

## OFFER INFORMATION STATEMENT DATED 5 NOVEMBER 2007

(Lodged with the Monetary Authority of Singapore on 5 November 2007)

**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 ("Offer Information Statement"), together with copies of the Provisional Allotment Letter (the "PAL"), the Application Form for Rights Shares with Warrants and excess Rights Shares with Warrants (the "ARE") and the Application Form for Rights Shares with Warrants (the "ARS"), issued by Inno-Pacific Holdings Ltd (the "Company") have been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgment 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, the Warrants and the New Shares (as defined herein) being offered for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for listing and quotation of the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares on the Official List of the SGX-ST. The 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares will be admitted to the Official List of the SGX-ST and the official listing and quotation of the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares will commence after all the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

**In the event that permission is not granted by the SGX-ST for the listing and quotation of the Warrants due to an inadequate spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, holders of Warrants will not be able to trade their Warrants on the SGX-ST.**

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed herein. Approval in-principle granted by the SGX-ST for admission to the Official List of the SGX-ST and the listing and quotation of the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares are in no way reflective of and are not to be taken as an indication of the merits of the Company, its subsidiaries, the Rights Shares cum Warrants Issue (as defined herein), the 1,032,372,966 Rights Shares, the 258,093,241 Warrants or the 258,093,241 New Shares.

No Rights Shares and/or Warrants shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgment of this Offer Information Statement.



### INNO-PACIFIC HOLDINGS LTD

(Incorporated in the Republic of Singapore on 22 September 1973)

(Company Registration Number 197301788K)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,032,372,966 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.035 FOR EACH RIGHTS SHARE WITH UP TO 258,093,241 FREE DETACHABLE WARRANTS (THE "WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE "NEW SHARE") AT AN EXERCISE PRICE OF S\$0.025 FOR EACH NEW SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), AND ONE (1) FREE WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS BEING DISREGARDED (THE "RIGHTS SHARES CUM WARRANTS ISSUE")**

#### IMPORTANT DATES AND TIMES

Last date and time for splitting	:	15 November 2007 at 4.45 p.m.
Last date and time for acceptance and payment	:	21 November 2007 at 4.45 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)(capitalised terms as defined herein)
Last date and time for renunciation and payment	:	21 November 2007 at 4.45 p.m.
Last date and time for excess application and payment	:	21 November 2007 at 4.45 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

Capitalised terms used below which are not otherwise defined herein shall have the same meaning ascribed to them under "Definitions" section of this Offer Information Statement.

**For Entitled Depositors, acceptances of the Rights Shares with Warrants and/or (if applicable) applications for excess Rights Shares with Warrants may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.**

**For Entitled Scripholders, acceptances of the Rights Shares with Warrants and/or (if applicable) applications for excess Rights Shares with Warrants may be made through the Share Registrar, Compact Administrative Services Pte Ltd.**

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

Persons wishing to subscribe for the Rights Shares with Warrants offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, performance and prospects of the Group, and the rights and liabilities attaching to the Rights Shares, the Warrants and the New Shares. They should 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 light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, solicitor, accountant or other professional adviser before deciding whether to acquire the Rights Shares with Warrants, purchase any Shares or invest in the Company.

No person has been authorised to give any information or to make any representation, other than those contained in this Offer Information Statement in connection with the Rights Shares cum Warrants Issue 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 Group. Neither the delivery of this Offer Information Statement, nor the issue of the Rights Shares, the Warrants and/or the New Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of 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 lodgment 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 in this Offer Information Statement to any person regarding the legality of an investment in the Rights Shares, the Warrants, the New Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, legal or tax advice regarding an investment in the Rights Shares, the Warrants, the New Shares and/or the Shares.

Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares, the Warrants and/or the New Shares. Prospective subscribers of the Rights Shares, the Warrants and/or the New Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue and may not be relied upon by any persons, other than the Entitled Shareholders (and their renounees) to whom it is despatched by the Company, 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 or solicitation to 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/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Notwithstanding the above, Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised by the Company to inform themselves of and observe such prohibitions and restrictions.**

## TABLE OF CONTENTS

	Page
DEFINITIONS .....	2
EXPECTED TIMETABLE OF KEY EVENTS .....	7
ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS SHARES CUM WARRANTS ISSUE.....	8
PRINCIPAL TERMS OF THE RIGHTS SHARES CUM WARRANTS ISSUE .....	11
TRADING .....	13
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS.....	15
TAKE-OVER LIMITS .....	16
SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS FOR INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005	
PART II — IDENTITY OF DIRECTORS, ADVISORS AND AGENTS .....	17
PART III — OFFER STATISTICS AND TIMETABLE.....	18
PART IV — KEY INFORMATION.....	22
PART V — OPERATING AND FINANCIAL REVIEW AND PROSPECTS .....	33
PART VI — THE OFFER AND LISTING.....	48
PART VII — ADDITIONAL INFORMATION .....	52
PART VIII — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES .....	53
PART IX — ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES.....	53
PART X — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS SHARES CUM WARRANTS ISSUE .....	53
ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS SHARES CUM WARRANTS ISSUE UNDER APPENDIX 8.2 OF THE LISTING MANUAL .....	60
APPENDIX A — TERMS AND CONDITIONS OF THE WARRANTS .....	63
APPENDIX B — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS .....	84
APPENDIX C — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM .....	92
APPENDIX D — PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS .....	97
APPENDIX E — LIST OF PARTICIPATING BANKS.....	102

## DEFINITIONS

For the purpose of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires or unless otherwise stated, have the following meanings:-

“Act”	:	Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“ARE”	:	Application and acceptance form for Rights Shares with Warrants and excess Rights Shares with Warrants issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants of such Entitled Depositors under the Rights Shares cum Warrants Issue
“ARS”	:	Application and acceptance form for Rights Shares with Warrants issued to purchasers in respect of the provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue traded on the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine(s) of a Participating Bank
“Authority”	:	Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company as at the date of this Offer Information Statement
“Books Closure Date”	:	5.00 p.m. on 1 November 2007, being the time and date at and on which the Register of Members and the Transfer Books of the Company were closed to determine the provisional allotments of Rights Shares with Warrants of Entitled Shareholders under the Rights Shares cum Warrants Issue
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	4.45 p.m. on 21 November 2007, 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, and renunciation and payment of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue through CDP or the Share Registrar; or 9.30 p.m. on 21 November 2007, 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 with Warrants under the Rights Shares cum Warrants Issue through an ATM of a Participating Bank
“Company”	:	Inno-Pacific Holdings Ltd
“CPF”	:	Central Provident Fund
“Deed Poll”	:	The deed poll dated 29 October 2007 executed by the Company for the purpose of constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warranholders

“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Electronic Application”	:	Acceptance of the Rights Shares with Warrants and (if applicable) application for excess Rights Shares with Warrants made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
“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 had, at least five (5) 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 Shares are registered in their own names in the Register of Members of the Company and whose registered addresses are in Singapore as at the Books Closure Date or who had, at least five (5) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Exercise Period”	:	The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the second (2 <sup>nd</sup> ) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to closure of the Register of Members or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the register of Warranholders may be closed), subject to the terms and conditions of the Warrants as set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Period
“Exercise Price”	:	The sum payable in respect of each New Share to which the Warranholder will be entitled to subscribe upon the exercise of a Warrant which shall be S\$0.025, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
“Foreign Shareholders”	:	Shareholders whose registered addresses with CDP or the Company were outside Singapore as at the Books Closure Date and who had not, at least five (5) 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 31 December
“Group”	:	The Company and its subsidiaries

“HY”	:	Financial period for the six months ended 30 June
“Inno-Pacific Share Option Scheme”	:	The Inno-Pacific Share Option Scheme approved and adopted by Shareholders on 29 April 2005 (as from time to time amended, modified or supplemented)
“Inno-Pacific Performance Share Scheme”	:	The Inno-Pacific Performance Share Scheme approved and adopted by Shareholders on 29 April 2005 (as from time to time amended, modified or supplemented)
“Issue Price”	:	The issue price of the Rights Share, being S\$0.035 for each Rights Share
“Latest Practicable Date”	:	30 October 2007, being the latest practicable date prior to the date of lodgment of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription”	:	Up to 1,032,372,966 Rights Shares with Warrants which will be issued pursuant to the Rights Shares cum Warrants Issue, assuming that all Shareholders subscribe to the Rights Shares cum Warrants Issue
“Minimum Subscription”	:	Up to 114,046,000 Rights Shares with Warrants which will be issued pursuant to the Rights Shares cum Warrants Issue, assuming that only the Undertaking Shareholder subscribe to the Rights Shares cum Warrants Issue
“New Shares”	:	The new Shares to be issued by the Company upon the exercise of the Warrants subject to and in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	This offer information statement and, where the context admits, the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document which may be issued by the Company in connection with the Rights Shares cum Warrants Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“Provisional Allotment Letter” or “PAL”	:	The provisional allotment letter issued to Entitled Scripholders in respect of the provisional allotment of Rights Shares with Warrants of such Entitled Scripholders under the Rights Shares cum Warrants Issue

“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights Shares cum Warrants Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 1,032,372,966 Rights Shares at the Issue Price for each Rights Share with up to 258,093,241 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price for each New Share, on the basis of two (2) Rights Shares for every one (1) existing Share in the capital of the Company held by Entitled Shareholders as at the Books Closure Date, and one (1) free Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded
“Rights Share(s)”	:	Up to 1,032,372,966 new Shares to be allotted and issued by the Company pursuant to the Rights Shares cum Warrants Issue
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA” or “Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company
“Share Registrar”	:	Compact Administrative Services Pte Ltd
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Undertaking”	:	Irrevocable undertaking dated 9 September 2007 given by the Undertaking Shareholder to the Company as described on pages 58 and 59 of this Offer Information Statement
“Undertaking Shareholder”	:	Mdm Lim Siew Hooi
“Warrant Agent”	:	B.A.C.S. Private Limited
“Warrantholders”	:	Registered holders of Warrants except that where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such Warrants

“Warrants”	:	Up to 258,093,241 free detachable warrants, in registered form to be issued by the Company together with the Rights Shares pursuant to the Rights Shares cum Warrants Issue, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the warrants as set out in the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants to be issued together with the Rights Shares and for all purposes to form part of the same series), subject to the terms and conditions as set out in the Deed Poll, each warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions as set out in the Deed Poll
“%” or “per cent.”	:	Per centum
“RM”	:	Malaysian Ringgit
“S\$” and “cents”	:	Singapore dollars and cents respectively

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

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

Words importing the singular shall, where applicable, include the plural and *vice versa*. 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 Shares cum Warrants 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 as for the time being amended or re-enacted. Any term defined under the Act, the Securities and Futures Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Act, the Securities and Futures Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and 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.



