

**OFFER INFORMATION STATEMENT DATED 18 JUNE 2014**  
(Lodged with the Monetary Authority of Singapore on 18 June 2014)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

A copy of this offer information statement (the “**Offer Information Statement**”), together with a copy of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of the aforesaid lodged documents. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289, of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for the Rights Shares on the Official List of the SGX-ST subject to certain conditions being fulfilled. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, the certificates for the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited (the “**CDP**”) have been despatched.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and/or opinions expressed herein. Approval in-principle granted by the SGX-ST for admission to the Official List of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares are in no way reflective of and are not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, Mencast Holdings Ltd. (the “**Company**”) and/or its subsidiaries.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the allotment or allocation of any Rights Shares on the basis of this Offer Information Statement. Your attention is drawn to the section entitled “**Risk Factors**” of this Offer Information Statement which you should read carefully.

**Mencast**  
PARTNER PERFECT  
**MENCAST HOLDINGS LTD.**

(Incorporated in the Republic of Singapore on 30 January 2008)  
(UEN/Company Registration No. 200802235C)

**THE PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 59,540,977 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.20 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)**

**IMPORTANT DATES AND TIMES**

Last date and time for splitting	:	1 July 2014 at 5.00 p.m.
Last date and time for acceptance and payment	:	7 July 2014 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation and payment	:	7 July 2014 at 5.00 p.m.
Last date and time for excess application and payment	:	7 July 2014 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications)

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## IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.

**For Entitled Depositors (which exclude Entitled Scripholders, investors who hold Shares through a finance company or Depository Agent) acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through CDP or by way of Electronic Application. For Entitled Scripholders, acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd..**

**For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies or Depository Agents. Any application made directly through CDP or through ATMs will be rejected.**

**The Company is not registered under the CPF Investment Scheme and monies in CPF account cannot be used for the payment of the Issue Price to accept provisional allotments of Rights Shares and (if applicable) apply for the Excess Rights Shares.**

The existing Shares are quoted on the Official List of the SGX-ST.

Persons wishing to purchase any “nil-paid” Rights Shares or to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to purchase or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position and performance and prospects of the Company and the Group and the rights and liabilities attaching to the “nil-paid” Rights Shares and the Rights Shares. They should also make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. It is recommended that such persons seek professional advice from their legal, financial, tax or other professional advisers before deciding whether to purchase or subscribe for the “nil-paid” Rights Shares, the Rights Shares and/or the Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue or the allotment and issue of the “nil-paid” Rights Shares and the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the “nil-paid” Rights Shares and the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company is not making any representation to any person regarding the legality of an investment in the “nil-paid” Rights Shares, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations.

This Offer Information Statement, including the PAL, the ARE and the ARS, has been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched by the Company, their renounees and Purchasers (as defined herein)) or for any other purpose.

**This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.**

The distribution of this Offer Information Statement and the purchase, exercise of or subscription for the “nil-paid” Rights Shares and the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement are advised by the Company to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company.

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## DEFINITIONS

For the purposes of this Offer Information Statement, PAL, the ARE and the ARS, unless the context otherwise requires, the following definitions shall have the following meanings:

“Announcement”	:	The announcement of the Rights Issue made by the Company on 14 May 2014
“ARE”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the Official List of the SGX-ST through the book-entry (scripless) settlement system
“ATMs”	:	Automated Teller Machines
“Authority”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company
“Books Closure Date”	:	18 June 2014, being the date on which the share transfer books and the register of members of the Company will be closed in order to determine, in relation to Entitled Shareholders, their entitlements to the Rights Shares under the Rights Issue
“Business Day”	:	Means any day other than a Saturday, Sunday or public holiday
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	5.00 p.m. on 7 July 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of, and renunciation and payment of, the Rights Shares under the Rights Issue through CDP or the Share Registrar; or  9.30 p.m. on 7 July 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Closing Price”	:	S\$0.60 per Share on 12 May 2014, being the last transacted price on the immediate market day preceding the date of the Announcement

“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time or re-enacted thereof for the time being in force
“Company”	:	Mencast Holdings Ltd.
“concert parties”	:	Persons acting in concert, comprising of individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate through the acquisition by them or any of them, of shares in a company to obtain or consolidate effective control of the company, as defined in the Code
“Council”	:	Securities Industry Council of Singapore
“CPF”	:	The Central Provident Fund
“CYE”	:	Chinyee Engineering & Machinery Pte Ltd.
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Electronic Applications”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic application through an ATM as set out in this Offer Information Statement or on the ATM screens of the relevant Participating Banks  <i>(Shareholders are to note that there will be a system maintenance on <u>5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.</u>. As such, Electronic Applications will not be available during the aforesaid period and time.)</i>
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (i) share certificates are not deposited with CDP; (ii) Shares are registered in their own names; and (iii) registered addresses with the Company are in Singapore as at the Books Closure Date or who have, 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
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders

“EPS”	:	Earnings per share
“Excess Rights Shares”	:	Rights Shares in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders
“Executive Directors”	:	The executive directors of the Company, as of the Latest Practicable Date
“Executive Officers”	:	The executive officers of the Company, as of the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	:	Shareholders whose registered addresses are outside Singapore (as set out in the Company’s register of members and/or the share transfer books or the records of CDP, as the case may be) as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries collectively
“Irrevocable Undertakings”	:	Has the meaning ascribed to it in paragraph 1(f) of Part X of this Offer Information Statement
“Issue Price”	:	The subscription price of S\$0.20 for each Rights Share
“Latest Practicable Date”	:	12 June 2014, being the latest practicable date prior to the date of lodgement of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Mencast Marine”	:	Mencast Marine Pte Ltd.
“Mencast Offshore”	:	Mencast Offshore and Marine Pte Ltd.
“Mencast Subsea”	:	Mencast Subsea Pte Ltd. (formerly known as Unidive Marine Services Pte Ltd.)



“MRO”	:	Maintenance, repair and overhaul
“MTN Programme”	:	The Company’s S\$200,000,000 Multicurrency Medium Term Note Programme, which was established on 20 June 2013, under which the Company may issue notes from time to time
“NRIC”	:	National Registration Identity Card
“NTA”	:	Net tangible assets value
“Offer Information Statement”	:	This document to be lodged with the Authority pursuant to Section 277 of the Securities and Futures Act, and where the context admits, the PAL, the ARE, the ARS and all other accompanying documents, including any supplementary or replacement documents which may be issued by the Company in connection with the Rights Issue
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
“Participating Banks”	:	United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited and DBS Bank Ltd
“Purchaser(s)”	:	Person(s) purchasing the provisional allotment of Rights Shares traded on the SGX-ST under the book-entry (scripless) settlement system whose registered addresses with CDP are within Singapore
“Q1”	:	Three months financial period ended or ending 31 March
“Q2”	:	Three months financial period ended or ending 30 June
“Q3”	:	Three months financial period ended or ending 30 September
“Q4”	:	Three months financial period ended or ending 31 December
“Recon”	:	Recon Propeller & Engineering Pte Ltd.
“Record Date”	:	In relation to any dividend, right, allotment or other distribution, 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 with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Relevant Period”	:	The period beginning from the date on which the Rights Shares commence trading on the SGX-ST and ending on the date falling one (1) calendar month thereafter

“Rights Issue”	:	Renounceable and non-underwritten rights issue by the Company, on the terms and conditions set out in this Offer Information Statement, of up to 59,540,977 Rights Shares at S\$0.20 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements being disregarded
“Rights Shares”	:	Up to 59,540,977 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Mailing Address”	:	Mailing address of Entitled Depositors maintained with CDP for the purpose of receiving the Rights Issue documents
“S&W”	:	S & W Pte. Ltd. and S & W Process Equipment (Changshu) Co. Ltd., collectively
“Securities Account(s)”	:	The securities account(s) maintained by a Depositor with CDP but not including the securities sub-accounts maintained with a Depository Agent
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act, Chapter 289, of Singapore, as amended or modified from time to time or re-enacted thereof for the time being in force
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shareholders”	:	Persons (other than CDP) who are for the time being registered as holders of the Shares in the register of members of the Company and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A Shareholder who holds directly or indirectly 5% or more of the total issued and voting share capital of the Company
“Top Great”	:	Top Great Engineering & Marine Pte Ltd.
“Team Assets”	:	Team International Development and Team Precision Engineering
“Undertaking Shareholders”	:	Sim Soon Ngee Glendle, Chua Kim Choo, Sim Wei Wei, Sim Soon Ying, Gay Chee Cheong, Wong Boon Huat, and Wong Chee Herng, collectively
“Vac-Tech”	:	Vac-Tech Engineering Pte Ltd.

“S\$” and “cents” : Singapore dollars and cents respectively

“%” or “percent” : Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act or the Listing Manual or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the same meaning as ascribed to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code, or such modification thereof, as the case may be, unless otherwise provided.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

## INDICATIVE TIMETABLE OF KEY EVENTS

Shares trade ex-rights	:	16 June 2014 from 9.00 a.m.
Books Closure Date	:	18 June 2014 at 5:00 p.m.
Despatch of Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	23 June 2014
Commencement of trading of “nil-paid” Rights Shares entitlements	:	23 June 2014 from 9.00 a.m.
Last date and time for splitting Rights Shares entitlements	:	1 July 2014 at 5.00 p.m.
Last date and time for trading of “nil-paid” Rights Shares entitlements	:	1 July 2014 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	:	7 July 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATM of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares by renounees	:	7 July 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATM of Participating Banks)
Last date and time for application and payment of Excess Rights Shares	:	7 July 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	16 July 2014
Expected date for crediting of Rights Shares	:	17 July 2014
Expected date for refund of unsuccessful applications (if made through CDP)	:	17 July 2014
Expected date for commencement of trading of Rights Shares	:	17 July 2014

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

**Shareholders are to note that there will be a system maintenance on 5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.. As such, Electronic Applications will not be available during the aforesaid period and time.**

## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

### 1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE, ARS, or PAL, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive this Offer Information Statement and the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted the Rights Shares on the basis of their shareholdings in the Company as at the Books Closure Date, fractional entitlements being disregarded. Entitled Shareholders are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the SGX-ST in part or in full (during the provisional allotment trading period prescribed by the SGX-ST), their provisional allotment of Rights Shares, and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Entitled Depositors who may wish to maintain a Corporate Action Mailing Address with CDP for the purpose of receiving the Rights Issue documents should inform CDP in writing. Depositors are reminded that any request to CDP to register a Corporate Action Mailing Address or any request to CDP to update its records for a new Corporate Action Mailing Address or to effect any change in address must reach CDP, at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588, not later than three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Company. Shareholders who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue may provide such a Singapore address by notifying the Company c/o the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not later than three (3) Market Days prior to the Books Closure Date.

**All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

For Entitled Depositors (which exclude Entitled Scripholders and investors who hold Shares through a finance company or Depository Agent), acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application. For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar. The acceptance and subscription of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance company or depository agent, for investors who hold Shares through a finance company or Depository Agent. Any acceptance and/or application by such investors to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares made directly through CDP, the Share Registrar, the Company and/or by way of an Electronic Application will be rejected.

**Shareholders are to note that there will be a system maintenance on 5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.. As such, Electronic Applications will not be available during the aforesaid period and time.**

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A, B and C of this Offer Information Statement and in the PAL, the ARE and the ARS.

## **2. Foreign Shareholders**

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders (as defined herein) or into any jurisdiction outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made to Foreign Shareholders and no purported acceptance thereof or application thereof by any Foreign Shareholder will be valid.**

The Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers (as defined herein). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Rights Shares renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares and/or any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction. The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty required by the terms of the Offer Information Statement, ARE, ARS or PAL.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares 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 Rights Shares commence. Such sales may, 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 the relevant 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 standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than \$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares 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 Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold 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 allotments of Rights Shares, the Rights Shares represented by such provisional allotments 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 Share Registrar or CDP in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any of the Rights Shares unless such offer, invitation or solicitation can lawfully be made without compliance with any regulation or other legal requirements in those territories.**

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy Excess Rights Shares applications (if any) as the Directors may, in their absolute discretion, deem fit in the interest of the Company. All fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with provisional allotments which are not taken up or allotted for any reasons, be aggregated and used to satisfy Excess Rights Shares applications (if any) or otherwise disposed of or dealt with in any manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots. 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 on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.



## TRADING

### 1. LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

Approval in-principle has been obtained from the SGX-ST on 2 June 2014 for the dealing in, listing of and quotation for the Rights Shares on the Official List of the SGX-ST, subject to certain conditions. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries or the Shares.

Upon listing and quotation on the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

### 2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Rights Shares and the Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and if applicable, the Excess Rights Shares allotted to them. Physical share certificates if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.



### **3. TRADING OF ODD-LOTS**

Shareholders should note that the Rights Shares are quoted on the SGX-ST in board lot sizes of 1,000 Rights Shares.

Entitled Depositors who wish to trade all or part of their provisional allotment of Rights Shares on the Official List of the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares are expected to be tradeable in board lot sizes of 200 and 1,000.

Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market during the provisional allotments trading period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the Official List of the SGX-ST.

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer information Statement, statements made in, public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be discussed or implied in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company will make an announcement with SGX-ST and, if required, may lodge a supplementary or replacement document with the Authority, in the event, *inter alia*, it becomes aware of a new circumstance that has arisen since the lodgement of this Offer Information Statement with the Authority that is material, or are required to be disclosed by law and/or the SGX-ST.

