This includes his deemed interest in 20,000 Shares held through his wife, Phan Fong Ying.

² This includes his wife's (Phan Fong Ying) provisional allotments under the Rights Issue of 5,000 Warrants.

To show their support for the Rights Issue as well as demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have each provided an Irrevocable Undertaking, among others, that:

- (a) as at the Books Closure Date, they will own not less than 354,626,263 Shares;
- (b) they will not sell, transfer or otherwise dispose of their respective Shares prior to the Books Closure Date; and
- (c) they will subscribe for and pay for all their respective provisional allotments under the Rights Issue, being in aggregate 88,656,564 Warrants.

Pursuant to Rule 877(9) of the Listing Rules, the Undertaking Shareholders have each furnished a written confirmation of financial resources from financial institutions to support their respective Irrevocable Undertakings.

Apart from the Irrevocable Undertakings, the Undertaking Shareholders may also subscribe for the balance of any Warrants not subscribed for by the other Shareholders.

7. THE COUNCIL'S RULING

The definition of "Acting in Concert" in the Take-Over Code provides, *inter alia*, that "Close Relatives" (in relation to an individual) and directors of the Company will be presumed to be acting in concert. Under the Take-Over Code, "Close Relatives" (in relation to an individual) includes, immediate family (i.e. parents, siblings, spouse and children), the siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins), and children of siblings (i.e. nephews and nieces).

The Undertaking Shareholders, who are Directors as well as siblings, together with their "Close Relatives" (details of which are set out in the table below), are presumed to be parties acting in concert pursuant to the Take-Over Code (collectively, the "Concert Party Group").

Name	Relationship	Number of Shares held as at 31 December 2016	% of Shares held as at 31 December 2016
Liong Thiam Keong	Sibling to the Undertaking Shareholders	200,000	0.04%
Neo Bee Lan	Sibling to the Undertaking Shareholders	200,000	0.04%
Neo Tiam Chuan	Sibling to the Undertaking Shareholders	140,000	0.03%
Neo Tiam Hew	Sibling to the Undertaking Shareholders	104,348	0.02%
Neo Chue Guan	Sibling to the Undertaking Shareholders	100,000	0.02%
Neo Tiam Soon	Sibling to the Undertaking Shareholders	100,000	0.02%
Liong Cailin, Wendy	Daughter of Liong Kiam Teck	50,000	0.01%
Timothy Liew Kit Chung	Son-in-law of Liong Kiam Teck	40,000	0.01%
Liong Chai Yin, Fiona	Daughter of Liong Kiam Teck	40,000	0.01%

As at the date of this announcement, the Concert Party Group collectively holds majority control in the Company, with an aggregate shareholding interest of 355,600,611 Shares representing approximately 73.73% of the Existing Share Capital.

In addition, as at the date of this announcement, Mr. Lim Hock Beng, Lead Independent Director, holds 100,000 Shares representing approximately 0.02% of the Existing Share

Capital. Pursuant to the Take-Over Code, he is also presumed to be acting in concert with the Undertaking Shareholders as he is a Director.

On 26 January 2017, the Company sought a ruling from the Council for:

- (a) the dispensation of the obligation to make a mandatory take-over offer pursuant to Rule 14 of the Take-Over Code by the Concert Party Group in connection with the Rights Issue in the event that the Council views each of the Undertaking Shareholders and their respective concert parties as single members or as sub-groups of the Concert Party Group, as the case may be, and in the event that the voting rights of each of the Undertaking Shareholders and their respective concert parties (whether taken as single members or as sub-groups of the Concert Party Group),
 - (i) exceeds 30% as a result of the subscription and exercise of the Warrants pursuant to the Rights Issue; and/or
 - (ii) increases by 1% in any period of six (6) months due to the subscription and exercise of the Warrants pursuant to the Rights Issue (in the event where the Undertaking Shareholders and their respective concert parties' shareholding in the Company is between 30% and 50%); and
- (b) the exclusion of Mr. Lim Hock Beng, from the Concert Party Group.