## EXPECTED TIMETABLE OF KEY EVENTS

The timetable below is indicative only and may be subject to such modifications as the Company may, with the approval of the SGX-ST, decide. Where any of the events cannot take place on the dates specified, an appropriate announcement stipulating an alternative date will be made by the Company prior thereto through a SGXNET announcement to be posted on the website of the SGX-ST, <http://www.sgx.com>. For events listed which are described as “expected”, please refer to future announcement(s) by the Company for the exact dates of these events.

Shares trade ex-Rights	:	30 October 2007 from 9.00 a.m.
Books Closure Date	:	1 November 2007 at 5.00 p.m.
Despatch of the Offer Information Statement together with the ARE or the PAL, as the case may be, to Entitled Shareholders	:	6 November 2007
Commencement of trading of “nil-paid” Rights	:	6 November 2007 from 9.00 a.m.
Last date and time for splitting Rights	:	15 November 2007 at 4.45 p.m.
Last date and time for trading of “nil-paid” Rights	:	15 November 2007 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares with Warrants*	:	21 November 2007 at 4.45 p.m.
Last date and time for renunciation of and payment for Rights Shares with Warrants	:	21 November 2007 at 4.45 p.m.
Last date and time for application and payment for excess Rights Shares with Warrants*	:	21 November 2007 at 4.45 p.m.
Expected date for issuance of Rights Shares with Warrants	:	28 November 2007
Expected date for commencement of trading of Rights Shares	:	29 November 2007
Expected date for commencement of trading of Warrants	:	30 November 2007

\* The last date and time for acceptance and/or excess application and payment through an ATM of a Participating Bank is 21 November 2007 at 9.30 p.m.

## **ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS SHARES CUM WARRANTS ISSUE**

### **1. Entitled Shareholders**

Entitled Shareholders will be entitled to participate in the Rights Shares cum Warrants Issue and to receive this Offer Information Statement together with the ARE 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 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 with Warrants under the Rights Shares cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept, decline, renounce or trade on the SGX-ST, during the provisional allotment trading period prescribed by the SGX-ST, in full or in part their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Shares cum Warrants Issue.

**All dealings in, and transactions of, the provisional allotments of the Rights Shares with Warrants 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.**

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares with Warrants and for applications for excess Rights Shares with Warrants, including the different modes of acceptance or application and payment, are contained in Appendices B to D 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 Shares cum Warrants Issue have not been and will not be registered or lodged in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislations applicable in jurisdictions other than Singapore, the Rights Shares cum Warrants Issue is only made in Singapore and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdiction outside Singapore.

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

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotment of the Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the "Foreign Purchasers"). Foreign Purchasers who wish to accept the provisional

allotments of the Rights Shares with Warrants credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares with Warrants and/or any applications for excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances and/or applications 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 or which the Company believes may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the certificates for the Rights Shares and Warrants or which requires the Company to despatch such certificates to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants 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 Account as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with 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.

Where such provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants 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 with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be used 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 will apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and/or 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 Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in such territories.**

Disregarded fractional entitlements of the Rights Shares with Warrants will be aggregated with entitlements to the Rights Shares with Warrants which are not otherwise taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares with Warrants (if any) as the Directors may, in their absolute discretion, deem fit.

In the allotment of excess Rights Shares with Warrants, preference will, where appropriate, be given to the rounding of odd lots and the Directors and substantial Shareholders will rank last in priority.

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

## PRINCIPAL TERMS OF THE RIGHTS SHARES CUM WARRANTS ISSUE

The Rights Shares cum Warrants Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at an Issue Price of S\$0.035 for each Rights Share, with up to 258,093,241 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.025 for each New Share, on the basis of two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, and one (1) free Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded. Entitled Shareholders are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue.

The Rights Shares are payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares.

The Undertaking Shareholder had undertaken to the Company to, *inter alia*, subscribe in full for her provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue and to apply by way of excess application such number of additional Rights Shares with Warrants not taken up by other Entitled Shareholders that when aggregated with her current shareholdings and her entitlements to the Rights Shares with Warrants shall not exceed 20% (rounded downwards to the nearest 1,000 Rights Shares with Warrants) of the resultant enlarged issued share capital of the Company after the Rights Shares cum Warrants Issue. In view of the Undertaking given by the Undertaking Shareholder and the savings in costs by the Company in respect of underwriting fees for an underwritten rights issue, the Directors have decided to proceed with the Rights Shares cum Warrants Issue on a non-underwritten basis.

The Company also believes that the Rights Shares cum Warrants Issue has been appropriately priced to attract subscription interest from Entitled Shareholders and the investing public. The Issue Price of S\$0.035 for each Rights Share is at a discount of approximately 30% to the volume weighted average price of S\$0.05 per Share on the SGX-ST as at the close of trading on 13 August 2007, being the date of the announcement of the Rights Shares cum Warrants Issue, and a discount of approximately 7.9% to the volume weighted average price of S\$0.038 per Share on the SGX-ST as at the Latest Practicable Date.

As at the Latest Practicable Date, the issued share capital of the Company comprised 516,186,483 Shares. There are no outstanding options granted under the Inno-Pacific Share Option Scheme and the Inno-Pacific Performance Share Scheme. Hence up to 1,032,372,966 Rights Shares with up to 258,093,241 Warrants will be issued pursuant to the Rights Shares cum Warrants Issue as at the Books Closure Date.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Shares cum Warrants Issue.

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares on the Official List of the SGX-ST. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Shares cum Warrants Issue, the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares with Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Shares cum Warrants Issue. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Shares cum Warrants Issue” of this Offer Information Statement for details on the eligibility of Shareholders to participate in the Rights Shares cum Warrants Issue.

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

**The terms and conditions of the Warrants are set out in Appendix A of this Offer Information Statement.**

## TRADING

### 1. LISTING AND QUOTATION OF RIGHTS SHARES, WARRANTS AND THE NEW SHARES

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares on the Official List of the SGX-ST. The approval in-principle of the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Shares cum Warrants Issue, the 1,032,372,966 Rights Shares, the 258,093,241 Warrants or the 258,093,241 New Shares.

Upon listing and quotation on the SGX-ST, the Rights Shares, the Warrants and the New Shares, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares, the Warrants and the New 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 Warrants", 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 with Warrants provisionally allotted to them and (if applicable) apply for excess Rights Shares with Warrants, and who wish to trade the Rights Shares with Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Account with CDP in their own names if they do not already maintain such Securities Account in order that the number of Rights Shares with Warrants and, if applicable, the excess Rights Shares with Warrants that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants and/or apply for the excess Rights Shares with Warrants and have their Rights Shares and Warrants credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("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 their Securities Accounts currently maintained with CDP will be issued physical certificates in their own names for the Rights Shares and Warrants allotted to them and if applicable, the excess Rights Shares and Warrants allotted to them. Such certificates, if issued, will be forwarded to them 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 certificates, or an Entitled Scripholder who has not deposited his certificates with CDP but wishes to trade on the SGX-ST, must deposit with CDP the relevant certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and Warrants and/or existing Shares, as the case may be, before he can effect the desired trade.

**In the event that permission is not granted by the SGX-ST for the listing and quotation of the Warrants due to insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Company shall nevertheless proceed and complete the Rights Shares cum Warrants Issue. Pursuant to the Listing Manual, SGX-ST normally requires a sufficient spread of holdings to provide an orderly market in the securities and as a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Accordingly, holders of Warrants will not be able to trade their Warrants on the SGX-ST if there is an insufficient spread of holdings for the Warrants.**

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

All fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for excess Rights Shares with Warrants or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Shareholders should note that most counters on the SGX-ST trade in lot sizes of 1,000 shares and/or warrants. Following the Rights Shares cum Warrants Issue, Shareholders who hold odd lots of the Rights Shares, the Warrants and the New Shares (i.e. less than 1,000 Shares or Warrants) and who wish to trade in odd lots on the SGX-ST should note that the Unit Share Market has been set up to allow trading of odd lots.



## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its Directors, officers 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 "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, operating results, business strategy, future plans and prospects of the Group's industry are forward-looking statements. These forward-looking statements, including but not limited to 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, uncertainties and other factors 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 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. Where such developments, events or circumstances occur 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.

## TAKE-OVER LIMITS

The Singapore Code on Take-overs and Mergers (the “Code”) regulates the acquisition of ordinary shares of public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in the Company in any six month period, must extend a take-over offer for the remaining voting Shares in the Company in accordance with the provisions of the Code.

Warrantheolders should also consider the implications of the following provisions before they exercise their respective Warrants as he may be under an obligation to extend a take-over offer if:

- (a) he acquires, by exercise of the Warrants or otherwise, whether by a series of transactions over a period of time or not, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him, holds between 30% to 50% (both inclusive) of the voting rights of the Company, and either alone or together with persons acting in concert with him, acquire additional Shares by the exercise of the Warrants or otherwise in any six month period, increasing such percentage of the voting rights by more than 1%.

Shareholders or Warrantheolders 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 with Warrants or the exercise of the Warrants pursuant to the Rights Shares cum Warrants Issue should consult the Securities Industry 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, ADVISORS AND AGENTS)

---

### Directors

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

---

The names and addresses of each of the Directors are as follows:-

<b>Name of Directors</b>	<b>Address</b>
Dato Moehamad Izat Bin Achmad Habechi Emir	19 Jalan SS19/4 Subang Jaya 47500 Selangor Darul Ehsan Malaysia
Wong Chin Yong	31 Lorong Kismis Singapore 598014
Ong Kah Hock	45 Ripley Crescent Serangoon Garden Estate Singapore 556223
Abdul Wahab Bin Md Shahir	11 Lorong 3B Taman Sri Ukay 68000 Ampang, Selangor Darul Ehsan Malaysia

---

### 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.

---

Manager to the Rights Shares cum Warrants Issue	:	Not applicable
Underwriter	:	Not applicable
Legal Adviser	:	Straits Law Practice LLC 36 Robinson Road 18 <sup>th</sup> floor, City House Singapore 068877

---

**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.**

---

Share Registrar	:	Compact Administrative Services Pte Ltd 3 Anson Road #27-01 Springleaf Tower Singapore 079909
Transfer agents	:	Not applicable
Receiving Banker	:	United Overseas Bank Limited

**PART III (OFFER STATISTICS AND TIMETABLE)**

---

**Offer Statistics**

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

---

Method of offers	:	Renounceable non-underwritten Rights Shares cum Warrants Issue of Rights Shares with free detachable Warrants
Basis of allotment	:	Two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, and one (1) free Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded
Number of Rights Shares	:	Up to 1,032,372,966 Rights Shares
Number of Warrants	:	Up to 258,093,241 free detachable Warrants

---

**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.**

---

Please see paragraphs 3 to 7 of this Part.