The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

## TAKE-OVERS

The Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Council, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (ii) any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the Shareholders for the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the Council and/or their professional advisers immediately.**

# SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

## PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

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### Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

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	<b>Name</b>	<b>Address</b>
(1)	Sim Soon Ngee Glenndle	90 Jalan Lim Tai See Singapore 268425
(2)	Wong Boon Huat	11B Bright Hill Drive Thomson View Condominium Singapore 579610
(3)	Wong Fook Choy Sunny	80 Robinson Road, #17-02 Singapore 068898
(4)	Ho Chew Thim	36B Dunearn Road #03-08, Chancery Court Singapore 309427
(5)	Ng Chee Keong	22 Jalan Labu Manis Singapore 538013
(6)	Leow David Ivan	15 Keppel Bay View #02-54, Reflections Singapore 098410

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### Advisers

2. Provide the names and addresses of –
- (a) the issue manager to the offer, if any;
  - (b) the underwriter to the offer, if any; and
  - (c) the legal adviser for or in relation to the offer, if any.

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<b>Role</b>	<b>Name</b>	<b>Address</b>
Issue Manager	: Not applicable	Not applicable
Underwriter	: Not applicable	Not applicable
Placement Agent	: Not applicable	Not applicable
Legal Adviser to the Company	: Shook Lin & Bok LLP	1 Robinson Road #18-00 AIA Tower Singapore 048542

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**Registrars and Agents**

3. Provide the names and addresses of the relevant entity’s registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

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	<b>Name</b>	<b>Address</b>
Share Registrar	: Boardroom Corporate & Advisory Services Pte. Ltd.	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Receiving Banker	: United Overseas Bank Limited	80 Raffles Place #12-00 UOB Plaza 1 Singapore 048624
Transfer Agent	: Not applicable	Not applicable

## PART III – OFFER STATISTICS AND TIMETABLE

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### Offer Statistics

**1. For each method of offer, state the number of the securities being offered.**

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Based on the issued and paid up share capital of the Company comprising 297,704,886 Shares as at the Latest Practicable Date, up to 59,540,977 Rights Shares will be offered to the Entitled Shareholders on the basis of one (1) Rights Share for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date at the issue price of S\$0.20 for each Rights Share, fractional entitlements to be disregarded.

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### Method and Timetable

**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**

- (a) the offer procedure; and**
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
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Please see paragraphs 3 to 7 below.

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**3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

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The offer will be kept open from 9.00 a.m. on 23 June 2014 up to:

- (a) 5.00 p.m. on 7 July 2014 if acceptances of and/or excess applications and payments for the Rights Shares are made through CDP in accordance with the applicable terms under the ARE or the ARS; the Share Registrar in accordance with the applicable terms under the PAL; or**
- (b) 9.30 p.m. on 7 July 2014 if acceptances of and/or excess applications and payments for the Rights Shares are made through the ATM of a Participating Bank.**

## IMPORTANT DATES AND TIMES

Last date and time for splitting	:	1 July 2014 at 5.00 p.m.
Last date and time for acceptance and payment	:	7 July 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation and payment	:	7 July 2014 at 5.00 p.m.
Last date and time for excess application and payment	:	7 July 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

The above-mentioned timetable may be subject to such modifications as the Company may, with the approval of the SGX-ST, decide, subject to any limitation under any applicable laws. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. The Company will publicly announce any modification to the timetable through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

Acceptances should be made in the manner set out in this Offer Information Statement as well as the applicable PAL, the ARE or the ARS. Please refer to Appendices A, B, and C of this Offer Information Statement, the PAL, the ARE and the ARS for details of the procedures for acceptance, application, renunciation and/or payment of the Rights Shares.

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#### **4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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The Rights Shares are payable in full upon acceptance and/or application. The detailed procedure for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Shares and for the application of Excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices A, B, and C of this Offer Information Statement, the PAL, the ARE and the ARS.

Please refer to the Section entitled "Indicative Timetable Of Key Events" of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, Excess Rights Shares.

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#### **5. State, where applicable, the methods of and time limits for –**

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
- 

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about the Books Closure Date by crediting the provisional allotments to Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders.

After the receipt of valid acceptances, excess applications and payments for the Rights Shares by the Closing Date, certificates are expected to be despatched within ten (10) Market Days from the Closing Date. The Rights Shares will be registered in the name of CDP

and held by CDP for and on behalf of Shareholders who maintain either directly or through depository agents, Securities Accounts with CDP. It is expected that CDP will send to the relevant subscriber, at his own risk, a notification letter showing the number of Rights Shares credited to the relevant subscriber's Securities Account.

In the case of Entitled Shareholders who apply for Rights Shares, if, *inter alia*, an incorrect or invalid Securities Account number is furnished to CDP, physical share certificates will be despatched to such subscribers.

In the case of Entitled Scripholders and their renounees with valid acceptances for Rights Shares and successful applications for excess Rights Share, physical certificates will be despatched to such subscribers within ten (10) Market Days from the Closing Date, at their own risk, by ordinary post to their mailing addresses in Singapore maintained with the Share Registrar.

Please refer to Appendices A, B, and C of this Offer Information Statement, the PAL, the ARE and the ARS for more information.

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**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of preemption, the negotiability of such rights and the treatment of such rights which are not exercised.**

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Not applicable. No pre-emptive rights have been offered.

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**7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

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The Company will announce the results of the allotment or allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

In the case of acceptance for Rights Shares and/or application for Excess Rights Shares which are invalid, or if an Entitled Shareholder applies for Excess Rights Shares but no Excess Rights Shares are allotted to that Entitled Shareholder, or if the number of Excess Rights Shares allotted to that Entitled Shareholder is less than the number applied for, the amount paid on application, or the surplus application monies, as the case may be, will be refunded to the relevant Entitled Shareholder, Purchaser or their renounee by the Company (in the case of Entitled Scripholders) or CDP (in the case of Entitled Depositors and Purchasers) on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) by crediting the relevant applicant's bank account with the relevant Participating Bank, at the applicant's own risk, if the applicant accepted and/or applied by way of Electronic Application, the receipt by such bank being a good discharge by the Company and CDP of their obligations, if any, thereunder; and/or



- (b) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to the applicant's mailing address as maintained with CDP or the Share Registrar, as the case may be or in such other manner as the relevant applicant may have agreed with CDP for the payment of any cash distributions.

The details of refunding excess amounts paid by applicants are contained in Appendices A, B, and C of this Offer Information Statement and in the PAL, ARE and the ARS.

## PART IV – KEY INFORMATION

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### Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
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Please see paragraphs 2 to 7 below.

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2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
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The Rights Issue will raise approximately S\$11.91 million and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$125,000, will amount to approximately S\$11.79 million.

All net proceeds from the Rights Issue will be received by the Company.

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3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
- 

The Company intends to utilise the net proceeds of the Rights Issue for the funding of business expansion through mergers and acquisitions and capital expenditures and for general working capital requirements.

The Company intends to utilise the Net Proceeds in the following manner:

<b>Use of Proceeds</b>	<b>Amount (S\$'000,000)</b>	<b>Percentage of Proceeds (%)</b>
Funding of business expansion through mergers and acquisitions and capital expenditures	10.00	84.80
General working capital requirements	1.79	15.20
<b>Total</b>	<b>11.79</b>	<b>100.00</b>

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the proceeds of the Rights Issue as and when the funds from the Rights Issue are disbursed or utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Rights Issue taking into consideration the intended use of proceeds.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

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For each dollar of the gross proceeds of approximately S\$11.91 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 84.0 cents for the funding of business expansion through mergers and acquisitions and capital expenditures;
- (b) approximately 15.0 cents for general working capital purposes; and
- (c) approximately 1.0 cents for the expenses incurred in connection with the Rights Issue.

- 
- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

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It is intended for part of the proceeds from the Rights Issue to be used for the funding of business expansion through mergers and acquisitions and capital expenditures in the future. Notwithstanding the foregoing, as there is currently no intention to acquire or refinance the acquisition of any particular asset via the proceeds from the Rights Issue, the Company will make the relevant disclosure as and when such proceeds are so disbursed or utilised.

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**6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

---

It is intended for part of the proceeds from the Rights Issue to be used for the funding of business expansion through mergers and acquisitions and capital expenditures in the future. Notwithstanding the foregoing, as there is currently no intention to finance or refinance the acquisition of any particular business via the proceeds from the Rights Issue, the Company will make the relevant disclosure as and when such proceeds are so disbursed or utilised.

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**7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

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Not applicable as the proceeds from the Rights Issue will not be used to discharge, reduce or retire the indebtedness of the Group.

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**8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

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Not applicable as the Rights Issue is not underwritten and there are no underwriters or placement or selling agents in relation to the Rights Issue.

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**Information on the Relevant Entity**

**9. Provide the following information:**

**(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

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Registered Office and Principal Place of Business	:	42E Penjuru Road Mencast Central Singapore 609161
Telephone Number	:	+65 6268 4331
Facsimile Number	:	+65 6264 4156

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**(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

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The Company was incorporated in Singapore on 30 January 2008 under the Companies Act as a private limited company under the name of “Mencast Holdings Pte Ltd”. On 3 June 2008, the Company was converted into a public company limited by shares and changed its name to “Mencast Holdings Ltd.”. The company was successfully listed in June 2008 as the first sponsor-approved listing on the SGX-ST Catalist and in December 2011, became the first such company to transfer to the Main Board of the SGX-ST.

The Group functions as a complete “Maintenance, repair and overhaul” (“**MRO**”) solutions provider catering to the global offshore, marine and oil and gas industries. The Group currently operates three business segments, being (a) the Offshore and Engineering Segment; (b) the Marine Segment; and (c) the Energy Services Segment.

(a) Offshore and Engineering Segment

The Group’s Offshore and Engineering Segment provides offshore and engineering services that includes inspection, maintenance and fabrication of offshore structures, as well as engineering and other onshore structures-related services to the rapidly growing construction and infrastructure, oil and gas, energy and utilities and water treatment and reclaim sectors in the region.

The Group’s Offshore and Engineering Segment includes the businesses of five subsidiaries, out of which three were acquired in 2011, namely Top Great, Mencast Subsea and Team Assets, and the remaining two, namely CYE and S&W, were acquired in 2013 and 2014, respectively. The Group’s Offshore and Engineering Segment has more than 60 years of combined industry expertise.

The Group has obtained standard certifications and accreditations from classification societies as well as organisations and bodies.

(i) Mencast Offshore and S&W

The Group is at the forefront in providing design, procurement, fabrication, and installation of structural and precision engineering systems and plants to its clients via Mencast Offshore and S&W, specialists in this area. Mencast Offshore also provides skilled professionals and manpower, as well as full turnkey project management of engineering projects such as the renowned offshore projects “SS Winches”, “Vibro Corer”, “Mud Tank” and “Twin Tower Derrick”. These are designed and fabricated for oil exploration, production and seismic survey jobs. Each piece of equipment is customised to meet the individual needs of the client in their varying offshore activities.

(ii) Team Assets and CYE

The Group also boosted its engineering capability by establishing in-house capacity to manufacture metal precision components and fabricate complex skids, filtration membrane and pressured vessels through its acquisition of Team Assets. This was further enhanced through the acquisition of CYE in 2013. The Group’s services include structural design analysis, pressure vessels and storage tank design analysis for potential structural fracture and stress.

(iii) Mencast Subsea

Through Mencast Subsea, the Group provides a full range of topside (rope access), subsea ROV (remote offshore vehicle) and commercial diving services for the offshore marine and oil and gas industry. In addition, the Group provides industrial rope access to bridges and tunnels and other construction projects for inspection, repair and maintenance.

(b) Marine Segment

The Group provides a comprehensive set of services and solutions to the marine industry. The Group's Marine Segment includes sterngear manufacturing and refurbishment, ship inspection, repair and maintenance service, engineering and fabrication, and marine project management works. The Group has a long track record and possesses world-class capability of providing quality propeller repair and modification services to its global clients in the offshore oil and gas and marine industry through its subsidiaries, Mencast Marine Pte Ltd and Recon which were acquired in 2009. Some of its internationally renowned expertise includes repairing controllable pitch propeller blades and repairing the bronze casting for corroded and broken parts of cargo pumps, casings, diffuser and impellers.

Further, the Group's waterfront facilities at Mencast Central and 11 Tuas Basin Close, and its subsea expertise enable it to deploy bespoke marine solutions effectively to meet the unique yet diverse needs of all its customers across the marine sector. From customised manufacturing, mobile reclaiming and reconditioning of hull parts, repairing and refurbishing of propellers, and to customised marine project deployment and management, the Group has amassed more than 30 years of integrated marine specialist services, both inshore and offshore.

For offsite works, the Group has carried out inspection, repair and maintenance at its clients' shipyards, anchorages, ports, wharves and jetties, and onboard vessels, such as floating production storage and offloading, barge, container shipping vessels and oil tankers.

(i) Sterngear Equipment

The Group manufactures and supplies a full range of sterngear equipment which meet the international standards and requirements of the classification societies as required by its customers, including the following:

- propellers;
- propeller shafts;
- stern tubes;
- rudder and rudder stock;
- kort nozzles; and
- marine bearings and bronze sleeves.

Depending on its customers' requirements, the Group manufactures and supplies its sterngear equipment singly or as an integrated package. In addition, the Group manufactures sterngear equipment made of copper alloy such as sleeves, bushings and cantilever skid plates for jack-up oil rigs.

(ii) Sterngear Services

The Group offers sterngear services for sterngear equipment of existing vessels. Under its sterngear services, the Group reconditions sterngear equipment, which refers to the restoration and repair of worn or damaged sterngear equipment to make it sea-worthy, and refurbishes sterngear equipment, which refers to the modification of existing sterngear equipment to maximise its efficiency and to meet the vessels' certification requirements.

The Group's range of sterngear services includes the following:

- grinding, pitch checking, polishing, static and dynamic balancing and final inspection;
- re-pitching of propellers;
- blue-fitting of keyless propellers, rudder pintle and rudder stock;
- casting of replacement tips for damaged propellers;
- inspection of propellers and analysis of performance;
- shaft measurement for concentricity, bending and re-sleeving of tail shafts;
- welding services including dredging bucket repair, rudder stock repair, stainless cladding and roller sheave;
- general machining services including turning, milling, boring and shaping; and
- machining of marine bearings.

