

SEE HUP SENG LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 197502208Z)

PROPOSED BONUS WARRANTS ISSUE

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of See Hup Seng Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company is proposing to undertake a bonus issue of up to 304,230,589 free warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) at an exercise price of S\$0.20 for each New Share (“**Exercise Price**”), on the basis of one (1) Warrant for every two (2) existing ordinary shares in the issued share capital of the Company (“**Shares**”), held by the shareholders of the Company (“**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlement (“**Books Closure Date**”), fractional entitlements to be disregarded (the “**Bonus Warrants Issue**”).

2. PRINCIPAL TERMS OF THE BONUS WARRANTS ISSUE

- 2.1 The Warrants in respect of the Bonus Warrants Issue will be constituted by a deed poll to be executed by the Company for the purpose of constituting the Warrants (“**Deed Poll**”), which shall set out the terms and conditions of the Warrants in respect of the Bonus Warrants Issue and which may from time to time be amended, modified or supplemented.
- 2.2 Each Warrant issued pursuant to the Bonus Warrant Issue will, subject to the terms and conditions in the Deed Poll, entitle the warrant holder to subscribe for one (1) New Share, at the Exercise Price of S\$0.20. The Exercise Price of S\$0.20, represents a discount of approximately 34.5% to the price of approximately S\$0.3052, being the volume weighted average price of the Shares for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 September 2014, being the last market day preceding the date of this announcement.
- 2.3 The Warrants will be issued in registered form and will be listed and traded separately on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Mainboard of the SGX-ST, subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of the Warrants will consist of 1,000 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.
- 2.4 The Warrants are exercisable any time during the period commencing on and including the date of the issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of the issue of the Warrants (the “**Exercise Period**”), unless such date is a date on which the register of members of the Company (“**Register of Members**”) is closed or is not a day on which the SGX-ST is open for securities trading (a “**Market Day**”), in which event the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the register of holders of Warrants may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.
- 2.5 The Exercise Price and/or the number of Warrants held by each holder of the Warrants will be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital distributions. Any such adjustments shall (unless otherwise provided under the Listing Manual from time to time) be announced by the Company.

2.6 Upon the exercise of the Warrants during the Exercise Period and payment of the Exercise Price under the terms and conditions as set out in the Deed Poll, the holders of the Warrants will be issued the New Shares. The New Shares allotted and issued upon the exercise of the Warrants shall be fully paid and will rank *pari passu* in all respects with the Shares then in issue, save for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which falls before the date of issue of the New Shares, save as may be otherwise provided in the Deed Poll. For the purpose herein, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE BONUS WARRANTS ISSUE

3.1 The Bonus Warrants Issue is proposed to be made to Entitled Shareholders comprising:

- (a) entitled depositors, being Shareholders with Shares standing to the credit of their securities accounts, being securities accounts maintained by Depositors with The Central Depository (Pte) Limited (“**CDP**”) but does not include securities sub-accounts (the “**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 Depositors**”); and
- (b) entitled scripholders, being Shareholders whose share certificates are not deposited with CDP and whose Shares are registered in their own name or persons who have tendered to the share registrar of the Company, Boardroom Corporate & Advisory Services Pte Ltd (the “**Share Registrar**”) valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date, and whose registered addresses with the Share Registrar 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 Scripholders**”).

3.2 For practical reasons and in order to avoid any violation of the relevant legislation, if any, applicable in countries other than Singapore, the Warrants will not be issued to Shareholders with registered addresses outside Singapore as at the Books Closure Date and Shareholders who have not, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (collectively referred to as “**Foreign Shareholders**”).

3.3 Fractional entitlements to the Warrants will be disregarded in arriving at the Entitled Shareholders’ entitlements and will be dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

4. AUTHORITY AND NUMBER OF WARRANTS AND NEW SHARES

4.1 The issue of the Warrants and the New Shares is proposed to be made pursuant to the authority granted by the shareholders of the Company (“**Shareholders**”) under the share issue mandate (“**Share Issue Mandate**”) at the Annual General Meeting of the Company held on 29 April 2014. The Share Issue Mandate authorises, amongst other things, the Directors to allot and issue Shares, whether by way of rights, bonus or otherwise and/or make or grant instruments (“**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued (including Shares to be issued in pursuance of the Instruments made or granted pursuant to the Share Issue Mandate) does not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company, at the time the Share Issue

Mandate is obtained, of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time the Share Issue Mandate is obtained.

- 4.2 Accordingly, the Company will not be seeking specific approval from the Shareholders for the Bonus Warrants Issue.
- 4.3 As at the date hereof, the Company has 608,461,178 Shares (excluding 17,100,000 treasury shares) that have been issued and are fully paid-up (the "**Existing Issued Share Capital**"). Assuming that no new Shares are issued or allotted before the Books Closure Date, up to 304,230,589 Warrants would be issued pursuant to the Bonus Warrants Issue. For illustration purposes only, and on the assumption that all the Warrants are exercised and converted into New Shares, the Existing Issued Share Capital would increase by up to 304,230,589 Shares, representing 50% of the Existing Issued Share Capital.

5. RATIONALE OF THE BONUS WARRANTS ISSUE AND USE OF PROCEEDS

- 5.1 The Bonus Warrants Issue has been proposed for the following reasons:
- (a) to reward the Shareholders for their loyalty and support towards the Company by providing them with an opportunity to increase their equity participation in the Company through the exercise of the Warrants; and
 - (b) as and when the Warrants are exercised, the proceeds arising therefrom will expand and strengthen the capital base of the Company and provide additional resources and working capital required to support the growing and expanding business activities and operations of the Group.
- 5.2 Assuming all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of approximately S\$60.8 million. The estimated net proceeds from the exercise of the Warrants is approximately S\$60.3 million (the "**Net Proceeds**"), after deducting professional fees as well as related expenses in connection with the Bonus Warrants Issue.
- 5.3 The Company intends to utilise the Net Proceeds for general corporate purposes, including refinancing of existing borrowings and financing of working capital, acquisition, investment and capital expenditure requirements of the Group as the Directors may deem fit. The percentage allocation for each intended use cannot be determined at this moment.
- 5.4 Pending the deployment of Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit. The Company will make periodic announcements on the utilisation of Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on such use of proceeds in the Company's annual report(s). Where the proceeds have been used for working capital, the Company will also provide a breakdown with specific details on the use of proceeds for working capital in the announcements and status reports.

6. APPROVALS FOR THE BONUS WARRANTS ISSUE

- 6.1 The Bonus Warrants Issue is subject to, *inter alia*, the following:
- (a) the in-principle approval of the SGX-ST (such approval not having been withdrawn or revoked) for the listing of and quotation for the Warrants and the New Shares on the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
 - (c) the lodgement of the offer information statement (the "**Offer Information Statement**") to be issued by the Company in connection with the Bonus Warrants Issue together

with all other accompanying documents by the Company with the Monetary Authority of Singapore.

- 6.2 The Company will make an application to the SGX-ST for the listing of and quotation for the Warrants and the New Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made in due course to notify Shareholders when the approval in-principle of the SGX-ST has been obtained.

7. OFFER INFORMATION STATEMENT

The terms and conditions of the Bonus Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Bonus Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Saved as disclosed in this Announcement, none of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Bonus Warrants Issue (other than through their respective shareholdings in the Company).

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Bonus Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Goh Koon Seng
Executive Director
10 September 2014