

PROPOSED PLACEMENT OF 500,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.0036 FOR EACH PLACEMENT SHARE

1. INTRODUCTION

- 1.1 The Board of Directors of the Company wishes to announce that the Company had on 22 December 2014 entered into placement agreements (“**Placement Agreements**”) with each of the Placees (as defined below), pursuant to which the Placees will subscribe for, and the Company will allot and issue to the Placees, an aggregate of 500,000,000 new ordinary shares in the capital of the Company (each a “**Placement Share**” and collectively the “**Placement Shares**”) at S\$0.0036 for each Placement Share (“**Placement Price**”) (“**Placement**”).
- 1.2 The Placement Shares will, collectively, represent approximately 16.34% of the Company’s enlarged issued share capital of 3,060,000,000 shares¹ immediately after completion of the Placement.
- 1.3 The total gross proceeds to be raised from the Placement is S\$1,800,000.

2. SALIENT TERMS OF THE PLACEMENT AGREEMENTS

Issue Price

- 2.1 The Placement Price of S\$0.0036 represents a discount of 10% to the volume weighted average price of S\$0.0040 for each share for trades done on the shares of the Company on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 19 December 2014, being the last trading day before a trading halt was imposed on 22 December 2014 prior to the making of this announcement.

Exemption

- 2.2 The Placement is made pursuant to the exemption under Section 275(1A) of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

The Placement Shares

- 2.3 The Placement Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of the issue of the Placement Shares.
- 2.4 The Placement Shares will only be issued to the Placees and will not be issued to any person who is an existing director or substantial shareholder of the Company, or any other person

¹ The Company does not have any treasury shares as at the date of this announcement.

falling within the categories set out in Rule 812(1)(a) to (d) of the SGX-ST Listing Manual and will be in compliance with Rule 812.

- 2.5 The Company will be making an application to the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST, and will make the necessary announcement upon receipt of the approval in-principle for the same from the SGX-ST.

Conditions Precedent

- 2.6 Completion of the Placement under the Placement Agreements is conditional upon, *inter alia*, the following:
- (a) the approval of the SGX-ST for the listing of and quotation for the Placement Shares being obtained, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the respective Placees;
 - (b) the transactions contemplated in the Placement Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to either the Company and/or the Placees; and
 - (c) the representations, warranties and undertakings by the Company and the Placees contained in the Placement Agreements remaining true and correct in all material respects and each of them having performed all of its/his/her obligations under the Placement Agreements to be performed on or before completion of the Placement.

If any of the conditions is not satisfied on or before 28 February 2015, the Placement will not proceed.

Escrow Arrangement

- 2.7 Upon signing of the Placement Agreements, each Placee shall deliver to an escrow agent jointly appointed by the Company and the Placees, a cashier's order in the sum of the consideration for the respective Placement Shares he/she is subscribing for, and such cashier's orders shall be held by the escrow agent pending fulfilment of the conditions precedent under the Placement Agreement.

3. AUTHORITY FOR ISSUE OF SHARES

- 3.1 The Placement Shares will be issued under the general share issue mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 25 November 2014 ("**General Mandate**"). As at 25 November 2014, the Company had 2,560,000,000 shares in issue. Under the General Mandate, the limits approved were for up to 50% of the total number of issued shares (excluding treasury shares) as at 25 November 2014, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) as at 25 November 2014. The Company has not issued any new shares under the General Mandate prior to the Placement and as such, the total number of shares that may be issued pursuant to the General Mandate is 1,280,000,000 shares, of which the maximum number of shares to be issued other than on a pro-rata basis is 512,000,000 shares.

3.2 As at the date of this announcement, the Company has 2,560,000,000 issued shares. The Placement Shares, when allotted and issued in full, will represent approximately 19.53% of the existing issued shares of the Company, and approximately 16.34% of the enlarged issued share capital of the Company on completion of the Placement.

4. **PLACEES**

4.1 In accordance with Rule 810(2) of the SGX-ST Listing Manual, as no placement agent has been appointed for the Placement, the identity of the Placees, details on how the Placees were identified and rationale for placing to the Placees are set out in the following paragraphs.

4.2 The Placement Shares are allocated amongst the following placees (“Placees”):

Name	Number of Placement Shares
Chan Hui Lan Catherine	250,000,000
Lim Fook Hing	140,000,000
Ang Nam Wah Albert	110,000,000
Total	500,000,000

4.3 The Placees are private investors who were introduced to the Company by its Directors, and are subscribing for the Placement Shares for investment purposes.

4.4 None of the Placees will hold directly or indirectly 15% or more of the enlarged issued share capital of the Company upon completion of the Placement and the Placement will not cause a transfer of a controlling interest in the Company in contravention of Rule 803 of the SGX-ST Listing Manual.

5. **RATIONALE AND USE OF PROCEEDS**

5.1 The Company is undertaking the Placement to raise funds for its working capital. Assuming completion, the net proceeds from the Placement, after deducting expenses of approximately S\$50,000, will be approximately S\$1,750,000, of which 100% will be applied for working capital.

5.2 The Company will make periodic announcements as and when the net proceeds from the Placement 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.

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

5.4 The Directors are of the opinion that:

- (a) after taking into consideration the Company’s and its subsidiaries’ (collectively the “Group”) present banking facilities, the working capital available to the Group is sufficient to meet its present requirements; and

- (b) after taking into consideration the Group's present banking facilities and the net proceeds from the Placement, the working capital available to the Group is sufficient to meet its present requirements.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Placement.

6. FINANCIAL EFFECTS

- 6.1 As at the date of this announcement, the issued and paid-up share capital of the Company is S\$53,336,003, comprising 2,560,000,000 shares. On completion, the issued and paid-up share capital will increase to approximately S\$55,086,003 million comprising 3,060,000,000 shares.
- 6.2 Based on the unaudited consolidated financial statements of the Group for the three months ended 31 October 2014:
- (a) assuming the Placement was completed on 31 October 2014 with all the Placement Shares being in issue during the period, the net loss per share of the Group after adjusting for the Placement Shares will decrease from 0.03¢ to 0.028¢; and
- (b) assuming the placement was completed on 31 October 2014, the net asset value per share of the Group after adjusting for the Placement Shares and the net proceeds of the Placement will increase from 0.04¢ to 0.09¢.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Placement.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update shareholders as and when appropriate. In the meantime, shareholders of the Company and potential investors should exercise caution when trading in the shares, and where in doubt as to the action they should take, they should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Cedric Chong Sien Chern
Director

23 December 2014