Customers for the Group's sterngear services are generally the owners of offshore support vessels, small tankers, tug boats and other smaller crafts. The Group also provides a comprehensive range of emergency repair services for its customers' sterngear equipment.

For existing vessels which require emergency repair services for their sterngear equipment, the Group promptly deploys its team of experienced technical engineering staff to the location of the vessel to assess the extent of repairs required and to recommend cost-effective and time-efficient methods of repair. The Group's prompt response and quick turnaround time for its reconditioning and refurbishment services help to reduce the period of repair of its customers' sterngear equipment.

The Group has obtained standard certifications and accreditations from classification societies as well as organisations and bodies.

(c) Energy Services Segment

The Group established the Energy Services Segment in May 2012. The Group was previously involved in the construction stage through manufacturing of structures and mechanical parts and the operational stage through the provision of maintenance and repair services. On 1 May 2012, the Group acquired Vac-Tech, thereby entering the end of life and reclamation stage.

The Energy Services segment focuses on the high-tech and high value sector in the marine and oil and gas industry to reclaim and lengthen the asset life cycle of its clients and strengthening their business model with a goal to become environmentally sustainable.

In addition to the services provided by Vac-Tech, the Group also provides custom-designed environment and energy solutions to its clients, working with clients to deliver green programmes to minimise environmental impacts. The Group's services under this segment include chemical decontamination of exhumers, semi-robotic oil tank desludging, air-fin cooling cleaning, tank tower hydro-cleaning, ultra high pressure hydro cleaning, furnace decoking and pigging, and heat-exchange re-tubing.

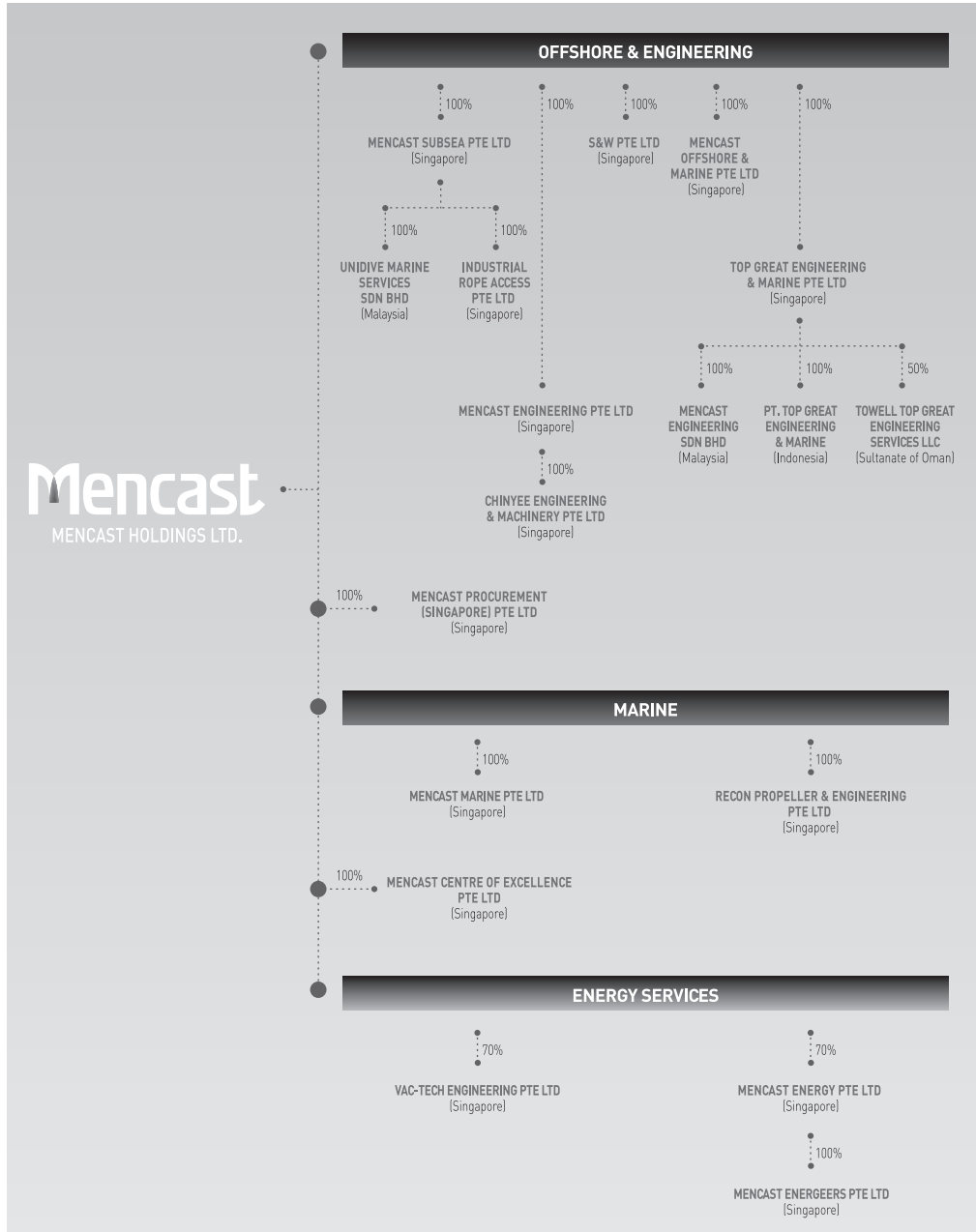
The Group is among the few in the market to possess high technological and mobile decontaminating plants comprising a localised feed system for contaminated material, dry and liquid reagent storage, metering and weigh transfer equipment, process mixers, dust control and product transfer, all of which are housed within a 20-foot container for ease of mobility of disposal.

Through its stabilisation processes, the Group provides physical and chemical encapsulation of wastes prior to landfill disposal. This valued service eliminates the potential release of hazardous constituents from the waste.

The Group also designs and launches carbon footprint initiatives for its clients to manage their carbon output which lengthens their factories' life-spans for effective capital expenditure recovery.



The following diagram sets out the Group's structure as at the Latest Practicable Date:



- 
- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
- 

General Development of the Group's business during FY2011, FY2012, FY2013 and the period from the end of FY2013 to the Latest Practicable Date are highlighted below.

### **Key Developments in FY2011**

#### **Acquisition of Top Great**

On 18 May 2011, the Company announced that it had entered into a sale and purchase agreement dated 18 May 2011 in relation to the proposed acquisition of the entire issued and paid-up share capital of Top Great.

The acquisition was completed on 22 July 2011.

#### **Acquisition of Mencast Subsea**

On 21 June 2011, the Company announced that it had entered into a sale and purchase agreement dated 21 June 2011 in relation to the proposed acquisition of the entire issued and paid-up share capital of Mencast Subsea.

The acquisition was completed on 28 July 2011.

#### **Acquisition of Team Assets**

On 28 November 2011, the Company announced that it had entered into an asset transfer agreement dated 28 November 2011 in relation to the proposed acquisition of certain assets of Team Assets.

The acquisition was completed on 31 January 2012.

#### **Transfer of listing to the Main Board of the SGX-ST**

In December 2011, the Company was the first company to successfully transfer its listing from the SGX-ST Catalist to the Official List of the SGX-ST.

#### **Projects**

Key developments and significant projects secured by the Group in FY2011 include:

- (i) a contract with Brandt Group for the fabrication of mud tank systems;
- (ii) a contract with Becker for fabrication of rudder trunk;

- (iii) a five-year contract with Shell Eastern Petroleum Pte Ltd for underwater inspection, maintenance and repair of marine structures; and
- (iv) a contract with Shell Eastern Petroleum (Pte) Ltd for the provision of underwater inspection, repair and maintenance services.

### **Key Developments in FY2012**

#### **Joint Venture in relation to Mencast Energy Pte Ltd**

On 10 April 2012, the Company entered into a joint venture agreement with MIS Investment Pte Ltd and Mencast Energy to inject capital into Mencast Energy.

The joint venture expanded the Group's business scope by embarking on green energy business initiatives.

#### **Acquisition of Vac-Tech: Establishment of Energy Services Segment**

On 7 May 2012, the Company announced that it had entered into a sale and purchase agreement dated 7 May 2012 in relation to the proposed acquisition of 70% of the issued and paid-up share capital of Vac-Tech.

The acquisition was completed on 31 July 2012.

#### **Projects**

Key developments and significant Offshore and Engineering Segment projects secured by the Group in FY2012 include:

- (i) a master service agreement contract with Diamond Offshore (Singapore) Pte Ltd, for full air and mixed gas diving, rig and ship class survey and non-destructive testing at Jurong Shipyard;
- (ii) contracts with Keppel Group which involved fabrication of jack-up leg blocks, crane column, upper column, upper hull block and well leg block;
- (iii) a contract with Veolia Water Solutions & Technologies (SEA) Pte Ltd for fabrication of skid and piping;
- (iv) a contract with Brandt Group for the fabrication of mud tank systems;
- (v) a contract with Becker for fabrication of rudder trunk; and
- (vi) a contract with Pacific Crest Pte Ltd for outfitting steelworks.

Key developments and significant Marine Segment projects secured by the Group in FY2012 include:

- (i) orders from Keppel Group which involved supply and machining works for X-Y skid box closed chocks nominal, X-Y cantilever skid box, cantilever skidding beam, shafting arrangement, kort nozzles and Y-brackets;
- (ii) orders from Penguin Shipyard International Pte Ltd for machining works for shafting arrangement, rudder blade and rudder stock assembly;

- (iii) orders from Shin Yang Shipyard Sdn Bhd for machining works for shafting arrangement and rudder assembly;
- (iv) order from Aban Offshore Ltd for fabrication of four-bladed nickel aluminium bronze propeller; and
- (v) order from Strategic Marine (S) Pte Ltd for supply of propeller shaft, coupling flange, blue-fitting and steel P-brackets.

### **Key Developments in FY2013**

#### **Lease of land at Penjuru Road in Jurong Industrial Estate**

On 12 April 2013, the Issuer announced that its wholly-owned subsidiary, Mencast Marine had accepted the letter of offer dated 1 April 2013 from JTC Corporation in relation to the lease of the plot of land known as Private Lot A3001988 with an estimated area of 15,091 square metres, located at L8200909851 Penjuru Road in Jurong Industrial Estate (the “Land”).

The lease of the Land is for a period of 27 years and 8 months commencing from 1 July 2013.

Mencast Marine intends to build a manufacturing plant on the Land to be used for the remanufacturing and re-conditioning centre for offshore equipment.

#### **Issuance and Listing of Bonus Shares**

On 22 March 2013, the Company announced a proposed bonus issue of up to 56,946,455 new Shares, on the basis of one (1) bonus share for every four (4) existing Shares.

On 20 June 2013, the Company announced that it had allotted and issued 56,946,455 bonus shares to Shareholders, to be listed and quoted on the official list of the SGX-ST on 21 June 2013.

#### **Establishment of S\$200,000,000 Multicurrency Medium Term Note Programme**

On 20 June 2013, the Company announced that it had established the MTN Programme, under which the Company may issue notes from time to time.

On 12 September 2013, the Company announced that it had issued S\$50 million 5.75% fixed rate notes due 2016 (the “Series 1 Notes”) under the MTN Programme.

#### **Acquisition of CYE**

On 8 November 2013, the Company announced that it had entered into separate sale and purchase agreements dated 8 November 2013 in relation to the proposed acquisition of the entire issued and paid-up share capital of CYE.

The acquisition of CYE was completed on 31 March 2014.

#### **Projects**

Key developments and significant projects secured by the Group in FY2013 include:

- (i) a contract with Brandt Group for the fabrication of mud tank systems;

- (ii) a contract with Keppel Group which involved full air diving, wet welding, thruster installation, underwater drilling and grinding and clearing of entanglement;
- (iii) a three year contract with Keppel FELS Limited for the provision of general underwater services;
- (iv) orders from Engtek Pte Ltd for centrifugal casting and supply of bronze bush housing;
- (v) a contract from the Asian headquarters of an oil Supermajor for the setting up and maintenance of a Sludge Dewatering Press System;
- (vi) a contract from the Asian headquarters of an oil Supermajor for the Rental of Vacuum Trucks and Supersuckers;
- (vii) a contract with Keppel Singmarine Pte Ltd for the provision of MRO services;
- (viii) a contract with Keppel Shipyard Ltd for the provision of MRO services;
- (ix) a non-binding Memorandum of Understanding with Takamul Investment Company, to co-operate in analysing downstream ventures within the Sultanate of Oman;
- (x) contracts worth a total of approximately S\$6 million from a Singapore-based refinery for work such as maintenance, waste treatment, cleaning and operations;
- (xi) a three year contract extending with Shell Refining Company (Federation of Malaya) Berhad for the provision of MRO related diving services;
- (xii) a two-year contract with Keppel FELS limited for derrick building;
- (xiii) contracts with Keppel Group which involved fabrication of jack-up leg blocks, crane column, upper column, upper hull block and well leg block;
- (xiv) a contract with Veolia Water Solutions & Technologies (SEA) Pte Ltd for fabrication of skid and piping;
- (xv) a three-year contract with Keppel Group for underwater inspection, maintenance and repair of marine structures;
- (xvi) a contract with Keppel FELS limited in relation to, *inter alia*, the fabrication, installation and completion works and services for jack-up derricks; and
- (xvii) order from Strategic Marine (S) Pte Ltd for supply of propeller shaft, coupling flange, blue-fitting and steel P-brackets.

#### **Key developments since 31 December 2013 to the Latest Practicable Date**

##### **Acquisition of S&W**

On 4 February 2014, the Company announced that it had entered into a sale and purchase agreement dated 4 February 2014 in relation to the proposed acquisition of the entire issued and paid-up share capital of S&W.