- 
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 lodgment 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.**
- 

Entitled Shareholders who have been provisionally allotted Rights Shares with Warrants are at liberty to accept, decline, renounce or trade their provisional allotments on the SGX-ST.

The offer will be open from 6 November 2007 up to (a) 4.45 p.m. on 21 November 2007 if acceptances of the Rights Shares with Warrants are made through CDP in accordance with the applicable ARE, ARS or through the Share Registrar with the PAL, or (b) up to 9.30 p.m. on 21 November 2007 if acceptances of the Rights Shares with Warrants are made through the ATM of a Participating Bank.

The important dates and times for the Rights Shares cum Warrants Issue are as follows:-

Last date and time for splitting	:	15 November 2007 at 4.45 p.m.
Last date and time for acceptance and payment	:	21 November 2007 at 4.45 p.m. (9.30 p.m. for applications through ATMs of Participating Banks)
Last date and time for renunciation and payment	:	21 November 2007 at 4.45 p.m.
Last date and time for excess application and payment	:	21 November 2007 at 4.45 p.m. (9.30 p.m. for applications through ATMs of Participating Banks)

The above timetable may be subject to such modifications as the Company may decide, with the approval of the SGX-ST, 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 Closing Date, through a SGXNET announcement to be posted on the internet at the SGX-ST's website <http://www.sgx.com>.

Acceptances should be made in the manner set out in the applicable ARE, ARS or PAL to the persons named therein, that is:-

- (a) in the case of Entitled Depositors, to **THE CENTRAL DEPOSITORY (PTE) LIMITED**, by hand to **4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807**, or by post, at their own risk, in the enclosed self-addressed envelope to **INNO-PACIFIC HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE P.O. BOX 1597, SINGAPORE 903147**, or through any of the ATMs of a Participating Bank; or
- (b) in the case of Entitled Scripholders, to **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD** by hand or by post to **3 ANSON ROAD #27-01 SPRINGLEAF TOWER SINGAPORE 079909**.

It is not anticipated that the period for which the Rights Shares cum Warrants Issue will be kept open will be extended or shortened. An announcement will be made via SGXNET if there are any such changes.

Please refer to Appendices B to D of this Offer Information Statement for details of the procedures for acceptance, payment and excess application of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue.

---

**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.**

---

The Rights Shares with Warrants are payable in full upon acceptance and/or application. All payments for Rights Shares with Warrants and excess Rights Shares with Warrants must be made either:-

- (a) by way of Electronic Application through an ATM of a Participating Bank in the case of Entitled Depositors; or
- (b) if the application for Rights Shares with Warrants and/or excess Rights Shares with Warrants, as the case may be, is made by sending the relevant completed ARE and ARS to the CDP, or the completed PAL to the Share Registrar, Compact Administrative Services Pte Ltd, then remittance must be attached to the completed ARE, ARS or PAL, as the case may be, in Singapore Dollars in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore for the full amount payable to "**CDP — INNO-PACIFIC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" or "**INNO-PACIFIC RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" respectively. The applicant's name and Securities Account number must be clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft, as the case may be, in the case of Entitled Depositors, or his/her name and address, in the case of Entitled Scripholders.

The last date and time for acceptance, application for excess Rights Shares with Warrants and payment for Rights Shares with Warrants and/or excess Rights Shares with Warrants is on **21 November 2007 at 4.45 p.m.** or, in the case of acceptance and/or excess application and payment through an ATM of a Participating Bank, on **21 November 2007 at 9.30 p.m.**

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

---

**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.**
- 

After the receipt of valid acceptances, excess applications and payments for the Rights Shares with Warrants and excess Rights Shares with Warrants before the Closing Date, certificates for the Rights Shares and Warrants will be registered in the name of CDP or its nominee and CDP

will send to the relevant subscriber a notification letter showing the number of Rights Shares and Warrants credited to the relevant subscriber's Securities Account.

In the case of Entitled Scripholders or their renounees who apply for Rights Shares with Warrants and excess Rights Shares with Warrants, physical certificates for the Rights Shares and Warrants will be despatched to such subscribers within ten (10) Market Days from the Closing Date, at their own risk, by ordinary post.

In the case of Depositors who apply for Rights Shares with Warrants and excess Rights Shares with Warrants, the certificates in respect of the Rights Shares and the Warrants are expected to be despatched within ten (10) Market Days from the Closing Date directly to CDP. It is expected that CDP will send to Depositors, at their own risk, within fifteen (15) Market Days after the Closing Date, a notification letter showing the number of Rights Shares and Warrants credited to the relevant securities accounts of such Depositors.

---

**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 pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

---

No pre-emptive rights have been offered.

---

**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).**

---

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

In the case of applications for excess Rights Shares with Warrants, if an Entitled Shareholder applies for excess Rights Shares with Warrants but no excess Rights Shares with Warrants are allotted to that Entitled Shareholder, or if the number of excess Rights Shares with Warrants 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 by CDP or the Share Registrar, 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 Entitled Depositor's bank account with the relevant Participating Bank at the Entitled Depositor's own risk if the Entitled Depositor applied by way of Electronic Application through an ATM, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder; and/or
- (b) by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at the relevant Entitled Shareholder's own risk to the Entitled Shareholder's mailing address as maintained with CDP or the Company, as the case may be, or by any other manner as the Entitled Shareholders may have agreed with CDP for any cash distributions.

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

## PART IV (KEY INFORMATION)

---

### 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.
- 

Please see paragraphs 2 to 7 below.

---

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.**
- 

The estimated net proceeds of the Rights Shares cum Warrants Issue, after deducting estimated expenses of S\$350,000, are expected to be approximately S\$35.78 million before the exercise of the Warrants, assuming Maximum Subscription.

Assuming that all the 258,093,241 Warrants are exercised, the estimated gross proceeds arising from such exercise will amount to approximately S\$6.45 million.

---

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 estimated net proceeds of the Rights Shares cum Warrants Issue, after deducting estimated expenses of S\$350,000, are expected to be approximately S\$35.78 million before the exercise of the Warrants, assuming Maximum Subscription.

The Company intends to utilise the net proceeds of the Rights Shares cum Warrants Issue as working capital of the Group.

On 6 August 2007, the Company announced that it had entered into an outsourcing agreement ("Outsourcing Agreement") with Realm Energy Sdn Bhd ("RESB"). Pursuant to the Outsourcing Agreement, the Company has been appointed as RESB's exclusive agent to provide and supply all the necessary products, equipment and facilities to RESB for the installation of last-mile broadband internet connectivity using Broadband over Power Line ("BPL") technology and premium services, such as voice-over-internet-protocol (VOIP), web-TV, internet protocol television (IPTV) and grid management. Under the terms of the Outsourcing Agreement, RESB has also appointed the Company as its main contractor for the installation of BPL services to RESB's customers who comprise Internet Service Providers and other persons, such as property developers, property owners and management companies who wish to provide broadband internet connectivity and services and also to the end-users of these customers, within Malaysia.



Under the terms of the Outsourcing Agreement, RESB will pay to the Company the cost of the supply and installation of all necessary BPL hardware to RESB's customers. The Company will also receive a recurrent fee of RM5 per customer per month, so long as the customer continues to subscribe for RESB's broadband internet service.

Under the terms of the Outsourcing Agreement, RESB will use its best endeavour to secure one million (1,000,000) subscribers for BPL broadband internet service within the next three (3) years. The total value of the project will be in excess of RM500 million, if this target is achieved.

The Company estimates that it will require a minimum of RM65 million (equivalent to approximately S\$29.25 million) to fund the working capital required to carry out and fulfill its obligations as the exclusive agent and supplier of all the necessary products, equipment and facilities to RESB under the Outsourcing Agreement.

The Company also intends to utilise the remaining net proceeds of the Rights Shares cum Warrants Issue, if any, as general working capital for the Group and for any other business investments and opportunities which the Directors may approve.

Pending the deployment of the net proceeds from the Rights Shares cum Warrants Issue, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

As and when the Warrants are exercised, the net proceeds arising therefrom may be used by the Company as working capital and/or such other purposes as the Directors may in their absolute discretion deem fit.

There is no minimum amount which must be raised from the Rights Shares cum Warrants Issue.

The Company will make periodic announcements on the use of proceeds from the Rights Shares cum Warrants Issue when materially disbursed and to provide a status report on the use of proceeds in its annual report(s).

---

**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.**

---

For each dollar of the gross proceeds from the Rights Shares cum Warrants Issue, the estimated amount that will be used to pay for expenses incurred in connection with the Rights Shares cum Warrants Issue is approximately S\$0.0097 (representing approximately 0.97% of the gross proceeds).

The estimated net proceeds of the Rights Shares cum Warrants Issue, after deducting estimated expenses of S\$350,000, are expected to be approximately S\$35.78 million before the exercise of the Warrants, assuming Maximum Subscription.

Such proceeds are expected to be used by the Group as working capital as described in paragraph 3 above.

- 
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.**
- 

None of the net proceeds will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

---

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.**
- 

None of the net proceeds will be used to finance or refinance the acquisition of another business.

---

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 to put.**
- 

None of the net proceeds will be used to discharge, reduce or retire the indebtedness of the Group.

---

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.**
- 

The Rights Shares cum Warrants Issue is not underwritten and no placement or selling agents have been appointed in relation to the Rights Shares cum Warrants Issue.

---

#### **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);**
- 

Registered office address and principal place of business	:	190 Middle Road #19-07 Fortune Centre Singapore 188979
Telephone number	:	(65) 6222 1841
Facsimile number	:	(65) 6222 6526

---

**(b) State 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.**

---

The principal activities of the Company are that of investments, investment holding and management of companies.

As at the Latest Practicable Date, the Company and the Group had the following subsidiaries and their principal activities are as follows:–

<b>Name</b>	<b>Principal activities</b>	<b>Place of incorporation/ operation</b>	<b>Effective interest held by the Group (%)</b>
<u>Held by the Company</u>			
Jadensworth Holdings Pte Ltd	Investment holding and investment trading	Singapore	100.0
PG Communications Pte Ltd	Telecommunication service provider	Singapore	100.0
Awana Rentak Sdn Bhd	Investment holding	Malaysia	100.0
Shakey's Holdings Pte Ltd	Investment holding	Singapore	88.9
Top-Text Sdn Bhd	Inactive	Malaysia	90.0
<u>Held by PG Communications Pte Ltd</u>			
Alstra Pacific Pte Ltd	Telecommunication service provider	Singapore	100.0
PG Communications Sdn Bhd	Telecommunication service provider	Malaysia	100.0
<u>Held by Shakey's Holdings Pte Ltd</u>			
Heritage Investment Corporation	Investment holding and investment trading	British Virgin Islands/ Singapore	88.9
<u>Held by Awana Rentak Sdn Bhd</u>			
Mega Highlights Sdn Bhd	Investment holding and manufacturing of commercial vehicles	Malaysia	100.0

---

**(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;**
-

The general development of the business of the Group for the last 3 recent completed financial years to the Latest Practicable Date are as follows:–

#### FY 2004

The Group's investment in the corrugated paper pallet and packaging business through RR Industrial Packaging & Design Service Pte. Ltd. ("RR Industrial") and its wholly-owned operating subsidiary, PT RR Packaging Indonesia ("RR Indonesia"), encountered unforeseen difficulties and did not meet the profit guarantee for the year 2004. Delivery of machinery for manufacturing was delayed and contributed to the factory operating below its planned production capacity. However, RR Indonesia did successfully launch its paper pallets to the export packaging market in competition with the traditional wooden pallets.