On 3 March 2017, the Company received a ruling from the Council that (i) Mr. Liong Kiam Teck will not be required to make a general offer for the Company pursuant to Rule 14 of the Take-Over Code in the event that his percentage shareholding in the Company increases by more than 1% in any 6-month period as a result of his exercising the Warrants acquired pursuant to the Irrevocable Undertaking; and (ii) Mr. Lim Hock Beng is not part of the Concert Party Group.

8. MANAGEMENT AND UNDERWRITING AGREEMENT

In the event that none of the Shareholders other than the Undertaking Shareholders subscribe for their respective *pro rata* entitlements of Warrants (entitlements *pro rata vis-à-vis* all other Entitled Shareholders, being in aggregate 88,656,564 Warrants), the Underwriter will underwrite the remaining 31,911,025 Warrants (the "**Underwritten Warrants**"), subject to the terms and conditions of the Management and Underwriting Agreement (the "**Underwriting Obligation**").

Under the terms of the Management and Underwriting Agreement, the Company will pay the Underwriter a fee of 2.5% of the Issue Price multiplied by the number of Underwritten Warrants.

The Management and Underwriting Agreement is conditional upon, *inter alia*, the following:

- (a) the lodgement of the OIS with the Authority in accordance with the provisions of the Securities and Futures Act, Chapter 289 of Singapore on or before 19 April 2017;
- (b) the issue of the Warrants and the obligations of the Manager and Underwriter to underwrite the Underwritten Warrants not being prohibited by any statute, order, rule, directive or regulation promulgated after the date of execution of the Management and Underwriting Agreement by any legislative, executive or regulatory body or authority of Singapore on the closing date of the Rights Issue;
- (c) all necessary regulatory consents and approvals in-principle of the SGX-ST required for the admission of the Warrants and the New Shares to the Mainboard and the listing and quotation of the Warrants and the New Shares on the Mainboard having been obtained on terms and conditions which in the opinion of the Company and the Manager and Underwriter are reasonably acceptable, and being received not later than the Market Day prior to the ex-rights trading date or such other date as the Company and the Manager and Underwriter may agree and the same remaining valid and

continuing to be in force and effect on the date on which CDP completes the crediting of the Warrants and (if applicable) Excess Warrants to the securities accounts of Entitled Shareholders who have accepted their Warrants (or who have applied for and have been allotted Excess Warrants), and any condition imposed by the SGX-ST in giving such approval in-principle which is required to be fulfilled on or before the closing date of the Rights Issue, being fulfilled on or before the closing date of the Rights Issue to the satisfaction of the SGX-ST or waived by it; and

- (d) no stop order or similar order has been issued by the Authority or any court or other judicial, governmental or regulatory authority in relation to the Rights Issue nor is the sale and subscription and/or purchase of the Warrants in accordance with the provisions of the Management and Underwriting Agreement or the execution and performance of the Management and Underwriting Agreement by the Company prohibited by any statute, order, rule, regulation or directive issued by, or objected to by any legislative, executive or regulatory body or authority of Singapore (including, without limitation, the Authority and the SGX-ST) or elsewhere.

The Manager and Underwriter may, under the terms of the Management and Underwriting Agreement, terminate its Underwriting Obligation upon the occurrence of certain events, including but not limited to *force majeure* events. Notwithstanding the foregoing, the Manager and Underwriter may not terminate its Underwriting Obligation for reasons only of a *force majeure* event on or after the commencement of the Shares trading ex-rights.

9. OIS AND THE ACCOMPANYING DOCUMENTS

The OIS will be despatched by the Company, together with the warrants application form, the warrants and excess warrants application form and the provisional allotment letter (collectively, the “**Accompanying Documents**”), as the case may be, to Entitled Shareholders in due course.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial Shareholders has any interests, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company, if any).

11. DIRECTORS’ 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 this 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.

12. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders updated and release announcements relating to the Rights Issue (including the Books Closure Date and any material developments and progress made) as may be appropriate from time to time.

13. CAUTIONARY STATEMENT

The Directors would like to advise Shareholders that the Rights Issue is subject to certain conditions being fulfilled and there is no assurance that the Rights Issue would be completed. Accordingly, Shareholders and potential investors are advised to exercise caution when trading in the Shares. Persons who are in any doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board
TA CORPORATION LTD

Yap Ming Choo
Company Secretary
30 March 2017