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- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –
- (i) in the case of the equity capital, the issued capital; or
  - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;
- 

As at the Latest Practicable Date, the Company's issued and paid-up share capital is S\$60,290,877 comprising 297,704,886 Shares.

Under the MTN, the Company has issued S\$50,000,000 fixed rate notes due 2016, which bear interest at the fixed rate of 5.75% per annum payable semi-annually in arrears.

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- (e) where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
  - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;
- 

Based on the Register of Substantial Shareholders maintained by the Company, the following are the Substantial Shareholders and their respective interests in the Shares as at the Latest Practicable Date:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Sim Soon Ngee Glendle <sup>(1)</sup>	63,000,000	21.16	59,109,000	19.85
Chua Kim Choo <sup>(1)</sup>	34,764,000	11.68	87,345,000	29.34
Sim Wei Wei <sup>(1)</sup>	12,220,000	4.10	109,889,000	36.91
Sim Soon Ying <sup>(1)</sup>	12,125,000	4.07	109,984,000	36.94
Gay Chee Cheong <sup>(2)</sup>	19,477,500	6.54	7,625,000	2.56
Chua Siok Lan <sup>(2)</sup>	7,500,000	2.52	19,602,500	6.58
Ni Weiming <sup>(2)</sup>	125,000	0.04	26,977,500	9.06
Wong Boon Huat	23,337,755	7.84	–	–

**Notes:**

- (1) 38,750,000 registered in the name of HSBC (Singapore) Nominees Pte Ltd. Sim Soon Ngee Glendle is deemed interested in the shares of Chua Kim Choo, Sim Wei Wei and Sim Soon Ying. Sim Soon Ngee Glendle is the son of Chua Kim Choo and the brother of Sim Wei Wei and Sim Soon Ying. Each is deemed to have an interest in the shares held by each other.
- (2) Gay Chee Cheong is deemed interested in the shares of Chua Siok Lan and Ni Weiming. Gay Chee Cheong is the husband of Chua Siok Lan and father of Ni Weiming. Each is deemed to have an interest in the shares held by each other.

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
- 

The Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
  - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**
- 

Save as disclosed below, no securities or equity interests have been issued for cash within the twelve (12) months immediately preceding the Latest Practicable Date:

- (i) issuance of 7,346,939 Shares at the issue price of S\$0.490 per Share on 12 June 2013 as part payment of the purchase consideration in relation to the acquisition of 100% of the issued share capital of Top Great;
- (ii) issuance of 2,200,704 Shares at the issue price of S\$0.568 on 19 February 2014 as part payment of the purchase consideration in relation to the acquisition of certain assets of Team Assets; and
- (iii) issuance of 1,838,235 Shares at the issue price of S\$0.578 per Share on 9 May 2014 as part payment of the purchase consideration in relation to the acquisition of 70% of the issued share capital of Vac-Tech.

No securities or equity interests have been issued for services within the twelve (12) months immediately preceding the Latest Practicable Date.

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- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be**
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The Company entered into a Trust Deed dated 20 June 2013 with DBS Trustee Limited (as trustee), in relation to the MTN Programme.

The Company entered into separate sale and purchase agreements dated 8 November 2013 with Wong Hua Choon and WillieWong Group Pte. Ltd., and Frontken (Singapore) Pte Ltd, respectively, in relation to the proposed acquisition of the entire issued and paid-up share capital of CYE for a total consideration of S\$11.0 million.

The Company entered into a sale and purchase agreement dated 4 February 2014 with S & W Engineering Pte Ltd and Wong Chung Kang, in relation to the proposed acquisition of the entire issued and paid-up share capital of S&W for a total consideration of S\$5.1 million.



## PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### Operating Results

1. Provide selected data from:

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
  - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published
2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
  - (b) earnings or loss per share; and
  - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

The audited consolidated comprehensive income statements for the Group for FY2011, FY2012 and FY2013 and the unaudited comprehensive income statements for the Group for Q1 FY2013 and Q1 FY2014 are set out below:

	Audited			Unaudited	
	FY2011 S\$'000	FY2012 S\$'000	FY2013 S\$'000	Q1 FY2013 S\$'000	Q1 FY2014 S\$'000
Revenue	56,358	84,086	99,211	18,093	30,775
Cost of sales	(33,815) <sup>(1)</sup>	(56,989) <sup>(1)</sup>	(68,777)	(11,942)	(22,327)
Gross profit	22,543 <sup>(1)</sup>	27,097 <sup>(1)</sup>	30,434	6,151	8,448
Other gains – net	374	4,266	7,258	242	844
Expenses					
– Administrative	(11,659) <sup>(1)</sup>	(17,045) <sup>(1)</sup>	(18,372)	(3,970)	(5,518)
– Finance	(783)	(1,272)	(2,470)	(292)	(1,157)
Share of profit of joint venture	13	–	–	–	–
<b>Profit before income tax</b>	10,488	13,046	16,850	2,131	2,617
Income tax (expense)/credit	(252)	296	(675)	(162)	(172)
<b>Net profit for the financial period</b>	10,236	13,342	16,175	1,969	2,445

	Audited			Unaudited	
	FY2011 S\$'000	FY2012 S\$'000	FY2013 S\$'000	Q1 FY2013 S\$'000	Q1 FY2014 S\$'000
<b>Other comprehensive (loss)/income:</b>					
Fair value gain on available-for-sale financial assets	–	–	48	–	–
Currency translation differences arising from consolidation	(121)	(132)	(1,771)	(79)	8
<b>Total comprehensive income</b>	<b>10,115</b>	<b>13,210</b>	<b>14,452</b>	<b>1,890</b>	<b>2,453</b>
<b>Net profit attributable to:</b>					
Equity holders of the Company	10,236	13,180	15,721	2,058	1,968
Non-controlling interests	–	162	454	(89)	477
	<b>10,236</b>	<b>13,342</b>	<b>16,175</b>	<b>1,969</b>	<b>2,445</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company	10,115	13,048	13,998	1,979	1,976
Non-controlling interests	–	162	454	(89)	477
	<b>10,115</b>	<b>13,210</b>	<b>14,452</b>	<b>1,890</b>	<b>2,453</b>
<b>Earnings per share attributable to equity holders of the Company (cents per share)</b>					
– Basic <sup>(2)</sup>	4.33	4.89	5.41	0.72	0.67
– Diluted <sup>(3)</sup>	4.33	4.89	5.41	0.72	0.67
Dividend per Share (cents, 1-tier tax exempt)	1.20	1.20	1.00	–	–
Number of shares used for calculation of basic and diluted EPS after Rights issue ('000)	236,259	269,455	290,709	286,051	294,889
Basic EPS after Rights Issue <sup>(4)</sup> (cents)	3.73	4.28	4.78	0.63	0.59
Diluted EPS after Rights Issue <sup>(4)</sup> (cents)	3.73	4.28	4.78	0.63	0.59

**Notes:**

- (1) Certain reclassifications have been made in the financial statements for the financial years ended 31 December 2011 and 2012 to conform with the current financial year's presentation.
- (2) For comparative purposes, basic EPS has been computed based on the net profit attributable to equity holders for each year and the pre-Rights Issue weighted average share capital of the Company during each year, adjusted for the effect of the bonus shares issued in FY2013.
- (3) For comparative purposes, diluted EPS has been computed based on the net profit attributable to equity holders for each year and the pre-Rights Issue weighted average share capital of the Company during each year, adjusted for the effects of dilutive options.
- (4) For calculation of EPS after Rights Issue, it has been assumed:
  - a. that the size of the Rights Issue of 59,540,977 Rights Shares has been fully subscribed for; and
  - b. the Rights Shares have been issued at the beginning of each financial period and no income contribution from the proceeds of the new issue has been taken into consideration.

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**3. In respect of –**

**(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**

**(b) any subsequent period for which interim financial statements have been published,**

**provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.**

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A description of the significant factor(s) which materially affected the profit or loss before tax of the Group and the extent to which such profit or loss before tax of the Group was so affected as well as any other significant component of revenue or expenditure necessary to understand the profit and loss, of each financial year (being one of the 3 most completed financial years) and Q1 FY2014, for which the financial statements have been published is set out below:

**Q1 FY2014 vs Q1 FY2013**

**Revenue**

	Q1 FY2014		Q1 FY2013	
	(S\$'000)	(S\$'000)	(S\$'000)	(%)
<u>Revenue by segment</u>				
Offshore & Engineering <sup>(1)</sup>	17,236	56	5,704	31
Marine <sup>(2)</sup>	9,959	32	11,373	63
Energy Services <sup>(3)</sup>	3,580	12	1,016	6
	30,775	100	18,093	100

**Notes:**

- (1) Offshore & Engineering includes offshore structures, engineering, manufacturing, inspection and maintenance. This also includes rope access services.
- (2) Marine includes sterngear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering & fabrication works. This also includes diving services.
- (3) Energy Services includes oil sludge and slop reclamation, hydro cleaning oil and gas tanks, encapsulation of wastes prior for landfill disposal and design and launch carbon footprint management initiatives and green initiatives.

The overall increase in Group's revenue of S\$12.7 million or 70% for Q1 FY2014 as compared to Q1 FY2013 is explained below:

#### Offshore & Engineering segment

Revenue from Offshore & Engineering segment increased by S\$11.5 million or 202% due to:

- New projects awarded in FY2014 and more backlog jobs at end of FY2013 as compared to end of FY2012.
- Revenue contribution of S\$3.0 million from the two newly acquired subsidiaries.

#### Marine segment

Revenue from Marine segment decreased by S\$1.4 million or 12% mainly due to:

- Decrease in revenue from sterngear manufacturing and sterngear repair services of S\$639,000 or 14% as the demand for such market slowed down since Q2 FY2013.
- Decrease in diving services of S\$414,000 or 13% mainly due to one-off diving job in Q1 FY2013 of approximately S\$1.0 million.

#### Energy Services segment

The increase in revenue of S\$2.6 million or 252% in Energy Services segment was mainly due to commencement of jobs since Q2 FY2013 after securing long-term contracts with major Oil & Gas customers.

#### **Cost of sales, gross profit and gross profit margin**

Cost of sales and gross profit increased by S\$10.4 million or 87% and S\$2.3 million or 37% respectively, in tandem with the increase in revenue.

Gross profit margin decreased from 34% in Q1 FY2013 to 27% in Q1 FY2014 mainly due to:

- Lower margin for Offshore & Engineering projects; and
- Higher fixed cost for the property at 42B Penjuru Road such as depreciation, land rental, property tax as well as increase in staff and training cost for the precision engineering business. The precision engineering business is expected to operate at normal capacity from Q2 FY2014 as the qualification audits by major Oil & Gas equipment manufacturers were mostly completed in Q4 FY2013.

#### **Other gains**

The increase in other gains of S\$602,000 was mainly due to foreign exchange gain, government grants and write-back of allowance for impairment of trade receivables.

## Administrative expenses

The Group's administrative expenses increased by S\$1.5 million or 39% due to:

- Administrative expenses of the two newly acquired subsidiaries of S\$1.2 million.
- Increase in fixed costs in relation to the new property at 42A Penjuru Road (e.g. land rent and property tax).
- Increase in other administrative expenses such as depreciation of office space at 42B Penjuru Road, insurance expense, and professional and legal fees.

## Finance expenses

The increase in Group's finance expenses of S\$865,000 from S\$292,000 in Q1 FY2013 to S\$1.2 million in Q1 FY2014 is mainly attributable to interest expense on Series 1 Notes of S\$765,000.

## Income tax

The Group's income tax represent the current income tax provision calculated based on each subsidiaries' effective income tax rates ranging from 5% to 10%.

## Net profit

The Group's capacity has increased significantly in Q1 FY2014 as compared to Q1 FY2013 resulting in higher cost. Despite this, the Group's net profit increased by S\$476,000 or 24% for Q1 FY2014.

However, net profit attributable to the equity holders of the Company decreased by S\$90,000 or 4% for Q1 FY2014.

## FY2013 vs FY2012

### Revenue

	FY2013		FY2012	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue by segment</u>				
Offshore & Engineering	48,746	49	34,880	42
Marine	41,613	42	46,315	55
Energy Services	8,852	9	2,891	3
	99,211	100	84,086	100

The overall increase in the Group's revenue of S\$15.1 million or 18% for the financial year ended 31 December 2013 is explained below:

#### Offshore & Engineering segment

Overall, revenue from Offshore & Engineering segment increased by S\$13.9 million or 40% due to:

- Influx of jobs from major customers that have been delayed from Q4 FY2012 and new job orders received during 1st half of FY2013 that were completed in 2nd half of FY2013. In addition, the waterfront facility has full twelve months of operations as compared to FY2012 where the waterfront was only operational from Q2 FY2012.
- Higher revenue from rope access services as a result of higher demand for such services in 1st half of FY2013.
- Increase in revenue from precision engineering services in 1st half of FY2013 arising from new orders as a result of the increase in capabilities because of the additional investments in new equipment such as CNC horizontal boring machine, travelling milling machine and grinding machine. Such increase was tapered down in 2nd half of FY2013 due to on-going qualification audits by new Oil & Gas customers.

#### Marine segment

Revenue from Marine segment decreased by S\$4.7 million or 10% mainly due to:

- Decrease in revenue from sterngear repair services of S\$4.3 million or 26% as the demand for sterngear repair services slowed down from Q2 FY2013.
- Decrease in revenue from diving services of S\$2.7 million or 22% due to slow down in market condition.
- The above decrease was offset by the increase in revenue from sterngear manufacturing of S\$3.3 million or 39% from S\$8.5 million in FY2012 to S\$11.8 million in FY2013 arising from the significant increase in orders from major customers in the 1st half of FY2013.

#### Energy Services segment

The revenue, cost of sales and gross profit of the new Energy Services segment were contributed mainly by Vac-Tech, which was acquired in 2nd half of FY2012.