The Group's venture in telecommunications in Zenith Member Singapore Pte Ltd ("ZMS"), a 51% indirect subsidiary, had a commercial dispute with its Israeli joint-venture partner, Zenith Management Inc ("ZMI") in July 2004. This led to denial of services and access to the system by ZMI. The Company arranged with another service provider for the provision of services to ZMS's pre-paid customers by August 2004. The disruption of ZMS's services in July and August 2004 seriously affected its credibility and business and the Company decided to discontinue the ZMS venture in December 2004.

The Infocomm Development Authority of Singapore ("IDA") was kept fully informed throughout this period. ZMS conducted a refund exercise for its pre-paid customers, as required by IDA, which was completed on 20 January 2005. ZMS surrendered and cancelled its IDA license and ceased operations thereafter.

PG Communications Pte Ltd ("PG"), formerly known as Poon Guan Private Limited, a wholly-owned subsidiary of the Company, acquired its own system and infrastructure to provide innovative telecommunication voice solutions and services in late 2004. PG obtained its own license from IDA and offered international voice communications to pre-paid and post-paid customers in Singapore at competitive prices and quality of service.

The Group entered into two agreements to sell its Shakey's pizza franchise business and assets for a total consideration of US\$4.5 million. The sale, which contributed S\$7 million to the Group's earnings for FY 2004, was completed on 31 August 2004. Consequently, the Group's revenue from Shakey's was reduced by S\$1.5 million for the second half of FY 2004.

The Group invested about S\$6.5 million of the Shakey's sale proceeds in marketable securities. At as FY 2004, this portfolio of marketable securities had a market value of S\$9.6 million giving a paper gain of S\$3.1 million.

The Company successfully raised about S\$0.8 million, as working capital for the Company, through the placement of 35 million new Shares at an issue price of S\$0.023 per new Share in August 2004.

#### FY 2005

PG operated in a competitive environment and market penetration was initially slow but through innovative products and marketing, revenue increased to S\$0.3 million in FY 2005, accounting for 8% of the Group's revenue for the year.

In the second half of 2005, the Group discontinued its corrugated paper pallet and packaging business through RR Industrial and RR Indonesia because of its dismal sales and poor production.

The Group adopted Financial Reporting Standard (“FRS”) 39 on 1 January 2005. In strict compliance with FRS 39, the difference which represented a gain on revaluation of investments held for trading on 1 January 2005 amounting to S\$3.07 million was credited to the revenue reserves which had a positive impact on the Group’s shareholder’s equity. Subsequent to 1 January 2005, the changes in fair value of investments held for trading were recorded through the profit and loss account.

On 28 November 2005, the Company’s wholly owned subsidiary, Awana Rentak Sdn Bhd (“ARSB”) entered into a share subscription agreement with Mega Highlights Sdn Bhd (“Mega Highlights”). Mega Highlights, which was incorporated in Malaysia, carries on the business of designing, manufacturing and assembly of commercial vehicles.

#### FY 2006

In FY 2006, PG recorded a robust growth in its sale of pre-paid calling cards despite operating in a highly competitive market through well executed marketing and distribution channels. Revenue increased by 767% compared to FY 2005 from S\$0.3 million to S\$2.6 million, accounting for 33% of the Group’s turnover.

On 20 July 2007, PG acquired 42.86% equity interest in Alstra Pacific Pte Ltd (“Alstra”), a service based operator licensed by IDA. Alstra provides wholesale hosted solutions for other service operators through a bespoke web based hosted virtual partition services in addition to pre-paid voice communication services.

On 28 February 2006, the Company, the vendor of RR Industrial and the escrow agent entered into a settlement agreement whereby the vendor returned 60,000,000 Shares held by the escrow agent to the Company, in exchange for the release of the vendor’s profit warranty for RR Industrial, which was not achieved. The Company also transferred 204,051 ordinary shares, representing 51% of the issued and paid-up share capital of RR Industrial, to the vendor for a nominal value of S\$1.00 thereby disposing of all the Company’s interest in RR Industrial. The 60,000,000 Shares were subsequently sold by the escrow agent in the open market, at various prices, and realised an aggregate net proceeds of S\$1.7 million. In compliance with FRS 39, the Group recognised a net loss of S\$1.08 million from the disposal of RR Industrial.

The Group invested its surplus cash not required for operations in marketable securities and financial instruments. The Group sold and realised S\$5.0 million from its marketable securities portfolio in a rising market.

Mega Highlights completed the construction of its factory in May 2006. Two prototype buses were successfully built in late 2006.

#### FY 2007 (Up to the Latest Practicable Date)

In the first quarter of 2007, PG Communications Sdn Bhd (“PGSB”), a wholly owned subsidiary of PG, commenced commercial operations in providing international voice communications to pre-paid and post-paid customers in Malaysia through calling cards and international direct dialling (IDD) services.

In June 2007, PG showcased its innovative 1-step World Call-back phone during the CommunicAsia show 2007 and received favourable response. However, this phone has yet to receive approval for use from IDA. PG continues to evaluate new services and products such as internet protocol phone (IP Phone), voice-over-internet-protocol (VOIP) and wireless telephony.

On 17 July 2007, the Company entered into a conditional sale and purchase agreement with Kang Teow Beng, Ng Teck Huat, Tan Chien Wei and Tan Wee Meng (collectively, the “Vendors”) to acquire 300,000 ordinary shares, representing approximately 57.14% interest in Alstra which were held by the Vendors and not owned by PG. The acquisition was completed on 7 August 2007 and Alstra became a wholly owned subsidiary of PG.

On 6 August 2007, the Company entered into an outsourcing agreement with Realm Energy Sdn Bhd (“RESB”) pursuant to which the Company has been appointed as RESB’s exclusive agent to provide and supply all the necessary products, equipment and facilities to RESB for the installation of last-mile broadband internet connectivity using broadband-over-powerline (“BPL”) technology and premium services such as voice-over-internet-protocol (VOIP), web-TV, internet protocol television (IPTV) and grid management. The Company was also appointed as RESB’s main contractor for the installation of BPL services to RESB’s customers.

On 13 August 2007, the Company announced the Rights Shares cum Warrants Issue.

On 21 August 2007, the Company announced that Mega Highlights had defaulted in the repayment of a RM2.5 million loan advanced by ARSB to Mega Highlights. Consequently, 100,000 ordinary shares in Mega Highlights pledged by its other shareholder, Mr Khoriri bin Hj. Abu Sabri, as security for the said loan were transferred to ARSB. Mega Highlights also allotted and issued 2 million ordinary shares to ARSB in partial settlement of the said loan. As a result, Mega Highlights became a wholly owned subsidiary of ARSB. An outstanding amount of RM600,000 is owing by Mega Highlights to ARSB.

On 6 September 2007, the Company announced a variation to the terms of the proposed Rights Shares cum Warrants Issue as follows:–

“Proposed renounceable non-underwritten rights issue of up to 1,032,372,966 Rights Shares at the Issue Price for each Rights Share with up to 258,093,241 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price for each New Share on the basis of two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders of the Company as at the Books Closure Date and one (1) free Warrant for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded”.

On 28 September 2007, the SGX-ST granted approval in-principle for the listing of and quotation for the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares on the Official List of the SGX-ST. Approval in-principle granted by the SGX-ST for the listing of and quotation for the 1,032,372,966 Rights Shares, the 258,093,241 Warrants and the 258,093,241 New Shares on the Official List of the SGX-ST are in no way reflective of and are not to be taken as an indication of the merits of the Company, its subsidiaries, the Rights Shares cum Warrants Issue, the 1,032,372,966 Rights Shares, the 258,093,241 Warrants or the 258,093,241 New Shares.

The Rights Shares cum Warrants Issue was approved by Shareholders at an extraordinary general meeting of the Company held on 19 October 2007.

- 
- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) in the case of equity capital, the issued capital; or**
  - (ii) 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 share and loan capital of the Company is as follows:–

Issued and paid up share capital	:	S\$33,761,580.60 divided into 516,186,483 Shares
Loan Capital	:	Nil

---

**(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;**
- 

The number of Shares in which substantial Shareholders have interests, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are set out below:–

Substantial Shareholders	Direct Interests		Deemed Interests	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Bintang Pyramid (M) Sdn Bhd <sup>(2)</sup>	43,379,000	8.40	—	—
Lt Jen (K) Tan Sri Mohamed bin Ngah Said	—	—	43,379,000	8.40
Dato' Soh Chee Wen	—	—	43,379,000	8.40

Notes:–

- (1) Based on the issued share capital of 516,186,483 Shares as at the Latest Practicable Date.
- (2) Based on the notifications given to the Company on 10 November 1994 and 10 April 1995 (collectively referred to as the “Bintang Notifications”), 43,379,000 Shares were held by various nominees in trust for Bintang Pyramid (M) Sdn Bhd (“Bintang”), a Malaysian corporation. According to the Depository Register, as at 30 September 2007, the said nominees stated in the Bintang Notifications no longer appears as Depositors. However, Bintang has not notified the Company of any changes in its shareholdings since the Bintang Notifications. The Company has written to Bintang to obtain confirmation of its interest in Shares of the Company and in relation to Bintang’s obligations to notify the Company of any change of its interest as a substantial Shareholder but the Company had not received any response from Bintang. Therefore, the Company is unable to ascertain whether Bintang continues to be a substantial Shareholder of the Company. Dato’ Soh Chee Wen’s and Lt Jen (K) Tan Sri Mohamad bin Ngah Said’s deemed interests in 43,379,000 Shares were by virtue of their being substantial shareholders of Bintang (based on notifications dated 28 October 1994). A companies’ information search on Bintang conducted on 21 December 2001 showed that based on information extracted from Bintang’s documents lodged up to 29 September 1999, Dato’ Soh Chee Wen and Lt Jen (K) Tan Sri Mohamed bin Ngah Said were still substantial shareholders of Bintang.
- 

- (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 lodgment 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;**
- 

Save as disclosed in the next paragraph in respect of the Additional Tax Assessments (as defined below), as at the date of this Offer Information Statement, the Directors are not aware of any litigation or arbitration proceedings to which the Group is a party of or which is pending or known to be contemplated that may have or would have had in the last 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

The Company has been assessed with additional tax assessments for years of assessment 1998 and 1990 to 2004 (“Additional Tax Assessments”) by the Inland Revenue Authority of Singapore (“IRAS”) amounting to S\$3.1 million. The Company has objected to the Additional Tax Assessments but is liable to pay additional tax notwithstanding its objections to the assessments.

