



PROPOSED PLACEMENT OF 40,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF UPP HOLDINGS LIMITED

1. Introduction

The board of directors (the “**Board**”) of UPP Holdings Limited (the “**Company**”) is pleased to announce that the Company had on 7 March 2017 entered into subscription agreements (collectively, the “**Subscription Agreements**” and each, a “**Subscription Agreement**”) with Mohamed Nazir Bin Abdul Razak, John Vlasto, Hsieh Fu Hua and Chan Chia Lin (the “**Subscribers**”) pursuant to which the Subscribers have agreed to subscribe for an aggregate of 40,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.25 per Subscription Share (the “**Subscription Price**”) (such subscriptions collectively, the “**Subscription**”).

The Subscription Price of S\$0.25 is at a discount of approximately 9% to the weighted average price of S\$0.2747 for trades done on the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 7 March 2017, being the full market day on which the Subscription Agreements were signed.

The Subscription Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued ordinary shares of the Company (the “**Shares**”) save that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Subscription Shares. The Subscription Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances. Where the Subscription Shares are issued prior to the books closure date of 13 May 2017 for the purpose of the dividend declared on 24 February 2017 (which is subject to approval by shareholders of the Company at the forthcoming annual general meeting of the Company), the holders of the Subscription Shares will be entitled to be paid such dividend.

No placement agent has been appointed in respect of the Subscription. Therefore, no commission or referral fees will be paid to any party in relation to the Subscription.

2. Conditions Precedent to the Subscription

Completion of the Subscription is conditional upon, *inter alia*:

- (a) the in-principal approval (“**AIP**”) for the listing of and permission to deal in the Subscription Shares having been obtained from SGX-ST and such approval remaining valid and continuing to be in force and effect until the completion date and, where such approval is subject to conditions, such conditions being acceptable to the Company and each Subscriber and, to the extent that any conditions for the listing and quotation of the Subscription Shares on the SGX-ST are required to be fulfilled on or before the completion date, such conditions having been fulfilled;
- (b) the allotment, issue, and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated or issued on or after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore;
- (c) the receipt by the Company and each of the Subscriber of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Subscriber under any and all applicable laws (including any corporate approvals and authorisations of the Company and the Subscriber) and third parties, for or in respect of the Subscription;

- (d) the representations and warranties of the Company and each of the Subscriber being true, accurate and correct in all material respects as if made on the date of completion of the Subscription, with reference to the then existing circumstances and the relevant party having performed in all material respects all of its obligations herein to be performed on or before the date of completion of the Subscription;
- (e) there being no introduction of or any change in any statute, regulation, order, policy or directive or in the interpretation or application thereof by any court or other competent authority which renders it unlawful for the Company or the Subscriber to perform their respective obligations under the Subscription Agreement; and
- (f) trading in the Shares on the SGX-ST Main Board not being suspended for any single consecutive period of more than 3 business days during any time prior to the completion date.

In respect of the condition precedent set out in paragraph 2(a) above, the Company will be submitting an additional listing application to SGX-ST for the AIP. The Company will make the necessary announcement once the AIP has been obtained from SGX-ST.

3. Rationale for the Subscription and Use of Net Proceeds

The purpose of the Subscription is to enable the Company to raise additional funds in an expeditious manner.

When the Subscription Shares are allotted and issued in full, the estimated net proceeds from the Subscription after deducting expenses incurred in connection with the Subscription is expected to amount to approximately S\$9.9 million. The Company intends to utilise 100% of the net proceeds to reduce its bank borrowings.

A reduction in bank borrowings would reduce the interest cost burden on the Company. In this respect, the Board expects the Subscription to contribute positively to the future earnings and continuing growth of the Group. Upon completion of the Subscription, the enlarged capital base and shareholders' funds are expected to strengthen the financial position of the Group.

The Company will make an announcement as and when the proceeds from the Subscription are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Subscription, such proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit, from time to time.

4. Information on the Subscribers and how the Subscribers were identified

The details of the Subscribers are as follows:

Name of Subscribers	Number of Subscription Shares subscribed for
Mohamed Nazir Bin Abdul Razak	16,000,000
John Vlasto	14,000,000
Hsieh Fu Hua	8,000,000
Chan Chia Lin	2,000,000
Total	40,000,000

The Subscribers were introduced to the Company by business associates of the Group as strategic investors. Each Subscriber's subscription of the Subscription Shares is for investment purposes only.

None of the Subscribers is a Director or substantial shareholder of the Company and does not fall within the categories set out in Rule 812(1) of the Listing Manual.

5. Moratorium

Each Subscriber has undertaken to the Company that he/she shall not, for a period of 6 months commencing from and including the date of issue and allotment of the Subscription Shares to him/her, directly or indirectly offer, sell, contract to sell, transfer, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any of the Subscription Shares.

6. Financial Effects of the Subscription

The financial effects of the Subscription on the Company and its subsidiaries (the “**Group**”) set out below are purely for illustrative purposes only and do not reflect the future financial position or performance of the Company or the Group after completion of the Subscription. The financial effects have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 and on the following assumptions:

- (a) the effect of the Subscription on the net tangible asset (“**NTA**”) per Share is computed based on the issued share capital of 836,667,121 Shares prior to the Subscription and the assumption that the Subscription was completed on 31 December 2015; and
- (b) the effect of the Subscription on the earnings per Share (“**EPS**”) is computed based on the weighted average number of 836,667,121 Shares prior to the Subscription and 876,667,121 Shares after completion of the Subscription, on the assumption that the Subscription was completed on 1 January 2015.

	Before completion of the Subscription	After completion of the Subscription
Issued and paid-up share capital	S\$140,578,423	S\$150,478,423
Number of Shares	836,667,121	876,667,121
NTA per Share (cents)	21.29	21.45
Weighted average number of Shares	836,667,121	876,667,121
EPS (cents)	1.53	1.46

7. Mandate for the issue of the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 29 April 2016 for the Company to issue shares and convertible securities.

As at the date of this announcement, there are 836,667,121 Shares in the capital of the Company. The aggregate 40,000,000 Subscription Shares, when allotted and issued in full, will represent approximately 4.78% of the Company’s existing and paid-up share capital of 836,667,121 Shares as at the date of this announcement, and approximately 4.56% of the enlarged issued and paid-up share capital of 876,667,121 Shares upon completion of the Subscription (assuming that no further Shares are issued on or prior to the completion of the Subscription). The issuance of the Subscription Shares will fall within the limit of the general mandate.

8. No Prospectus or Offer Information Statement to be issued

The Subscription will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Subscription.

9. Interests of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Subscription (other than arising from their respective shareholdings in the Company, if any).

10. 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 Subscription, 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 the announcement in its proper form and context.

By Order of the Board
UPP HOLDINGS LIMITED

Tong Kooi Ong
Executive Chairman and Chief Executive Officer

7 March 2017