The increase in revenue of S\$6.0 million was mainly due to commencement of jobs in Q2 FY2013 after securing contracts with major customers.

#### **Cost of sales, gross profit and gross profit margin**

Cost of sales and gross profit increased by S\$11.8 million or 21% and S\$3.3 million or 12% respectively, in tandem with the increase in revenue.

Gross profit margin of 31% in FY2013 remains comparable with gross profit margin of 32% in FY2012.

## Other gains

The increase in other gains of S\$3.0 million or 70% was mainly due to the gain on bargain purchase in relation to the acquisition of S&W offset by the decrease in gain on disposal of property, plant and equipment.

## Administrative expenses

The Group's administrative expenses increased by S\$1.4 million or 8% from S\$17.0 million in FY2012 to S\$18.4 million in FY2013. The increase was mainly due to:

- Increase in administrative expenses of Vac-Tech of S\$436,000 as it only became part of the Group in 2nd half of FY2012; and
- The recruitment of key personnel since 2nd half of FY2012 to complement the expansion of the Group.

## Finance expenses

The Group's finance expenses increased by S\$1.2 million or 94% from S\$1.3 in FY2012 to S\$2.5 million in FY2013 as a result of higher bank borrowings and issuance of Series 1 Notes.

## Income tax

The Group's effective income tax rate of 4% is significantly lower than the statutory income tax rate of 17% mainly due to tax incentives under the Productivity Innovation Credit ("PIC"). The income tax credit in FY2012 was also due to tax incentives under PIC.

## Net profit

The Group's net profit increased by S\$2.8 million or 21% from \$13.3 million for the year ended 31 December 2012 to S\$16.2 million for the financial year ended 31 December 2013 as a result of the above.

## FY2012 vs FY2011

### Revenue

	FY2012		FY2011	
	(S\$'000)	(%)	(S\$'000)	(%)
<u>Revenue by segment</u>				
Offshore & Engineering	34,880	42	18,259	32
Marine	46,315	55	38,099	68
Energy Services	2,891	3	–	–
	84,086	100	56,358	100

The overall increase in the Group's revenue of S\$27.7 million or 49% in FY2012 is explained below:

#### Offshore & Engineering segment

Revenue from the Offshore & Engineering segment increased by S\$16.6 million or 91% mainly due to:

- Full-year revenue contribution from this business segment as compared to FY2011 whereby Top Great, Mencast Subsea (rope access services only) and Team Assets business only contributed eight months, seven months and one month revenue respectively;
- Increase in Offshore & Engineering works as a result of the increase in production capacity arising from the completion of the waterfront and workshop at 42E Penjuru Road in Q2 FY2012 which is larger than the previous workshop at 24 Loyang Crescent. This enabled the Group to secure bigger projects from major players in the Offshore and Oil & Gas industries; and
- New rope access jobs from major customers in the Oil & Gas industry.

#### Marine segment

Revenue from the Marine segment increased by S\$8.2 million or 22% mainly due to:

- Full-year revenue contribution from the diving services of Mencast Subsea of S\$12.1 million as compared to FY2011 whereby Mencast Subsea only contributed seven months revenue of S\$5.6 million;
- Increased Marine works as a result of the increase in production capacity arising from the completion of the workshop at 42E Penjuru Road in Q2 FY2012. Certain Marine jobs are serviced at the workshop at Penjuru.

#### Energy Services segment

The revenue of the new Energy Services segment was contributed solely by Vac-Tech from 1 May 2012 to 31 December 2012.

#### **Cost of sales, gross profit and gross profit margin**

Cost of sales and gross profit increased by S\$23.2 million and S\$4.6 million respectively in tandem with the increase in revenue. However, the percentage increase in revenue of 49% was lower than the percentage increase in cost of sales of 69% mainly due to the following:

- Increase in sub-contractors cost due to labour restrictions;
- Higher overhead cost such as utilities as a result of increase in production capacity and higher depreciation cost of new plant and machinery; and
- Increase in staff cost arising from increase in headcount and higher foreign workers' levy.

Consequently, the overall gross profit margin decreased from 40% in FY2011 to 32% in FY2012.



## **Other gains**

The Group's other gains increased by S\$3.9 million from S\$0.4 million in FY2011 to S\$4.3 million in FY2012. The increase was due mainly to the profit on sale of the property at Loyang Crescent amounting to S\$2.4 million and other income as follows:

- write-back of long outstanding payables of S\$0.6 million;
- rental income from Loyang Crescent of S\$0.3 million;
- grants received from the Singapore government of S\$0.4 million;
- sale of scrap metals of S\$0.3 million; and
- other miscellaneous income of S\$0.4 million.

## **Administrative expenses**

The Group's administrative expenses increased by S\$5.4 million or 46% from S\$11.7 million in FY2011 to S\$17.0 million in FY2012. The increase was mainly due to full year administrative expenses in FY2012 attributable to Mencast Offshore & Marine Pte Ltd, Top Great, Mencast Subsea and Team Assets business as compared to eight months, seven months and one month respectively in FY2011, and eight months attributable to Vac-Tech.

Other than the above, the increase was attributable to the branding exercise, the recruitment of key personnel to complement the expansion of the Group and the increase in fixed costs in relation to the new properties at 42E and 42B Penjuru Road (e.g. land rent, property tax, dormitory and utilities).

## **Finance expenses**

The Group's finance expenses increased by S\$0.5 million or 62% from S\$0.8 million in FY2011 to S\$1.3 million in FY2012 due mainly to additional working capital loans and construction loans drawdown in the current financial year amounting to S\$27.7 million.

## **Income tax**

The Group's income tax in FY2012 was a credit of S\$0.3 million as compared to a tax expense of S\$0.3 million in FY2011. The credit was due to an overprovision of current income tax in prior financial years amounting to S\$1.6 million as additional incentives such as the Productivity Innovation Scheme and utilisation of Group tax relief, which were not recognised in prior financial years, was offset by deferred income tax liability amounting to S\$1.1 million.

## **Net profit**

The Group's net profit increased by S\$3.1 million or 30% from S\$10.2 million in FY2011 to S\$13.3 million in FY2012 as a result of the above.

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## Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
  - (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.
5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
  - (a) number of shares after any adjustment to reflect the sale of new securities;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

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The audited consolidated balance sheet of the Group as at 31 December 2013 and the unaudited consolidated balance sheet of the Group as at 31 March 2014 are set out below:

	<u>GROUP</u>	
	Unaudited As at 31 March 2014 S\$'000	Audited As at 31 December 2013 S\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	22,307	22,669
Trade and other receivables	69,881	58,879
Inventories	9,541	9,043
	101,729	90,591
<b>Non-current assets</b>		
Available-for-sale financial assets	175	175
Investment in joint venture	881	881
Property, plant and equipment	164,381	156,793
Deposits for purchase of property, plant and equipment	560	1,397
Intangible assets	45,180	45,180
Club memberships	60	60
	211,237	204,486
<b>Total assets</b>	312,966	295,077

	<b>GROUP</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	44,441	49,513
Borrowings	48,696	28,407
Current income tax liabilities	613	557
	93,750	78,477
<b>Non-current liabilities</b>		
Other payables	7,850	7,850
Borrowings	98,179	99,016
Deferred income tax liabilities	3,138	3,138
	109,167	110,004
<b>Total liabilities</b>	202,917	188,481
<b>NET ASSETS</b>	110,049	106,596
<b>EQUITY</b>		
Capital and reserves attributable to equity holders of the Company		
Share capital	59,441	58,441
Fair value reserves	95	95
Translation reserves	(2,016)	(2,024)
Retained earnings	49,538	47,570
	107,058	104,082
Non-controlling interests	2,991	2,514
<b>Total equity</b>	110,049	106,596
Number of Shares	295,866,651	293,665,947
Number of Shares after Rights Issue <sup>(1)</sup>	357,245,863 <sup>(2)</sup>	357,245,863 <sup>(3)</sup>
Net asset per Share (cents)	37.20	36.30
Net asset per Share after Rights Issue <sup>(1)</sup> (cents)	34.10	33.14

**Notes:**

- (1) For calculation of net assets after the Rights Issue, it has been assumed:
  - a. that the Rights Issue has been completed and fully subscribed for; and
  - b. the Rights Shares have been issued as at the Latest Practicable Date.
- (2) This takes into account the 2,200,704 shares issued on 19 February 2014 as part payment of the purchase consideration in relation to the acquisition of certain assets of Team Assets.
- (3) This takes into account (i) the 2,200,704 shares issued on 19 February 2014 as part payment of the purchase consideration in relation to the acquisition of certain assets of Team Assets; and (ii) the 1,838,235 shares issued on 9 May 2014 as part payment of the purchase consideration in relation to the acquisition of 70% of the issued share capital of Vac-Tech.

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## Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

(a) the most recent completed financial year for which financial statements have been published; and

(b) if interim financial statements have been published for any subsequent period, that period.

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	<b>GROUP</b>	
	<b>Unaudited Q1 FY2014 S\$'000</b>	<b>Audited FY2013 S\$'000</b>
<b>Cash flows from operating activities</b>		
Net profit	2,445	16,175
Adjustments for:		
– Income tax	172	675
– Depreciation of property, plant and equipment	2,820	6,099
– Gain from bargain purchase	–	(4,711)
– Gain on disposal of property, plant and equipment	(5)	(878)
– Loss on disposal of club membership	–	8
– Dividend income on available-for-sale financial assets	–	(7)
– Interest income	(2)	(25)
– Interest expense	1,157	2,470
– Currency translation differences	(249)	(1,503)
	6,338	18,303
Changes in working capital:		
– Trade and other receivables	(11,002)	(13,079)
– Inventories	(498)	205
– Trade and other payables	(761)	403
	(5,923)	5,832
Cash provided by/(used in) operations	(5,923)	5,832
Interest received	2	25
Income tax refunded/(paid)	(116)	50
	(6,037)	5,907
<b>Net cash provided by/(used in) operating activities</b>	<b>(6,037)</b>	<b>5,907</b>

	<b>GROUP</b>	
	<b>Unaudited Q1 FY2014 S\$'000</b>	<b>Audited FY2013 S\$'000</b>
<b>Cash flows from investing activities</b>		
Acquisitions of subsidiaries, net of cash acquired	–	(2,637)
Dividend received on available-for-sale financial assets	–	7
Proceeds from disposal of club membership	–	20
Proceeds from disposal of property, plant and equipment	138	2,182
Payments of other payables relating to prior financial years' acquisitions	(2,413)	(4,468)
Purchase of property, plant and equipment	(9,054)	(29,056)
Release/(placement) of short-term bank deposits pledged	(160)	1,174
<b>Net cash used in investing activities</b>	<b>(11,489)</b>	<b>(32,778)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	–	(2,733)
Interest paid	(1,818)	(2,470)
Repayments of bank borrowings	(4,280)	(40,365)
Repayments of finance lease liabilities	(2,006)	(4,375)
Proceeds from bank borrowings	25,928	28,614
Proceeds from issuance of Series 1 Notes	–	49,335
Purchase of treasury shares	–	(135)
<b>Net cash provided by financing activities</b>	<b>17,824</b>	<b>27,871</b>
Net increase in cash and cash equivalents	298	1,000
Cash and cash equivalents at beginning of financial period	14,522	13,522
<b>Cash and cash equivalents at end of financial period</b>	<b>14,820</b>	<b>14,522</b>

## REVIEW OF STATEMENT CASH FLOWS

The Group's cash and cash equivalents increased by S\$298,000 from S\$14.5 million as at 31 December 2013 to S\$14.8 million as at 31 March 2014.

The Group had a net cash outflow from operating activities of S\$6.0 million due mainly to timing difference as a significant portion of the revenue were billed only in the month of March hence will be collected in Q2 FY2014.

The Group had a net cash outflow from investing activities of S\$11.5 million due mainly to purchases of property, plant and equipment of S\$9.1 million and payments of other payables relating to prior financial year's acquisitions of S\$2.4 million.

The Group's financing activities provided net cash inflow of S\$17.8 million due mainly to the proceeds from bank borrowings of S\$25.9 million offset by repayments of bank borrowings and finance lease liabilities.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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The Directors are of the opinion that, after taking into consideration the Group's present internal resources and bank facilities, the Group has sufficient working capital to meet its present requirements as at the date of lodgement of the Offer Information Statement.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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The Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

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#### **Trend Information and Profit Forecast or Profit Estimate**

- 9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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*To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before*

*deciding whether to invest in the Rights Shares. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business, financial conditions or results of operations of the Company and the Group could be materially and adversely affected. In such cases, the trading price of the Shares could decline and a prospective investor may lose all or part of his investment in the Shares.*

*To the best of the Directors' knowledge and belief, the risk factors which are specific to the Group and that are material to Shareholders in making an informed judgment on the Group are set out below.*

*The risks described below should be carefully considered before making an investment decision in relation to the Rights Shares or the Shares. The risks described below are not the only ones relevant to the Company, the Group, the Rights Shares or the Shares. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair its business operations.*

*This Offer Information Statement contains forward-looking statements relating to events that involve risks and uncertainties. You should consider the Section "Cautionary Note on Forward Looking Statements" in this Offer Information Statement relating to such forward-looking statements.*

## **RISK FACTORS**

### **Risks relating to the issuer's and the group's business, financial condition and/or results of operations**

#### ***The Group is dependent on the industries in which it operates***

The Group's business and operations depend principally upon conditions prevailing in the oil and gas and marine industry and, in particular, the exploration and production spending of oil and gas companies.

Demand for its services for offshore support vessels is dependent on the level of activities in the exploration, development and production of offshore oil and natural gas which is in turn dependent on fluctuations in investments in offshore developments, political and economic conditions in areas where offshore oil and gas exploration occurs, exploration results and the introduction of new regulatory restrictions. Such activities are affected by, *inter alia*, fluctuations in the prices of oil and natural gas, the numbers and locations of oil and natural gas fields, the availability and prices of alternative fuels or energy and changes in capital expenditure by customers in the offshore oil and gas industry.