These Additional Tax Assessments arose because of the following areas:-

- (1) IRAS is of the opinion that as some of the Company's investments did not generate dividend income, the Company is therefore not in the business of investment holding.

The Company's stance is that though it hopes that every investment it makes would succeed and be profitable, the reality is that doing business and investing carry risk and they can fail. In such instances, the Company stands to lose the invested capital let alone the expectation of generating any dividend income.

- (2) IRAS has also determined that the number of investments held by the Company as "not huge" to qualify it as an active investment holding company, and therefore its dividend and interest income are considered as passive income. Consequently, only a certain portion of expenses were eligible for tax deduction.

The Company was and is actively in the business of identifying, assessing, acquiring, managing and disposal of investments for dividend, interest and capital gains. During those years of assessments, the Company had more than thirty (30) direct and indirect investments that cost more than S\$50 million. The Company's contention is that its investments were sizeable and it was an active investment holding company, and all its expenses are tax deductible.

- (3) The Company also disagreed with IRAS's treatment of interest expense. IRAS apportioned the Company's interest expense to each of its investments and disallowed the interest expense attributable to what they consider as "non-income producing investments".

The Company's opinion is that this treatment is unfair and inequitable because interest expense was incurred on borrowings to finance businesses of its investee companies. The interest expense was billed back to its investee companies and gave rise to interest income to the Company which was taxed in full while interest expense was only deducted restrictively in IRAS's assessment. The Company is of the view that the investments should be treated as one source and all interest expenses incurred in the production of income from this source should be wholly deductible.

The Company has submitted a proposal to the IRAS for a resolution of this long outstanding taxation issue. In the event that the IRAS does not accept the Company's proposal and demand payment of the Additional Tax Assessments of S\$3.1 million, the Company's and the Group's cashflow will be adversely affected and its viability compromised.

---

**(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**

---

On 17 July 2007, the Company entered into a conditional sale and purchase agreement with Kang Teow Beng, Ng Teck Huat, Tan Chien Wei and Tan Wee Meng (collectively, the "Vendors") to acquire 300,000 ordinary shares, representing approximately 57.14% of the issued share capital of Alstra Pacific Pte Ltd for a purchase consideration of S\$300,000 (the "Purchase Consideration").



The Purchase Consideration was satisfied in full by the allotment and issue of 4,285,714 new Shares in the capital of the Company (the "Consideration Shares") at an issue price of S\$0.07 for each Consideration Share.

The Consideration Shares were issued to each of the Vendors as follows:–

<b>Name of the Vendor</b>	<b>Number of Consideration Shares</b>
Kang Teow Beng	685,714
Ng Teck Huat	685,714
Tan Chien Wei	428,572
Tan Wee Meng	2,485,714
Total:	4,285,714

Save as disclosed above, the Company did not issue any other securities or equity interests within the 12 months preceding the Latest Practicable Date.

- 
- (h) Provide 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 lodgment 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.**
- 

Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years preceding the Latest Practicable Date:–

- (a) Share subscription agreement dated 28 November 2005 entered into between Awana Rentak Sdn Bhd ("ARSB"), a wholly owned subsidiary of the Company, and Mega Highlights Sdn Bhd ("Mega Highlights") pursuant to which ARSB subscribed for 42,857 new ordinary shares in the capital of Mega Highlights for an aggregate subscription price of RM42,857;
- (b) Shareholders agreement dated 28 November 2005 entered into between ARSB and Khoriri bin Hj. Abu Sabri, a major shareholder of Mega Highlights, to set out the financial, managerial, administrative and other arrangements agreed between ARSB and Khoriri bin Hj. Abu Sabri in relation to their participation and shareholdings in Mega Highlights;
- (c) Loan agreement dated 28 November 2005 entered among ARSB, Mega Highlights and Khoriri bin Hj. Abu Sabri pursuant to which ARSB extended an interest-free loan of up to RM2 million to Mega Highlights for the sole purpose of the construction of a factory and commercial vehicle assembly facilities located at Sungai Dara, Tanjung Malim, Perak Darul Ridzuan, Malaysia;
- (d) Settlement agreement dated 28 February 2006 entered among the Company, Lim Cheng Yong, RR Industrial Packaging & Design Services Pte. Ltd. and Straits Law Practice LLC (acting as escrow agent) pursuant to which all outstanding matters relating to and in connection with the sale and purchase agreement dated 19 September 2003 were settled;
- (e) Subscription and shareholders agreement dated 20 July 2006 entered among PG Communications Pte Ltd ("PG"), a wholly owned subsidiary of the Company, Kang Teow Beng, Ng Teck Huat, Tan Chien Wei and Tan Wee Meng pursuant to which PG subscribed for 225,000 new ordinary shares in the capital of Alstra Pacific Pte Ltd for an aggregate subscription price of S\$225,000;

- (f) Supplemental loan agreement dated 6 September 2006 entered among ARSB, Mega Highlights and Khoriri bin Hj. Abu Sabri pursuant to which certain terms of the loan agreement dated 28 November 2005 were varied, amended or modified;
- (g) Sale and purchase agreement dated 17 July 2007 entered among PG, Kang Teow Beng, Ng Teck Huat, Tan Chien Wei and Tan Wee Meng (the "Vendors") pursuant to which PG acquired 300,000 ordinary shares in the capital of Alstra Pacific Pte Ltd for a purchase consideration of S\$300,000;
- (h) Termination of subscription and shareholders agreement dated 17 July 2007 entered between PG and the Vendors pursuant to which the subscription and shareholders' agreement dated 20 July 2006 was terminated;
- (i) Letter of Undertaking dated 9 September 2007 executed by the Undertaking Shareholder in favour of the Company whereby the Undertaking Shareholder undertook to, *inter alia*, subscribe for her full entitlement to the Rights Shares with Warrants under the Rights Shares cum Warrants Issue and to apply, by way of excess application, for such number of additional Rights Shares with Warrants that when aggregated with her current shareholdings and her entitlements to the Rights Shares with Warrants shall not exceed 20% (rounded downwards to the nearest 1,000 Rights Shares with Warrants) of the resultant enlarged issued share capital of the Company after the Rights Shares cum Warrants Issue;
- (j) Deed poll dated 29 October 2007 executed by the Company constituting the Warrants and containing, *inter alia*, provisions concerning the rights of Warranholder; and
- (k) Warrant agency agreement dated 29 October 2007 entered among the Company, the Share Registrar and the Warrant Agent relating to the appointment of the Warrant Agent by the Company as warrant agent in respect of the Warrants.

## 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 profit and loss statement of the Group for FY 2004 to FY 2006 and the unaudited consolidated profit and loss statement for HY 2007 and its corresponding previous period are set out below:–

	FY 2004 (Audited) S\$'000	FY 2005 (Audited) S\$'000	FY 2006 (Audited) S\$'000	HY 2006 (Unaudited) S\$'000	HY 2007 (Unaudited) S\$'000
Continuing Operations					
Revenue	5,531	4,202	7,762	3,604	5,336
Cost of sales	(1,949)	(3,850)	(6,553)	(2,681)	(3,801)
Gross profit	3,582	352	1,209	923	1,535
Other operating income	141	657	389	6	(5)
Distribution costs	(304)	(16)	(10)	(261)	(1,236)
Administrative expenses	(2,133)	(1,128)	(1,086)	(473)	(676)
Other operating expenses	(3,293)	(1,097)	(470)	(76)	(246)
Finance income	3	3	35	4	2
Finance costs	(4)	(29)	(20)	(14)	(5)
Gain on disposal of business operations	6,998	—	—	—	—
Gain on deconsolidation of subsidiaries	—	—	—	193	—
Loss on disposal of subsidiaries	—	—	(1,080)	—	—
Share of loss of joint venture	—	(35)	(97)	(38)	—

	FY 2004 (Audited) S\$'000	FY 2005 (Audited) S\$'000	FY 2006 (Audited) S\$'000	HY 2006 (Unaudited) S\$'000	HY 2007 (Unaudited) S\$'000
Share of loss of associate	—	(7)	(12)	(12)	—
(Loss) Profit before tax	4,990	(1,300)	(1,142)	252	(631)
Income tax benefit	—	201	(16)	23	(5)
(Loss) Profit for the year from continuing operations	4,990	(1,099)	(1,158)	275	(636)
Discontinued operation					
Loss for the year from discontinued operation	(297)	(621)	—	—	—
(Loss) Profit for the year	4,693	(1,720)	(1,158)	275	(636)
Earnings per Share/(Loss per Share) (cents)	0.96	(0.32)	(0.23)	0.05	(0.11)
Earnings per Share/(Loss per Share) after the Rights Shares cum Warrants Issue and before exercise of any Warrants (cents) <sup>(1)</sup>	0.31	(0.11)	(0.07)	0.02	(0.04)
Earnings per Share/(Loss per Share) after the Rights Shares cum Warrants Issue and assuming exercise of all Warrants (cents) <sup>(2)</sup>	0.26	(0.09)	(0.06)	0.02	(0.03)
Dividends per Share (cents)	—	—	—	—	—

Notes:

- (1) Adjusted for 4,285,714 Shares allotted and issued for the acquisition of 300,000 shares in Alstra Pacific Pte Ltd and 1,032,372,966 Rights Shares that were assumed to have been issued on the first day of the financial year; and
- (2) Adjusted for 4,285,714 Shares allotted and issued for the acquisition of 300,000 shares in Alstra Pacific Pte Ltd and 1,032,372,966 Rights Shares and 258,093,241 New Shares pursuant to the exercise of the 258,093,241 Warrants that were assumed to have been issued on the first day of the financial year.

### 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.

#### FY 2005 vs FY 2004

The Group's turnover declined by 24% from S\$5.5 million in FY 2004 to S\$4.2 million in FY 2005. The main reason for the decline was due to the disposal and discontinuation of the Shakey's restaurant and franchising business in August 2004. Proceeds from the sale of investments held for trading accounted for 90% or S\$3.8 million of the Group's turnover. The Group's

telecommunication subsidiary, PG Communications Pte. Ltd., contributed S\$0.3 million or 8% of the Group's turnover and the balance 2% came from the paper pallet business.

Operating, administrative and distribution costs declined by 53% from S\$6 million in FY 2004 to S\$2.8 million in FY 2005. The main reason for the decline was the disposal of the loss-making Shakey's restaurant and franchising business. In addition, the Group continued to rationalise expenditures through cost-cutting measures.

The Group's loss for FY 2005 was S\$1.7 million, compared to a profit of S\$4.7 million in FY 2004. The profit in FY 2004 was mainly attributed to the one off S\$7.0 million gain from the sale of the Shakey's restaurant and franchising business. The Group adopted Singapore Financial Reporting Standards ("FRS") 39 on 1 January 2005, resulting in a S\$3 million gain in fair value of investments held for trading which was recorded through the revenue reserves account. The Group's earnings for FY 2005 would have been a profit of S\$1.3 million instead of a loss of S\$1.7 million, if the changes in fair value of investments held for trading were recorded through the profit and loss account.

The Group adopted FRS 105 in FY 2005, and non-current assets held for sale were reclassified as current assets held for sale. As a result, the working capital of the Group improved from S\$7.3 million as at 31 December 2004 to S\$11.9 million as at 31 December 2005.

#### FY 2006 vs FY 2005

The Group's turnover increased by 85% from S\$4.2 million in FY 2005 to S\$7.8 million in FY 2006. Proceeds from sale of investments held for trading was S\$5.1 million compared to S\$3.8 million in FY 2005, accounting for 65% of the Group's turnover. The Group's telecommunication business, which had its first full year of operations, had a turnover of S\$2.6 million compared to S\$0.3 million in FY 2005, contributing 33% of the Group's turnover.

The Group's gross profit for FY 2006 was S\$1.2 million, compared to S\$0.35 million in the previous corresponding period, an increase of 241%. Investments held for trading accounted for S\$1.0 million of the gross profit.

Operating, administrative and distribution costs declined by 44% from S\$2.8 million in FY 2005 to S\$1.56 million in FY 2006. Approximately S\$0.5 million of the Group's operating, administrative and distribution costs were attributable to RR Industrial Packaging & Design Services Pte Ltd ("RR Industrial") in FY 2005. The Group's operating, administrative and distribution costs would have declined by approximately 32% in FY 2006 compared to FY 2005 if the operating, administrative and distribution costs attributable to RR Industrial were excluded.

The Group had been able to control its costs despite the general rise in wages, rental and business costs in FY 2006 through prudent management and tight budgetary controls. This had reduced the Group's loss from S\$1.7 million in FY 2005 to S\$1.16 million for FY 2006 and it would have been reduced further if not for a one-time charge (loss) of S\$1.08 million from the disposal of subsidiaries.

The investments held for trading activity remained the main profit contributor with the telecommunication business breaking-even in FY 2006. However, the S\$1.08 million profit generated by the investments held for trading activity was offset by the one-time charge (loss) on disposal of subsidiaries, recognised in the FY 2006 in compliance with FRS 39.

#### HY 2006 (unaudited) vs HY 2007 (unaudited)

The Group's turnover increased by 47% from S\$3.6 million in HY 2006 to S\$5.3 million in HY 2007. The main reason for the increase was due to growth in sales in the telecommunication business. The Group's telecommunication business generated a turnover of S\$3.5 million,

accounting for 66% of the Group's turnover, in HY 2007. Turnover of telecommunication business in HY 2006 would have been S\$1.2 million if sales commission of S\$0.26 million had not been offset against turnover. Sales commission of S\$1.21 million had been included as distribution and marketing expenses of S\$1.24 million in HY 2007. Proceeds from the sale of investments held for trading was S\$1.8 million in HY 2007 compared with S\$2.4 million in HY 2006, and accounted for 34% of the Group's turnover in HY 2007.

The Group's gross profit increased by 66% from S\$0.90 million in HY 2006 to S\$1.5 million in HY 2007. Investments held for trading contributed S\$0.3 million in HY 2007 compared to S\$0.7 million in HY 2006. The balance of S\$1.2 million was attributable to the telecommunication business in HY 2007. The telecommunication business contributed S\$0.2 million gross margin in HY 2006.

Operating, administrative and distribution costs increased by 166% from S\$0.81 million in HY 2006 to S\$2.16 million in HY 2007. The main reason for the increase was the increased sales commission expenses related to substantially higher sales volume and business activities in the Group's telecommunication business.

---

## 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.

---

The audited consolidated balance sheets of the Group as at FY 2006 and the unaudited consolidated balance sheet of the Group as at HY 2007 are set out below:–

	<b>As at 31 December 2006 (Audited) S\$'000</b>	<b>As at 30 June 2007 (Unaudited) S\$'000</b>
<b>ASSETS</b>		
Current assets:		
Cash and bank balances	876	944
Investments held for trading	7,154	7,806
Trade receivables	209	264
Other receivables and prepayments	5,941	4,811
Inventories	12	25
Total current assets	14,192	13,850

	<b>As at 31 December 2006 (Audited) S\$'000</b>	<b>As at 30 June 2007 (Unaudited) S\$'000</b>
Non-current assets:		
Available-for-sale investment	7,000	7,000
Plant and equipment	820	740
Intangible assets	122	122
Total non-current assets	7,942	7,862
Total assets	22,134	21,712
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Trade payables	184	458
Other payables	916	905
Income tax payable	3,133	3,122
Current portion of finance leases	40	40
Total current liabilities	4,273	4,525
Non-current liability:		
Finance leases	137	117
Capital, reserves and minority interest:		
Share capital	33,462	33,462
Foreign currency translation reserve	1,308	1,290
Accumulated losses	(17,189)	(17,738)
Equity attributable to equity holders of the Company	17,581	17,014
Minority interest	143	56
Total equity	17,724	17,070
Total liabilities and equity	22,134	21,712
Number of Shares before the Rights Shares cum Warrants Issue		
	511,900,769	511,900,769
Number of Shares as at the Latest Practicable Date		
	516,186,483	516,186,483
Number of Shares after the Rights Shares cum Warrants Issue and before exercise of any Warrant		
	1,548,559,449	1,548,559,449
Number of Shares after the Rights Shares cum Warrants Issue and assuming exercise of all Warrants		
	1,806,652,690	1,806,652,690
NTA per Share before the Rights Shares cum Warrants Issue (cents) <sup>(1)</sup>		
	3.41	3.28
NTA per Share after the Rights Shares cum Warrants Issue and before exercise of any Warrant (cents)		
	3.47	3.43
NTA per Share after the Rights Shares cum Warrants Issue and assuming exercise of all Warrants (cents)		
	3.33	3.30

Note:

- (1) Computed based on 516,186,483 issued Shares as at the Latest Practicable Date after adjusting for the acquisition by the Company of a 57.14% interest in Alstra Pacific Pte Ltd on 17 July 2007.

---

## 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.
- 

The consolidated cash flow statements for the Group for FY 2006 and for HY 2007 are set out below:–

	<b>FY 2006 (Audited) S\$'000</b>	<b>HY 2007 (Unaudited) S\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(1,142)	(631)
Adjustments for:		
Share of loss of associate	12	—
Share of loss of joint venture	97	—
Dividend income	(139)	—
Fair value gain on revaluation of investments held for trading	(12)	(16)
Gain on disposal of plant and equipment	(87)	—
Loss on disposal of subsidiaries (Note C)	1,080	—
Depreciation of plant and equipment	188	117
Write back of allowance for doubtful other receivables	(20)	—
Write back of allowance for doubtful trade receivables	(46)	—
Interest income	(35)	(2)
Interest expense	20	5
Stock written up	—	5
Operating cash outflow before movements in working capital	(84)	(522)
(Increase) in inventories	(5)	(18)
(Increase)/Decrease in trade and other receivables and prepayments	(578)	263
Increase in trade and other payables	397	1,075
(Increase)/Decrease in investments held for trading	1,012	(636)
Cash generated from operations	742	162
Dividend received	139	—
Interest received	35	2
Interest paid	(20)	(5)
Income tax (paid)	(57)	(16)
Net cash generated from operating activities	839	143



	<b>FY 2006 (Audited) S\$'000</b>	<b>HY 2007 (Unaudited) S\$'000</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment (Note A)	(559)	(38)
Acquisition of a subsidiary, net of cash acquired (Note B)	4	—
Proceeds from sale of plant and equipment	96	1
Cash and cash equivalents in subsidiaries disposed during the financial year (Note C)	(10)	—
Net cash (used in) investing activities	(469)	(37)
<b>Cash flows from financing activities</b>		
Repayment of finance lease	(89)	(20)
Proceeds from finance lease	200	—
Net cash (used in)/generated from financing activities	111	(20)
<b>Effect of foreign exchange rate changes</b>	(576)	(18)
Net increase/(decrease) in cash and bank balances	(95)	68
Cash and bank balances at beginning of financial period	790	876
Cash and bank balances at end of financial period	695	944

Notes to the consolidated cash flow statement:—

(A) During the FY 2006, the Group acquired plant and equipment at an aggregate cost of S\$559,000 of which S\$205,000 was acquired under finance lease and the balance S\$354,000 in cash.

(B) Acquisition of a subsidiary

The fair value of identifiable net assets and contingent liabilities of Alstra Pacific Pte Ltd (“Alstra”) acquired and net cash inflow on acquisition was as follows:—

	<b>FY 2006 S\$'000</b>
Plant and equipment	(87)
Cash and bank balances	(129)
Current assets (other than cash and bank balances)	(143)
Current liabilities	120
Total net assets	(239)
Less: Minority interests	136
Share of fair value of assets acquired	(103)
Goodwill	(122)
Total cash consideration	(225)
Less: Unpaid consideration as at 31 December 2006	100
	(125)
Add: Cash acquired from subsidiary	129
Net cash inflow from acquisition of subsidiary	4

On 20 July 2006, PG Communications Pte Ltd (“PG”), a subsidiary of the Company, entered into a share subscription and shareholders’ agreement (the “Subscription Agreement”) with Alstra and Alstra’s shareholders.

Under the Subscription Agreement, PG subscribed for 225,000 new ordinary shares in the capital of Alstra, representing 42.857% of the resultant enlarged issued share capital of Alstra at an issue price of S\$1.00 for each new ordinary share, making an aggregate of S\$225,000.

As at 31 December 2006, PG has paid S\$125,000 in cash to Alstra and the balance S\$100,000 shall be payable to Alstra upon completion of certain condition precedent by 30 June 2007.

Goodwill is attributable to the acquisition of subsidiary, which is expected to provide synergies from the combination.

The goodwill is attributable to the acquisition of subsidiary whose cost of acquisition exceeded its fair value of net identifiable assets.

Alstra contributed revenue and net loss after income tax of S\$418,000 and S\$3,000 respectively to the consolidated profit and loss account from the financial year 2006, since the date of acquisition, which coincides with the date of control of 20 July 2006.

If the acquisition had occurred on 1 January 2006 (on the assumption that the results of the acquired subsidiary accrues evenly over the period), the Group's revenue and Group's loss after income tax would have been S\$7,858,000 and S\$1,218,000 respectively.