The Group's customers are also affected by the laws, regulations, policies, directives and regulations relating to energy, investment, taxation and such other laws promulgated by the governments of countries from which they will need to obtain licences to engage in the exploration, development and production of oil and gas. The demand for the Group's services and the potential for growth of its business will be affected if its customers cannot obtain the necessary licences to engage in exploration, development and production activities in the relevant areas.

In the event that there is any development which negatively impacts any of the abovementioned factors or there is a decline in offshore drilling, exploration, development and production activities and/or demand for shipbuilding and ship repair services, the demand for the Group's offshore and engineering services, sterngear equipment and sterngear services and energy services may decline and this may adversely affect its financial performance and profitability.

***The Group's business is capital-intensive and it is exposed to credit risk and defaults in payments by its customers***

The Group's business is capital-intensive and requires significant capital outlays for equipment, such as that required in providing offshore and engineering services, manufacturing of the sterngear equipment and providing sterngear services, which may be in advance of securing contracts for the utilisation of such assets. There can be no assurance that the Group's existing and future contracts will provide income adequate to cover its significant fixed as well as variable costs associated with its projects, or that such contracts will be renewed, extended or replaced upon expiration.

The Group is also exposed to delays in payment and/or defaults by its customers. If circumstances arise which affect the Group's customers' ability or willingness to pay the Group, it may experience delays in their payments to the Group, or in more severe cases, it may be unable to collect its receivables. This may adversely affect the Group's operating cash flows. In addition, the Group may be required to make provisions for such doubtful debts, or write off such debts. Any of these events may adversely affect the Group's financial performance and profitability.

Furthermore, although the Group adopts a credit policy of between 30 and 60 days, some of its customers may take longer to pay due to their internal payment policies, which could result in the final settlement of the Group's invoices to be as long as six to eight months after the date of the relevant invoice. In the event that the Group increases its business transactions with these customers, such extended payment terms may impose a burden on its cash flow, and result in the Group requiring further sources of finance for its working capital requirements. If the Group's working capital requirements increase, it may need to seek additional funding or bank loans. In such an event, the Group may incur additional costs for such financing. In addition, if the Group is unable to obtain such funds at reasonable costs, it may not be able to manage its operations and cash flows as expected and the Group's financial performance and profitability may be adversely affected.

***The Group's business is dependent on its ability to meet appraisal and certification standards and accreditations issued by classification and accreditation societies as well as organisations and bodies***

The Group currently has various certifications and accreditations from classification societies as well as organisations and bodies such as ABS, AJA Registrars, ASME, BIZSAFE Star, BV, ClassNK, DNV, Germanischer Lloyd, IMCA, IRATA, Lloyd's Register, Korean Register (KR), OHSAS, SBF, SGS, The National Board of Pressure Vessel Inspectors, TÜV SÜD, UKAS and the WSH Council. The Group also has foundry approvals from ABS, Germanischer Lloyd and Lloyd's Register. Under the terms of these certifications and accreditations, the relevant classification and accreditation societies as well as organisations and bodies have the right to conduct inspections of the Group's equipment and services to ensure that it continues to comply with the standards commensurate with these certifications and accreditations. Any failure to comply with the standards, or any changes in the standards implemented by the classification and accreditation societies as well as organisations and bodies from time to time, may cause the Group's certifications or accreditations to be withdrawn. In such events, the Group will no longer be able to provide products and services which bear the requisite



certifications and accreditations by the relevant classification and accreditation societies as well as organisations and bodies to meet the requirements of its customers, thereby resulting in an adverse impact on its business, financial performance and financial condition.

***There is no assurance that the Group's expansion plans will be successful***

The Group's future plans include the further penetration into markets such as Middle East, Indonesia, Myanmar, Brunei, Malaysia, Thailand and Vietnam, and the expansion of its production and storage capacity and expansion of its core business through acquisitions, joint-ventures or strategic alliances.

Any future acquisition that the Group makes, along with any joint ventures, strategic alliances and other investments it enters into exposes it to additional business and operating risks and uncertainties. These expansion plans will require substantial financial and management resources. The success of the Group's expansion plans depends on many factors, some of which are not within its control. In the event that the Group's expansion plans are not successful and result in the Group incurring costs without increasing its revenue, its business, financial performance, financial position and/or prospects may be adversely affected. In addition, the Group may finance such acquisitions, joint-ventures or strategic alliances by way of equity or debt fund raising and this may adversely affect its financial performance and profitability.

***The Group is exposed to potential liabilities arising from damage to equipment and injury or death to personnel***

The Group cannot always obtain insurance for its operating risks and it is not practical to insure against all risks in all geographic areas. Any uninsured liabilities resulting from its operations may adversely affect its business and results of operations. Due to the nature of the Group's operations, its employees or third parties may be involved in accidents on either its or third parties' premises or vessels. These accidents may occur as a result of, *inter alia*, fire, explosions or industrial accidents which may result in injury or death, or damages to its equipment. In addition, in the ordinary course of the Group's business, particularly in relation to its marine business segment, it may store materials and equipment owned by its customers on its premises. The Group is therefore responsible for the safety of these materials and equipment.

Any damage to or destruction of vessels, property or equipment, personal injury or loss of life, suspension of production operations, or environmental damage could result in the interruption of the Group's business or significant liability for the Group.

In the event that the Group's insurance policies do not or are inadequate to cover the liabilities which it is liable for arising from the above events, its financial performance and profitability may be adversely affected.

***The Group operates in a competitive industry***

The Group operates in a competitive environment and is subject to competition from both existing competitors and new market entrants. Competitive factors in the Group's industry include, amongst others, the quotation of prices and quality of services, response time, track record, technical expertise, production capacity, availability and consistency of the supply of raw materials as well as proximity to suppliers and customers.

The Group's competitors and new entrants to the industry may have access to greater financial, technological and/or other resources than it does. For example, the Group's competitors may have greater financial capabilities and are able to acquire production

facilities that are more advanced than the Group's production facilities. Should the Group fail to maintain its competitive edge, its financial performance and profitability will be adversely affected.

***The Group has a limited operating history for its energy services segment***

The Group ventured into this new business segment *via* the acquisition of Vac-Tech, which operates at the end of life and reclamation stage. Since the Group was previously only involved in another stage of the MRO process, namely the construction stage through manufacturing of structures and mechanical parts, the Group's business and prospects must therefore be considered in light of the risks and difficulties it may encounter operating in this different stage of the process. The Group cannot be certain that its business strategy in this new segment will be successful or that it will successfully address these risks. The Group's failure to address any of the risks associated with entering this new business segment could have an adverse effect on the Group's business and there is no assurance that the business and operations of its energy services segment will be sustainable in the long term.

***The Group relies on external financing***

Borrowings are an important source of financing for the Group. As at 31 March 2014, the aggregate amount of borrowing facilities (excluding bankers' and performance guarantees) which the Group had drawn down amounted to approximately S\$146.9 million. If all or a substantial portion of the Group's borrowing facilities are withdrawn, the working capital required to finance its operations will be adversely affected. The majority of these facilities have variable interest rates and accordingly, any increase in such interest rates will have an adverse effect on the Group's profitability and financial performance.

The Group may also require additional debt financing to fund its activities in the future. Additional debt financing may restrict the Group's freedom to operate its business as new debt covenants may (i) increase its vulnerability to general adverse economic and industry conditions, (ii) limit its ability to pay dividends or require it to seek consent for the payment of dividends, (iii) require it to dedicate a portion of its cash flow from operations to payments of its debts, which would consequently reduce the availability of its cash flow to fund capital expenditures, working capital requirements and other general corporate purposes, and (iv) limit its flexibility in planning for, or reacting to, changes in the Group's business and its industry.

When planning for financing as well as project expenses and earnings for its projects, the Group needs to take into account various factors such as the timing of completion, the expected interest charges to be incurred for the entire duration of the project, the risk of recall of loans and the possibility that financial institutions may require that the Group provide additional security for its loans. Any variation in any of the factors mentioned above may lead to a corresponding change to the Group's estimated project expenses, including the cost of financing, and earnings.

It cannot be guaranteed that additional financing will be available when needed or that, if available, such financing may be obtained on terms and interest rates that are acceptable to the Group. There is no guarantee that the terms for additional financing will be as favourable as those previously obtained. In the event that the Group is unable to obtain acceptable financing, it may not be able to undertake certain new projects and the Group's financial performance and profitability may be adversely affected.

***The Group is affected by fluctuations in raw material prices***

The main raw materials that the Group requires for the manufacturing of its sterngear equipment include steel and copper. In order to ensure timely delivery of products to the Group's customers at competitive prices, the Group needs to obtain sufficient quantities of good quality raw materials at acceptable prices in a timely manner. There is no assurance that it will be able to continue to obtain sufficient quantities of such raw materials which are of acceptable quality and prices from its suppliers in a timely manner.

In addition, the availability and prices of raw materials may be negatively affected by, among other factors, new laws or regulations, suppliers' allocations to other purchasers, interruptions in production by suppliers, accidents or other similar events at suppliers' premises or along the supply chain, wars, natural disasters and other similar events, changes in exchange rates, the bargaining power of raw material suppliers and the availability and cost of transportation in relation to the raw materials. Any prolonged interruption in the supply of raw materials could also adversely affect the Group's business, financial condition and results of operations.

***The Group may face disruptions in operations at its production facilities***

Disruptions in the Group's operations and delays may occur in the event of, *inter alia*, raw material shortages, machine breakdowns, disruptions in the power supply or utilities, industrial accidents or fires at its production facilities. This would result in longer time required for production and a delay in the delivery to the Group's customers. Failure to meet the Group's customers' expectations could damage its reputation and may, as a result, lead to claims from customers, loss of business and affect its ability to attract new customers. Accordingly, the Group's financial performance and profitability may be adversely affected.

***The Group may not be able to retain its major customers***

The Group's ability to retain its major customers is important to its continued success. Amongst the major customers of the Group, only one contributes between 10% and 15% of the Group's revenue. There is no assurance that these customers will continue to purchase the Group's equipment or services at current levels in the future. There is also no assurance that the Group will be able to decrease its dependence on these major customers over time. In the event that these major customers cease or reduce significantly their purchase of the Group's equipment or services and the Group is unable to replace them with new major customers, there will be a material adverse impact on its financial performance and profitability.

***The Group is subject to environmental regulations***

At present, the Group's business operations are subject to applicable government regulations or policies on environmental protection such as industrial waste control, noise and air pollution. However, in the course of the Group's development and expansion, environmental standards may be raised significantly, or new environmental protection regulations may be promulgated. In such an event, the Group may incur costs to comply with the new regulatory standards or face an increase in operating costs. In addition, should the Group fail to comply with any applicable environmental laws and regulations, it or any persons including the directors of the Group could be subject to substantial fines or penalties and to civil and criminal liability. In such an event, the Group's business and financial performance, cash flows and financial position may be adversely affected.

***The Group may be adversely affected if it is unable to maintain its existing licences, permits or approvals***

The Group is required to have certain permits and approvals to conduct its operations. In future, the Group may be required to renew such permits or obtain new permits and approvals. There is no assurance that the Group will be able to renew or obtain such permits or approvals in the time frame anticipated by the Group, or at all. Any failure to renew, maintain or obtain the required permits or approvals or the revocation or suspension of the licences, permits or approvals of any member of the Group or the imposition of any penalties, whether as a result of any infringement of any regulatory requirements or otherwise, may result in the interruption of or delay to the operations of the Group and may adversely affect the Group's financial performance and profitability.

***The Group is dependent on foreign labour***

The supply of skilled workers in Singapore for the Group's industry is scarce and the Group is dependent on the supply of skilled foreign workers, which is in turn subject to the demand and supply conditions in the labour market and the local and foreign governments' labour regulations. Any changes in the labour policy in Singapore or that of the foreign workers' countries of origin may affect the supply of skilled foreign workers and cause disruptions to the Group's operations. In the event that there is a shortage of foreign workers to meet the Group's operational requirements, it may not be able to fulfil its customers' demands in a timely manner. The Group may also have to pay higher salaries to attract and retain foreign workers, and this will adversely affect the Group's financial performance. Furthermore, as the Group is currently required to pay foreign workers' levy to the Singapore government for the employment of foreign workers, any increase in the foreign workers' levy will result in an increase in the Group's operating costs. Accordingly, the Group's financial performance and profitability will be adversely affected.

***The Group will be affected if there is failure to secure new projects or termination or reduction of the scope of existing projects***

The Group's business is generally undertaken on a project basis as main contractor or through main contractors as sub-contractors to its end-customers who are generally major marine and oil and gas companies. There can be no assurance that its customers will continue to engage its services for future projects. If the Group fails to secure new projects from these customers, or if these customers terminate or reduce the scope of existing projects, the Group's revenue will decline. Termination, reduction or modification by any customer of a contract for the Group's services could also result in a loss of expected revenues.

Demand for the Group's services would also depend on its customers' ability to secure new projects and capital spending. If the Group's customers are unable to secure new projects and/or their secured projects are delayed or prematurely terminated due to factors such as poor market conditions or lack of funds on the part of the main contractors of the projects that the Group undertakes in the offshore and engineering, marine and energy services segments, the Group's business and financial performance may be adversely affected.

***The Group may be affected by any adverse impact on its reputation***

The Group has over the years established its reputation in the local offshore oil and gas and marine industry as a supplier of quality sterngear equipment and sterngear services and it is now gaining reputation for its operations in the offshore and engineering as well as energy services segment. The Group believes that its established reputation and track record has enabled it to gain its customers' loyalty. Hence, if there are any major defects in the Group's products, lapses in its services or adverse publicity of the Group, its reputation will be adversely affected and its customers may lose confidence in its products and services. This will adversely affect the Group's financial performance and profitability.