(C) Loss on disposal of subsidiaries

The Group recognised a net loss of S\$1.1 million from the disposal of RR Industrial Packaging Design & Services Pte Ltd and PT RR Packaging Indonesia. The carrying amount of net assets deconsolidated and their cash flow effects are as follows:–

	<b>FY 2006</b> <b>S\$'000</b>
Cash and bank balances	(10)
Trade receivables	(15)
Other receivables and prepayments	(1)
Plant and equipment	(88)
Intangible assets	(2,723)
Other payables	21
Obligation under finance lease	46
	<hr/>
Carrying value of net assets deconsolidated	(2,770)
Release of accumulated losses	2,962
	<hr/>
Net gain on deconsolidation	192
Less: Loss recognised from disposal of subsidiaries	(1,272)
	<hr/>
Net loss on disposal of subsidiaries	<u>(1,080)</u>

---

**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 lodgment 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.**

---

The Directors are of the opinion that after taking into consideration the Group's internal resources, operating cash flows, banking facilities and the net proceeds raised from the Rights Shares cum Warrants Issue, the Group will have sufficient working capital to meet its present requirements.

- 
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).**
- 

To the best of the Directors' knowledge, 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.

---

#### **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.**
- 

Save as disclosed below and in this Offer Information Statement, the latest financial statement for FY 2006, HY 2007 and in the announcements, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which 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 this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the current financial year. In respect of the performance of the Group for the current financial year and save as disclosed, the Directors are not aware of any factor relating to the business and financial prospects of the Group and/or trends that will have a material effect on the financial condition and operating results.

#### **Current Year Prospects and Trend Information**

The Group's businesses are in telecommunications services, investment in a right to receive the net proceeds from 60 finished lots of the final development phase of a 450 acres development land in Washington State, United States of America ("US"), investment in Mega Highlights Sdn Bhd ("Mega Highlights") and investments in marketable securities and financial instruments.

The recent sub-prime mortgage and credit problems and its impact on US and global economic outlook and financial markets, may negatively impact on the Group's business, particularly on its investment relating to the property development in Washington State. Though the real estate market in Washington State has remained strong, there is no certainty that it will not be affected by the general downturn in the US real estate market or if the US economy contracts. In such an event, the Group's investment in a right to receive the net proceeds from 60 finished lots of the final development phase of the 450 acres development land in Washington State will have to be written down.

The Group's investment in marketable securities and financial instruments are affected by global economic conditions, political developments, currency fluctuations and interest rates trend. Market liquidity and systematic risks may also affect the Group's investment in marketable securities and financial instruments which are in Singapore and Malaysian quoted shares.

The Group recently took control of its investment in Mega Highlights which is in the business of designing, manufacturing and assembly of commercial vehicles. Mega Highlights owns a 48.3 acres land in Tanjung Malim, Perak, Malaysia and the directors of Mega Highlights are evaluating several plans in respect of this investment.

The Group's telecommunications services business is likely to break even. Efforts are made to improve revenue and reduce cost. The Group's investment in this sector is not expected to have any significant impact on the Group's profitability.

As disclosed in Part IV (9) (f) of this Offer Information Statement, the Company and the Inland Revenue Authority of Singapore ("IRAS") are working towards a settlement of the Company's long outstanding tax issue. In the event that the IRAS does not accept the Company's proposal and demand payment of the Additional Tax Assessments of S\$3.1 million, the Company's and the Group's cashflow will be adversely affected and its viability compromised.

Save as discussed above, the Board of Directors of the Company as at the Latest Practicable Date does not expect the Group's current year performance to be materially different from previous years.

### **Risk Factors**

To the best of the Directors' knowledge and belief, the risk factors which are specific to the Group and that are material to Shareholders and prospective investors in making an informed judgment on the Group (save for those which have already been disclosed to the general public) 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 to invest in the Rights Shares, the Warrants and/or the New Shares.

The Group could be affected by a number of risks that may relate to the industries 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 develops into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected.

### **Risks relating to the Group's business and operations**

*The Group operates in an environment which is highly competitive*

The market for the provision of telecommunication services and international voice communication to pre-paid and post paid customers in Singapore is highly competitive. The Group's competitors may seek to offer bundled services with their other info-communication services which may compete directly with the Group's products and services. They may also enter into global or regional alliances which may give them a competitive advantage through greater access to a broader range of product offerings, increased leverage with suppliers and more competitive subscription arrangements. In addition, they may also have significantly greater financial and marketing resources and, if successful, may erode the Group's market share.

The Group's competitors' pricing policies could also significantly affect the prices in which the Group charges for its services, potentially leading to a decline in the prices the Group's charges for its services and the Group's ability to generate significant revenue or an increase in costs to acquire new customers or to retain existing customers. Competition could also lead to a decrease in the rate at which the Group attracts new customers and the size of the Group's customer base as existing or potential customers could chose to receive telecommunication services from other providers. Any of these occurrences could result in lower revenue or increased costs which could adversely affect the Group's profitability.

*The Group may not be able to increase its customer base, revenue and profitability*

The Group may not be able to increase its customer base in its business as a result of competition and high penetration rates in the telecommunication market. In order to increase the Group's customer base, it may be necessary to lower the rates or it may be necessary to increase costs so as to acquire new customers, which may increase the Group's operating costs. Moreover, any new services may not be technically or commercially successful or launched according to expected schedules. Any such failure may have a material adverse effect on the Group's revenue and profitability.

In addition, the Group may not be successful in the execution of its business strategies. The Group may experience delays in the implementation of these strategies for various reasons, including a failure to integrate the networks and technologies, capital shortfalls, failure of third party suppliers to deliver services and products in a timely manner and the Group's inability to meet its implementation schedules. There can be no assurance that the Group's business strategies will be satisfactorily implemented and the growth of the business may be adversely affected.

*Rapid technological changes may increase competition and affect the Group's operations*

The telecommunication industry is characterised by rapid and significant changes in technology. The Group faces competition from other communication technologies including wireless technologies and satellite-based communications systems. In addition, the Group may face increasing competition from technologies currently being developed or which may be developed in the future by both its existing competitors as well as new market entrants. The Group's competitors may be more effective than the Group at developing or marketing new technologies, products and services and new competitors may emerge as a result of new technologies. The Group cannot accurately predict how emerging and future technological changes will affect the Group's operations or the competitiveness of its products.

*The Group operates in a highly regulated industry and our licences and the regulatory environment in which we operate are subject to change*

The telecommunications industry is subject to significant government regulation and licensing requirements.

In Singapore, PG Communications Pte. Ltd. is licensed by Infocomm Development Authority of Singapore ("IDA") for the provision of telecommunication systems and services.

In Malaysia, PG Communications Sdn Bhd has an Individual Class License from the Malaysian Communications and Multi-media Commission ("MCMC") to provide similar telecommunication systems and services.

Both IDA and MCMC have broad powers to regulate and monitor licensees. If a licensee is found to be in breach of any condition of its licence or any provision of any code of practice or standard of performance or any regulation, or any direction issued by them, they may issue a written order for compliance, impose a financial penalty, cancel the licence or part thereof, suspend the licence

or part thereof for a specified period or reduce the term of the licence. Any revocation or unfavourable modification of any licence right or any failure to renew on comparable terms or other changes in the regulatory environment could have a material adverse effect on the Group's results of operations and prospects. In addition, any inability to obtain new licences or rights, or delay in the renewal of the Group's existing licences or rights, could impede on the Group's ability to provide services to its customers and have a material adverse effect on the Group's results of operations and prospects.

*The Group's expected revenue and profitability may not be achieved should Realm Energy Sdn Bhd fails to secure the targeted one million subscribers for BPL internet service*

The Company had on 6 August 2007 entered into an outsourcing agreement ("Outsourcing Agreement") with Realm Energy Sdn Bhd ("RESB") pursuant to which the Company has been appointed as RESB's exclusive agent to provide and supply all the necessary products, equipment and facilities to RESB for the installation of last-mile broadband internet connectivity using Broadband over Power Line ("BPL") technology. Under the terms of the Outsourcing Agreement, RESB will use its best endeavour to secure one million (1,000,000) subscribers for BPL broadband internet service within the next three (3) years. RESB is to pay the Group a fee of RM5 per subscriber per month so long as the subscriber continues to subscribe for RESB's BPL broadband internet service. There can, however, be no assurance that RESB will be able to achieve the target of one million (1,000,000) subscribers or the number of subscribers secured by RESB may be nominal. If this should occur, the Group's expected revenue and profitability will not be realised.

*The Group relies on its management and its ability to hire, train and retain qualified employees*

The Group relies on its management team and its operations could suffer if the Group loses any member of its management team. The Group is developing info-communication products and services and its future success depends in large part to its ability to hire, train and retain appropriately qualified employees to undertake products development and management, customer services, sales and marketing activities. Qualified and skilled personnel in these areas have been in short supply and competition for such personnel is intense. Inability to hire, train and retain a sufficient number of qualified employees could adversely affect our operations.

*The Group's cashflow may be adversely affected if it fails to settle its tax dispute with the Inland Revenue Authority of Singapore*

The Company and the Inland Revenue Authority of Singapore ("IRAS") are working towards a settlement of the long outstanding tax issue, details of which are more particularly set out on pages 29 and 30 of this Offer Information Statement. In the event that the IRAS does not accept the Company's proposal and demand payment of the Additional Tax Assessments of S\$3.1 million, the Company's and the Group's cashflow will be adversely affected and its viability compromised.

*The valuation and realisation of the Group's investment in the right to receive the sale proceeds from 60 finished lots of the final development phase of a 450 acres development land in Washington State, USA will be affected by the development of the sub-prime mortgage and credit crisis and the US housing and real estate market.*

The sub-prime mortgage and credit problems will have negative impact on the US economy, particularly its housing and real estate markets. It will also impact interest rates policy, foreign exchange rates and global financial markets. Though the real estate market in Washington State has remained strong, there is no certainty that it will not be affected by the general downturn in the US real estate market or if the US economy contracts. In such an event, the Group's

investment in a right to receive the net proceeds from 60 finished lots of the final development phase of the 450 acres development land in Washington State will have to be written down.

*The Group's investment in marketable securities is affected by developments in the global economic conditions, political developments, currency fluctuation, interest rates trend, market liquidity and systemic risk may affect its future performance*

The Group invests its surplus cash not required for operations in marketable securities and financial instruments. These investments provide a ready pool of liquidity reserve for the Group's future business development and at the same time offers an opportunity for return through dividend income and capital gain. The Group's investment in marketable securities has been the main profit contributor for the Group in the last three years. The recent problems in the sub-prime mortgage and credit markets have contributed to increased volatility and risk aversions in the financial markets and may impact the liquidity and performance of the Group's investment in marketable securities and financial instruments.