***Maintenance and repair for the Group's equipment may require substantial expenditure***

The Group is required to maintain its machinery and equipment to certain standards for its operations. Such maintenance may involve substantial costs. The Group's operations are dependent on the operating efficiency and reliability of its machinery and equipment in terms of operational worthiness and the safety environment. Any unexpected breakdown or non-performance of the equipment is difficult to predict and in the event of downtime, additional costs and losses may be incurred by the Group's customers arising from the disruption of their workflow and scheduled activities and some of these costs may be passed on to the Group. Rectification of the breakdown or non-performance, depending on its severity, may also require replacement or repair of key components and there may be long lead times required in the procurement of these components. Such rectification on the affected machinery and equipment may require the Group to incur significant costs and may result in such machinery and equipment being out of service and being unable to generate revenue for the Group over extended periods of time. In such an event, the Group may be unable to meet its contractual obligations with its customers, which in turn may lead to penalties and materially and adversely affect the Group's reputation as well as its financial performance and profitability.

***The Group is exposed to foreign exchange fluctuations***

The Group's revenue is denominated mainly in Singapore dollars while the Group's purchases of raw materials are mainly denominated in Singapore dollars and US dollars. To the extent that the Group's revenue, purchases and operating costs are not naturally matched in the same currency and there are timing differences between collections and payments, it will be susceptible to foreign exchange losses arising from adverse fluctuations in foreign exchange rates, if any. As a result of this adverse fluctuation in foreign exchange rates, the Group's financial performance and profitability will be adversely affected.

Furthermore, going forward, the Group may establish service centres in the Middle East, Indonesia, Myanmar, Brunei, Malaysia, Thailand and Vietnam, and expand its presence in the region. As a result, the Group may become exposed to foreign exchange translation risks as its reporting currency is in Singapore dollars and the accounts of its overseas entities will be prepared in the appropriate foreign currency.

Currently, the Group does not have a policy to hedge every foreign exchange exposure. The Group's management believes that it is more efficient for it to assess each transaction individually on the need to hedge its foreign exchange exposures. The Group will continue to monitor its foreign exchange exposure in the future and will consider hedging any material foreign exchange exposure should the need arise.

***The Group's operations and results will be adversely affected if it fails to retain the services of key personnel***

The Group's success to date has been largely due to the contributions of its Executive Directors and the Group's Executive Officers. The Group's continued success is dependent, to a large extent, on its ability to retain the services of its management team, comprising its Executive Directors and Executive Officers, who are responsible for its day-to-day operations and the implementation of the business strategy and corporate development of the Group.

The loss of services of the Group's key executives without suitable replacement or the inability to attract and retain qualified personnel will adversely affect its financial performance and profitability.

***The Group's export sales may be affected by social, economic, political and regulatory conditions in the countries/territories where its customers are based or where it plans to increase its presence***

Currently, the Group exports some of its products, for instance the sterngear equipment it manufactures, to customers in foreign countries. Accordingly, the sales of its products may be affected by changes in the social, economic, political and regulatory conditions in the countries which these customers are based in.

Factors such as fluctuations in exchange rates, economic recession, inflation, changes in government or regulatory policies, changes in labour policies and environmental policies, implementation of trade and non-trade barriers can affect the Group's operations and financial results. The Group's revenue and profits will be adversely affected if there is any change in policies and/or other economic and/or political developments that have a negative impact on its operations and business.

***The Group may be involved in legal and other proceedings arising from its operations from time to time***

The Group may be involved from time to time in disputes with various parties involved in the projects that the Group undertakes. These parties include customers, sub-contractors, suppliers, employees, purchasers, other partners or contractual counterparties who may have claims in relation to, for instance, delays and defective works. These disputes may lead to legal and other proceedings. The Group may also have disagreements with regulatory bodies in the countries that it operates in and these may subject it to administrative proceedings. In the event that unfavourable decrees are determined by the courts or the regulatory bodies, the Group may suffer not only financial losses but also a delay in the construction or completion of its projects.

Further, the Group's financial performance and profitability will be adversely affected if the Group has to pay a significant amount of compensation or spend a significant amount of resources on legal costs in the event of legal proceedings. The Group's reputation may also be adversely affected as a result of such proceedings.

***If the Group fails to complete a project on time, misses a required performance standard or otherwise fails to adequately perform on projects, the Group may incur a loss on that project***

The Group usually commits to its customers that it will complete projects by a scheduled date and that a project, when completed, will achieve specified performance standards. If the project is not completed by the scheduled date, fails to meet required performance standards, or fails to perform other contractual obligations, the Group may be liable to pay



compensation or damages for breach of contract, incur significant additional costs, or incur a loss or penalties (both contractual penalties and as a result of civil liability), and payment of the Group's invoices may be delayed. In addition, the customer may have the right in certain circumstances to terminate the agreement. Performance of projects can also be affected by a number of factors beyond the Group's control, including unavoidable delays from governmental action or failure to act, inability to obtain financing, adverse weather conditions, unavailability of materials, changes in the project scope of services requested by customers, industrial accidents, environmental hazards and disasters, labour disruptions and other factors. In some cases, the Group may also be subject to agreed financial damages and penalties stipulated in the relevant contract when it fails to meet performance standards or deadlines.

Failure to meet deadlines to complete some aspects of the work during a phase of the project without anticipating accurately the financial consequences and additional costs may result in a failure to achieve anticipated profits, therefore adversely affecting the working capital and cash flows of the Group. Each of these outcomes may materially and adversely affect the Group's financial performance and profitability.

***Terrorist attacks and other acts of violence, wars, natural disasters or an outbreak of diseases may adversely affect the markets in which the Group operates and its profitability***

Any occurrence of terrorist attacks or acts of violence in the markets in which the Group operates may cause damage or disruption to the Group and its employees, facilities and clients, any of which may adversely affect the Group's operations in the region and financial performance from its operations in the region.

The occurrence of natural disasters, such as floods caused by unusually heavy rains or tsunamis in or nearby areas in which the Group operates, could also adversely affect the Group's business, results of operations and financial condition.

Further, the outbreak of infectious diseases, such as the H5N1 "avian flu" virus, or H1N1, in Asia or elsewhere or any other serious public health concerns in areas where the Group operates now and in the future could adversely affect corporate consumer sentiment and spending and this may have a negative impact on the Group's business and financial performance. The Group's staff and employees in these countries may also be affected by any outbreak of such contagious diseases and this may affect its day-to-day operations, thereby adversely affecting the Group's financial performance and profitability.

***The Group will be affected if projects are terminated before certain milestones are reached***

Many of its contracts require the Group to satisfy specified design, engineering, procurement or construction milestones to receive payment. Under these types of arrangements, the Group may incur costs, or perform significant amounts of work, prior to payment. If a customer determines not to proceed with the completion of a project before a milestone is reached, the Group may encounter difficulties in collecting payment of amounts due to it or costs incurred by it. Although this risk has not materialised in the recent past (save for disputes with customers, mainly in respect of variation orders), there can be no assurance that it will not occur in the future, which may adversely affect the Group's financial performance and profitability.

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**10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

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No profit forecast is disclosed in this Offer Information Statement.

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**11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

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No profit forecast or estimate is disclosed in this Offer Information Statement.

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**12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

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No profit forecast is disclosed in this Offer Information Statement.

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**13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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No profit forecast is disclosed in this Offer Information Statement.



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**14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part-**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

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No profit forecast is disclosed in this Offer Information Statement.

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#### **Significant Changes**

**15. Disclose any event that has occurred from the end of-**

- (a) the most recent completed financial year for which financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period,**

**to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.**

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Save as disclosed in this Offer Information Statement and in all public announcements made by the Company on SGXNet, the Directors are not aware of any event which has occurred from 31 March 2014 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

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#### **Meaning of “published”**

**16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.**

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Noted.

## PART VI – THE OFFER AND LISTING

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### Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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Up to 59,540,977 Rights Share will be issued at the Issue Price of S\$0.20 for each Rights Share. The Rights Shares will be provisionally allotted on the basis of one (1) Rights Share for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The expenses incurred for the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Issue but will be paid out of the proceeds of the Rights Issue. An administrative fee will be incurred for each Electronic Application made through ATMs of the respective Participating Bank.

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- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable as the Shares are currently listed on the Official List of the SGX-ST.

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- 3. If –**
    - (a) any of the relevant entity’s shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
    - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**
- 

Not applicable as none of the Shareholders has pre-emptive rights to subscribe for or purchase the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities-
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
- 

- (a) The highest and lowest traded prices and the volume of the Shares of the Company traded on the SGX-ST over the 12 months immediately preceding the Latest Practicable Date and for the period from 1 June 2014 to the Latest Practicable Date are as follows:

Month	Price Range		Volume of Shares Traded ('000)
	Low (S\$)	High (S\$)	
June 2013	0.525	0.572 <sup>(1)</sup>	2,417
July 2013	0.505	0.540	1,531
August 2013	0.480	0.520	896
September 2013	0.475	0.520	762
October 2013	0.470	0.520	952
November 2013	0.480	0.520	381
December 2013	0.490	0.545	1,128

Month	Price Range		Volume of Shares Traded ('000)
	Low (S\$)	High (S\$)	
January 2014	0.510	0.590	6,951
February 2014	0.530	0.605	3,923
March 2014	0.580	0.605	1,666
April 2014	0.575	0.645	2,722
May 2014	0.585	0.605	3,682
1 June 2014 (up to the Latest Practicable Date)	0.590	0.610	1,430

**Note:**

- (1) This represents the price of the Shares after taking into account the listing and quotation of 56,946,455 bonus shares of the Company on 21 June 2013 (on the basis of one (1) bonus share for every four (4) existing Shares in the Company).
- (b) Not applicable as the Shares have been listed on the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.
- (c) There has been no significant trading suspension for the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) The Company's Shares are regularly traded on the SGX-ST. Please refer to the table above for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 June 2014 to the Latest Practicable Date.

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**5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide:**

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered
- 

The Rights Shares will, on allotment and issue, rank *pari passu* in all respects with the existing Shares for any dividends, rights, allotment or other distributions, the Record Date for which falls on or after the date of allotment and issue of the Rights Shares.

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## **Plan of Distribution**

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

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### **Basis of Provisional Allotment**

The Rights Issue is proposed to be made on a renounceable and non-underwritten basis to Entitled Shareholders. Up to 59,540,977 Rights Shares at S\$0.20 per Rights Share will be issued on the basis of one (1) Rights Share for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements being disregarded.

### **Entitled Shareholders**

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements, together with the provisional allotments of Rights Shares which are not otherwise taken up or allotted for any reason will be aggregated and allotted and used to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots. 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 on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Directors will take steps to ensure that Rule 803 of the Listing Manual, on the restriction of transfer of controlling interest without prior approval of Shareholders in a general meeting, is complied with in their exercise of discretion to allot and issue any Excess Rights Shares.

### **Foreign Shareholders**

For practical reasons and in order to avoid any violation of relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Foreign Shareholders. If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotment of Rights Shares 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 allotments of Rights Shares commence and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in this Offer Information Statement.

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**7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

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Not applicable. The Rights Issue will not be underwritten as the Undertaking Shareholders have provided the Irrevocable Undertakings. Please refer to section (1)(f) of Part X of this Offer Information Statement for further details on the Irrevocable Undertakings.

## PART VII – ADDITIONAL INFORMATION

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### Statement by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications**

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Not applicable as no statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) **state the date on which the statement was made;**
- (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement**

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Not applicable as no statement or report made by an expert is included in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

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Not applicable as no statement or report made by an expert is included in this Offer Information Statement.

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### Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

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Not applicable as no issue manager or underwriter for the Rights Issue has been engaged.

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**Other Matters**

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity’s business operations or financial position or results; or**
  - (b) investments by holders of securities in the relevant entity.**

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Save as disclosed in the above sections of this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company’s business operations or financial position or results or investments by holders of securities in the Company.



**PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES  
OR UNITS OF DEBENTURES**

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Not applicable.

**PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.

**PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES  
BY WAY OF RIGHTS ISSUE**

**1 Provide –**

**(a) the particulars of the Rights Issue;**

Principal terms of the Rights Shares

Number of Rights Shares	:	Up to 59,540,977 Rights Shares to be allotted and issued under the Rights Issue.
Basis of Provisional Allotment	:	One (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.20 for each Rights Share, payable in full on acceptance and/or application.
Discount	:	A discount of approximately 66.67% from the Closing Price of S\$0.600 as at 12 May 2014, being the immediate market day preceding the date of the Announcement and a discount of approximately 66.39% to the last transacted price of S\$0.595 as at the Latest Practicable Date.
Status of the Rights Shares	:	The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividend, right, allotment or other distribution, the Record Date for which falls on or after the date of issue of the Rights Shares.
Listing of the Rights Shares	:	<p>The Company has been informed by SGX-ST on 2 June 2014 of the approval in-principle for, <i>inter alia</i> the dealing in, listing of and quotation for the Rights Shares on the SGX-ST subject to the following conditions:</p> <p>(a) compliance with the SGX-ST's listing requirements;</p> <p>(b) Submission of:</p> <p>(i) a written undertaking from the Company that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;</p>

		<p>(ii) a written undertaking from the Company that it will comply with the confirmation given in Listing Rule 877(10) with regard to the allotment of any excess Rights Shares; and</p> <p>(iii) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the substantial shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.</p> <p>Such approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.</p>
Trading of the Rights Shares	:	Upon the dealing in, listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares.
Use of CPF Funds	:	The Company is not registered under the CPF Investment Scheme and monies in CPF account cannot be used for the payment of the Issue Price to accept provisional allotments of Rights Shares and (if applicable) apply for the Excess Rights Shares.
Governing Law	:	Laws of the Republic of Singapore.

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**(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**

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The last day and time for splitting of the provisional allotment of the Rights Shares to be issued pursuant to the Rights Issue is 1 July 2014 at 5.00 p.m..

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**(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**

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The last day and time for acceptance of and payment for the Rights Shares to be issued pursuant to the Rights Issue is 7 July 2014 at 5.00 p.m. (and 9.30 p.m. for Electronic Applications).

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**(d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;**

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The last day and time for renunciation of and payment by the renounee for the Rights Shares to be issued pursuant to the Rights Issue is 7 July 2014 at 5.00 p.m..

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**(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

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The Rights Issue is subject, *inter alia*, to the terms and conditions set out in this Offer Information Statement, and the following:

- (i) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Official List of the SGX-ST being obtained; and
- (ii) the lodgement of this Offer Information Statement pursuant to the Securities and Futures Act with the Authority.

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**(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**

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The Rights Issue will be supported by certain shareholders of the Company, namely Sim Soon Ngee Glendle, Chua Kim Choo, Sim Wei Wei, Sim Soon Ying, Gay Chee Cheong, Wong Boon Huat and Wong Chee Heng (collectively, the “**Undertaking Shareholders**”). The details of their undertakings are set out below:

- (i) Sim Soon Ngee Glendle, the Executive Chairman, Chief Executive Officer and controlling shareholder of the Company, who has an interest (directly or indirectly) in 122,109,000 Shares representing approximately 41.02% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that he will subscribe and pay for, and/or procure the subscription of and payment for, his *pro-rata* rights entitlements of 12,600,000 Rights Shares;
- (ii) Chua Kim Choo, a substantial shareholder of the Company, who has an interest (directly or indirectly) in 122,109,000 Shares representing approximately 41.02% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that she will subscribe and pay for, and/or procure the subscription of and payment for, her *pro-rata* rights entitlements of 6,952,800 Rights Shares;
- (iii) Sim Wei Wei, a substantial shareholder of the Company, who has an interest (directly or indirectly) in 122,109,000 Shares representing approximately 41.02% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that she will subscribe and pay for, and/or procure the subscription of and payment for, her *pro-rata* rights entitlements of 2,444,000 Rights Shares;
- (iv) Sim Soon Ying, a substantial shareholder of the Company, who has an interest (directly or indirectly) in 122,109,000 Shares representing approximately 41.02% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that he will subscribe and pay for, and/or procure the subscription of and payment for, his *pro-rata* rights entitlements of 2,425,000 Rights Shares;

- (v) Wong Boon Huat, an Executive Director and substantial shareholder of the Company, who has an interest (directly or indirectly) in 23,337,755 Shares representing approximately 7.84% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that he will subscribe and pay for, and/or procure the subscription of and payment for, his *pro-rata* rights entitlements of 4,667,551 Rights Shares and up to 5,000,000 Excess Rights Shares (subject to availability) under the Rights Issue;
- (vi) Gay Chee Cheong, a substantial shareholder of the Company, who has an interest (directly or indirectly) in 27,102,500 Shares representing approximately 9.10% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that he will subscribe and pay for, and/or procure the subscription of and payment for, his *pro-rata* rights entitlements of 3,895,500 Rights Shares and up to 2,500,000 Excess Rights Shares (subject to availability) under the Rights Issue; and
- (vii) Wong Chee Heng, a shareholder of the Company, who has an interest (directly or indirectly) in 8,706,250 Shares representing approximately 2.92% of the existing share capital of the Company as at the date of this announcement, has given an irrevocable undertaking in favour of the Company that he will subscribe and pay for, and/or procure the subscription of and payment for, his *pro-rata* rights entitlements of 1,741,250 Rights Shares and up to 2,500,000 Excess Rights Shares (subject to availability) under the Rights Issue.

In addition to the above, each of the Undertaking Shareholders has also undertaken to ensure that none of the Shares in which he/she currently has an interest (directly or indirectly), are sold, transferred or otherwise disposed of during the period between the date of the irrevocable undertaking and the date of issue of the Rights Shares without the prior written consent of the Company.

Each of the Undertaking Shareholders has also provided a confirmation to the Company from the relevant financial institutions that he/she has sufficient financial resources for the purposes of fulfilling his/her obligations pursuant to the Irrevocable Undertakings.

The Irrevocable Undertakings are subject to and conditional upon, *inter alia*, the following: –

- (i) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Official List of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Rights Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (ii) the lodgement of this Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the Monetary Authority of Singapore.

Notwithstanding the above, the irrevocable undertakings by Sim Soon Ngee Glendle, Chua Kim Choo, Sim Wei Wei and Sim Soon Ying may be subject to an application to the SGX-ST pursuant to Rule 820(2) of the Listing Manual to scale down their applications for the Rights Issue to avoid being placed in the position of incurring a mandatory bid obligation under the Code as a result of other shareholders not taking up their rights entitlement. Please refer to the section entitled “Take-overs” in this Offer Information Statement for more details.

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**(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

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The Company believes that the Issue Price of S\$0.20 for each Rights Share is attractive, and in the reasonable opinion of the Directors, there is no minimum amount that must be raised from the Rights Issue taking into consideration the intended use of proceeds.

In addition, the Undertaking Shareholders have provided Irrevocable Undertakings to subscribe and pay for, and/or procure the subscription of and payment for, an aggregate of 34,726,101 Rights Shares, and an aggregate of 10,000,000 Excess Rights Shares.

In view of the foregoing, the Rights Issue will not be underwritten.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES  
UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group for FY2011, FY2012 and FY2013 (extracted from the audited financial statements for FY2011, FY2012 and FY2013) are set out below.

	<b>Audited</b>		
	<b>As at 31 December 2011 (S\$'000)</b>	<b>As at 31 December 2012 (S\$'000)</b>	<b>As at 31 December 2013 (S\$'000)</b>
<b>Current assets</b>			
Cash and cash equivalents	9,451	19,716	22,669
Trade and other receivables	25,929	35,797	58,879
Inventories	6,436	6,100	9,043
	<b>41,816</b>	<b>61,613</b>	<b>90,591</b>
<b>Current liabilities</b>			
Trade and other payables	26,682	41,272	49,513
Borrowings	16,856	31,220	28,407
Current income tax liabilities	1,199	291	557
	<b>44,737</b>	<b>72,783</b>	<b>78,477</b>
<b>Working Capital</b>	<b>(2,921)</b>	<b>(11,170)</b>	<b>12,114</b>

2. Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.

- (i) Not applicable as the Rights Issue does not involve an issue of convertible securities.
- (ii) Not applicable as the Rights Issue does not involve an issue of convertible securities.

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- 3. A responsibility statement by the financial adviser stating that to the best of the financial adviser's knowledge and belief, the document constitutes full and true disclosure of all material facts about the rights issue, the issuer and its subsidiaries, and the financial adviser is not aware of any facts the omission of which would make any statement in the document misleading**
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Not applicable. No issue manager has been appointed for the Rights Issue.



## APPENDIX A: PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## 2. MODE OF ACCEPTANCE AND APPLICATION

### 2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

**Shareholders are to note that there will be a system maintenance on 5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.. As such, Electronic Applications will not be available during the aforesaid period and time.**

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS, AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK,**

**THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

## **2.2 Acceptance/Application through CDP**

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of Excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to “**CDP – MENCAST RIGHTS ISSUE ACCOUNT**”; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
  - (i) by hand to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588;**
  - (ii) by post, **AT THE SENDER’S OWN RISK**, in the self-addressed envelope provided, to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

in each case so as to arrive not later than **5.00 P.M. ON 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**CDP – MENCAST RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

**NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

## **2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

## 2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix A which sets out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

## 2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

## 2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to Purchasers as arrangements will be made by CDP for separate ARS to be issued to the Purchasers whose Corporate Action mailing addresses maintained with CDP are in Singapore. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 7 July 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.**

## **2.7 Renunciation of Provisional Allotments of Rights Shares**

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## **3. COMBINATION APPLICATION**

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

#### 4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.20)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

##### Alternatives

(a) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares.

##### Procedures to be taken

- (1) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 2,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$400.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – MENCAST RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.



## Alternatives

## Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

(b) Accept a portion of his provisional allotment of Rights Shares, for example, his entitlement to 1,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on **7 JULY 2014**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$200.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than 5.00 p.m. on **7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 1,000 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on **7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$200.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## Alternatives

## Procedures to be taken

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 7 JULY 2014** or if an acceptance is not made through CDP by **5.00 p.m. on 7 JULY 2014**.

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:**

**(A) 9.30 P.M. ON 7 JULY 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**

**(B) 5.00 P.M. ON 7 JULY 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS, or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

**Shareholders are to note that there will be a system maintenance on 5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.. As such, Electronic Applications will not be available during the aforesaid period and time.**

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**



## 5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix A, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where:
  - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or
  - (ii) the amounts as stated in Parts (A) and (B) of Section (II) in the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the Excess Rights Shares,

the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots. 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 on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

### 5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – MENCAST RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **MENCAST HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

## **5.5 Certificates**

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

## **5.6 General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

#### **CDP Phone User Guide**

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

## **APPENDIX B: PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

### **1. INTRODUCTION**

Acceptances of the provisional allotment of and any Excess Application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE and the ARS, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Right Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

**The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.**

**Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares should note that all dealings in and transactions of the provisional allotments of Rights Shares through SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the Official List of SGX-ST.**

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## **2. FORM OF ACCEPTANCE (FORM A)**

### **2.1 Acceptance**

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### **2.2 Insufficient payment**

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder,

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix B entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.



## 2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

### 3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs (the "**Split Letters**") according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned to **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 1 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 1 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 1 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

An Entitled Scripholder who wishes to renounce his entire provisional allotment of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which he wishes to renounce and deliver the PAL in its entirety to the renounee(s) as soon as possible.

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

#### **4. PAYMENT**

Payment for the full amount due on acceptance and/or application in relation to PALs must be made in Singapore currency in the form of a banker’s draft or cashier’s order drawn on a bank in Singapore and made payable to “**MENCAST RIGHTS ISSUE ACCOUNT**”, such banker’s draft or cashier’s order to be crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the remittance. The completed and signed PAL and remittance should be addressed to and forwarded at the sender’s own risk to **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623 by 5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotment of Rights Shares not so accepted will be used to satisfy excess applications, if any, 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. The Company will return all unsuccessful application monies received in connection therewith by ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within fourteen (14) days after the Closing Date.

#### **5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)**

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **MENCAST HOLDINGS LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**



Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for Excess Rights Shares will, at the Directors' discretion, be satisfied from such Rights Shares as are not validly taken up, the unsold "**nil-paid**" provisional allotments (if any) of Foreign Shareholders, the aggregated fractional entitlements and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots. 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 on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason. CDP takes no responsibility for any decision that the Directors may make.

In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**. In determining the amount of surplus application monies to be refunded, the aggregate amount payable for the Excess Rights Shares allotted to an Entitled Scripholder will be rounded upwards to the nearest whole cent.

## 6. GENERAL

No acknowledgement or receipt will be issued in respect of any acceptance, remittance or application.

**Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be

allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent BY **ORDINARY POST** to person(s) entitled thereto to their mailing addresses as recorded with CDP at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

**THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 7 JULY 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

## **APPENDIX C: ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS**

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used in respect of the acceptance of provisional allotments of and (if applicable) excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application. The actions that the Applicant must take at ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE/ARS.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Right Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Applications, the Share Registrar and/or the Company will be rejected.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance/application liable to be rejected.**

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
  - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number and application details (the “Relevant Particulars”) from his account with that Participating Banks to the Share Registrar, CDP, the SGX-ST and the Company and any other relevant parties (the “Relevant Parties”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19, of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of his account with that Participating Bank to the Relevant Parties.

- (2) An Applicant may make an Electronic Application through an ATM of any Participating Banks for the Rights Shares using cash only by authorising such Participating Banks to deduct the full amount payable from his account with such Participating Banks.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, on the ATM) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by Electronic Application through an ATM of the Participating Banks, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares

which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of the Participating Banks, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of acceptance by Electronic Application through an ATM of the Participating Banks, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.

- (6) If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of ARE and by Electronic Application through an ATM of the Participating Banks, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of the Participating Banks. The Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of the Participating Banks, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Banks with the relevant amount within 14 days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Banks with the relevant amount within 14 days after the Closing Date.

- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, CDP, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, CDP, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, CDP, the Share Registrar and/or the Participating Banks do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 7 JULY 2014**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) Excess Applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.. Shareholders are to note that there will be a system maintenance on 5 July 2014, Saturday, between 12.00 p.m. to 9.30 p.m.. As such, Electronic Applications will not be available during the aforesaid period and time.**
- (11) Electronic Applications shall close at **9.30 p.m. on 7 JULY 2014** or such other time as the Directors may, in their absolute discretion, decide (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy of such particulars. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application that does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in S\$ (without interest or any share of revenue or other benefit arising there from) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of application monies will be refunded.



- (15) In consideration of the Company arranging for the Electronic Application facility and agreeing to close the Rights Issue at **9.30 p.m. on 7 JULY 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any amendment to this Offer Information Statement or replacement or supplemental document is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, CDP, the Share Registrar, or the Participating Banks shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or acceptance of his application for Excess Rights Shares;
  - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the relevant parties to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.

- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATMs, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) application or the surplus application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising there from within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque sent **BY ORDINARY POST** at his **OWN RISK** to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
  - (b) crediting the Applicant's bank account with the Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, CDP and the Company are entitled and the Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Applicant has validly accepted, whether under the ARE(s) and/or ARS(s) or any other form of application (including Electronic Application) for the Rights Shares;
  - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant acknowledges that CDP's and the Company's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Memorandum and Articles of Association of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights



Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement 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 Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of **MENCAST HOLDINGS LTD.**

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Sim Soon Ngee Glenndle

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Wong Fook Choy Sunny

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Wong Boon Huat

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Leow David Ivan

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Ho Chew Thim

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Ng Chee Keong

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