### **Risks relating to ownership of Shares**

*The Company's Share price may be volatile*

The Company's Share price may be volatile, which could result in substantial losses for investors acquiring the Company's Shares. The market price of the Company's Shares could be subject to significant fluctuations in response to various factors and events, including the liquidity of the market for its Shares, differences between its actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, additions or departures of key personnel, changes in general market conditions and broad market fluctuations.

*Suspension, delisting or privatisation*

Pursuant to Rules 723, 724 and 725 of the Listing Manual, the Company must ensure that at least 10% of the Shares is at all times held by the public, failing which, trading in the Shares may be suspended and the Company delisted.

### **Risks relating to ownership of Warrants**

*Warrants will expire worthless*

The Warrants issued pursuant to the Rights Shares cum Warrants Issue have an Exercise Period of two (2) years. In the event that the Warrants are not exercised by the end of the Exercise Period, the Warrants will be worthless.

*Amendment of the terms and conditions of the Warrants*

The Company may, without the consent of the Warrantholders but in accordance with the Deed Poll, effect any modification to the terms of the Warrants or the Deed Poll, which, in the opinion of the Company, (i) is not materially prejudicial to the interests of the Warrantholders or (ii) is of a formal, technical or minor nature or (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law or (iv) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

*Potential dilution in the event the Warrants are not exercised*

In the event that an Entitled Shareholder does not take up his entitlement to the Warrants under the Rights Shares cum Warrants Issue or does not exercise any Warrants taken up under the Rights Shares cum Warrants Issue while the other Warrants issued are exercised, such Entitled Shareholder's interest in the Company may be diluted or varied.

*Fluctuations in price and trading volume*

The demand for the Warrants and its accompanying price fluctuations as well as trading volume may vary from that of the Shares.

*Further issues*

Subject to the terms and conditions of the Warrants set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but the Warranholders shall not have any participating rights in such further issues unless otherwise resolved by the Company in a general meeting.

*Warrants not listed on SGX-ST*

Pursuant to Rule 826 of the Listing Manual, it will normally require a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, SGX-ST expects at least 100 warrant holders for a class of company warrants.

If the Warrants are not sufficiently subscribed, it may not meet the spread of holdings of at least 100 warrant holders. Shareholders should note that in the event permission is not granted by the SGX-ST for the listing and quotation of the Warrants due to an inadequate spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, holders of Warrants will not be able to trade their Warrants on the SGX-ST. The Company shall nevertheless proceed with and complete the Rights Shares cum Warrants Issue in such an event.

- 
- 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.**
- 

No profit forecast is disclosed in this Offer Information Statement.

---

- 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.**
- 

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



- 
- 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.**
- 

No profit forecast is disclosed in this Offer Information Statement.

---

- 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.**
- 

No profit forecast is disclosed in this Offer Information Statement.

---

- 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, 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.**
- 

No profit forecast is disclosed in this Offer Information Statement.

---

---

## 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.**
- 

Save as disclosed in this Offer Information Statement, the Directors are not aware of any event which has occurred since 1 July 2007 to the Latest Practicable Date which has not been publicly announced and may have had a material effect on the Group's results and financial condition.

---

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

Noted.

## PART VI (THE OFFER AND LISTING)

---

### 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 lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
- 

The Issue Price for each Rights Share is S\$0.035, with one (1) free detachable Warrant for every four (4) Rights Shares subscribed, payable in full on acceptance and/or application, and the expense incurred in the Rights Shares cum Warrants Issue will not be specifically charged to subscribers or purchasers of the Rights Shares with Warrants.

The Exercise Price for each Warrant is S\$0.025.

---

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.**
- 

The Shares are traded on the Main Board of the SGX-ST.

The Issue Price of S\$0.035 represent a discount of approximately 30% to the volume weighted average price of S\$0.05 per Share on the SGX-ST as at the close of trading on 13 August 2007, being the date the announcement on the Rights Shares cum Warrants Issue was released by the Company.

As at the Latest Practicable Date, the Issue Price of S\$0.035 represent a discount of approximately 7.9% to the volume weighted average price of S\$0.038 per Share on the SGX-ST.

**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.**

None of the Shareholders has pre-emptive rights to subscribe for the Rights Shares with Warrants.

**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**

The highest and lowest traded prices and volume of the Shares traded on the SGX-ST during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 October 2007 to the Latest Practicable Date are as follows:–

<b>Month</b>	<b>Price Range</b>		<b>Volume of Shares Traded ('000)</b>
	<b>High (\$)</b>	<b>Low (\$)</b>	
October 2006	0.025	0.015	2,022
November 2006	0.045	0.020	101,853
December 2006	0.045	0.025	95,310
January 2007	0.045	0.030	64,690
February 2007	0.045	0.035	20,052
March 2007	0.035	0.025	13,612
April 2007	0.055	0.030	108,732
May 2007	0.055	0.040	46,728

Month	Price Range		Volume of Shares Traded (‘000)
	High (S\$)	Low (S\$)	
June 2007	0.065	0.040	107,791
July 2007	0.085	0.055	236,503
August 2007	0.060	0.035	49,538
September 2007	0.060	0.040	19,765
1 October 2007 to Latest Practicable Date	0.055	0.035	37,278

Source: SGX-ST Lotus Note/Reuters

---

**(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;**

---

The Shares have been listed on the Main Board of the SGX-ST for more than 12 months preceding 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**

---

There has been no trading suspension of the Shares on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

---

**(d) disclose information on any lack of liquidity, if the securities are not regularly traded in the securities exchange.**

---

Please refer to paragraph 4(a) of this Part 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 October 2007 to the Latest Practicable Date.

---

**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, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

---

**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.**

---

**Basis of Provisional Allotment**

The Rights Shares cum Warrants Issue is not underwritten by any financial institution. The Rights Shares cum Warrants Issue is offered on a renounceable non-underwritten basis to Entitled Shareholders on the basis of two (2) Rights Shares for every one (1) existing Share in the capital of the Company held by Entitled Shareholders as at the Books Closure Date, and one (1) Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded.

The Warrants will be issued free with the Rights Shares which are subscribed for. Entitled Shareholders will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue.

The Rights Shares are payable in full upon acceptance or application and will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares except that they will not be entitled to participate in any dividends, rights, allotments or other distributions, the Record Date for which is before the date of issue of the Rights Shares.

The Warrants, to be issued free with the Rights Shares subscribed for, will be constituted by the Deed Poll and will be in registered form. Each Warrant will, subject to the terms thereof, carry the right to subscribe for one (1) New Share at the Exercise Price during the Exercise Period. The New Shares will rank *pari passu* in all respects with the then issued Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions, the Record Date for which is before the relevant exercise date of the Warrants.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the provisional allotments not taken up or allotted for any reason, be aggregated and allotted to satisfy applications for excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Directors of the Company in their absolute discretion deem fit in the interest of the Company. In the allotment of

excess Rights Shares with Warrants, preference will be given to Shareholders for rounding of odd lots, and substantial Shareholders and Directors will rank last in priority.

Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Shares cum Warrants Issue.

### **Foreign Shareholders**

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

---

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

---

The Rights Shares cum Warrants Issue is not underwritten.

## **PART VII (ADDITIONAL INFORMATION)**

---

### **Statements 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.**

---

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.**

**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.**

---

No statement or report made by an expert is included in this Offer Information Statement.

---

#### 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.

---

There is no issue manager or underwriter to the Rights Shares cum Warrants Issue.

---

#### 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.

---

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other material facts relating to the Rights Shares cum Warrants Issue which could materially affect, directly or indirectly:–

- (a) the Company's business operations or financial position or results; or
- (b) investments by holders of securities in the Company.

#### **PART VIII (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES)**

---

Not Applicable.

#### **PART IX (ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES)**

---

Not Applicable.

#### **PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS SHARES CUM WARRANTS ISSUE)**

---

1. Provide –
- (a) the particulars of the Rights Shares cum Warrants Issue;
  - (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the Rights Shares cum Warrants Issue;
  - (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the Rights Shares cum Warrants Issue;
  - (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the Rights Shares cum Warrants Issue;
  - (e) the terms and conditions of the offer of securities to be issued pursuant to the Rights Shares cum Warrants Issue;
-

### **Principal Terms of the Rights Shares**

- Number of Rights Shares : Up to 1,032,372,966 Rights Shares (with up to 258,093,241 Warrants) to be issued
- Basis of Provisional Allotment : Two (2) Rights Shares for every one (1) existing Share in the capital of the Company held by Entitled Shareholders as at the Books Closure Date, and one (1) free Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded
- Issue Price : S\$0.035 for each Rights Share with Warrant, payable in full on acceptance and/or application
- Status of the Rights Shares : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares
- Listing of the Rights Shares : In-principle approval for the listing of and quotation for the 1,032,372,966 Rights Shares on the SGX-ST has been granted by the SGX-ST on 28 September 2007  
The in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the 1,032,372,966 Rights Shares, the 258,093,241 Warrants, the 258,093,241 New Shares, the Company, its subsidiaries or the Shares
- Trading of the Rights Shares : Upon the 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 purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares
- Governing law : Laws of the Republic of Singapore

### **Principal terms of the Warrants**

- Number of Warrants : Up to 258,093,241 Warrants to be issued free together with the Rights Shares subscribed for
- Basis of Allotment : One (1) free detachable Warrant with every four (4) Rights Shares subscribed, fractional entitlements being disregarded
- Detachability and Trading : The Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system upon the listing of and quotation for the Warrants on the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. Each board lot of Warrants will consist of 1,000 Warrants or such other number as may be notified by the Company



- Listing of the Warrants : In-principle approval for the listing of and quotation for the 258,093,241 Warrants on the SGX-ST has been granted by the SGX-ST on 28 September 2007
- The in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the 1,032,372,966 Rights Shares, the 258,093,241 Warrants, the 258,093,241 New Shares, the Company, its subsidiaries or the Shares
- Form and Subscription Rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant shall entitle the Warranholder, at any time during the Exercise Period, to subscribe for one (1) New Share at the exercise price in force on the relevant exercise date
- Exercise Price : S\$0.025 for each New Share
- Exercise Period : The Warrants may be exercised at any time from and including the date of issue of the Warrants up to 5.00 p.m. on the day immediately preceding the second (2<sup>nd</sup>) anniversary of the date of issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the register of Warranholders may be closed), subject to the terms and conditions of the Warrants as set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Exercise Period
- End of Exercise Period : One month before the end of the Exercise Period, a notice of expiry will be sent to all Warranholders and an announcement will be made
- Mode of Payment for Exercise of Warrants : Warranholders who exercise their Warrants must pay the Exercise Price by way of (a) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company; or (b) subject to the Warrants being listed on the SGX-ST, by debiting the relevant Warranholder's CPF Investment Account with the specified CPF Approved Bank for the credit of the Designated Account (each term as defined in the Deed Poll); or (c) subject to the Warrants being listed on the SGX-ST, partly in the form of remittance and/or partly by debiting such Warranholder's CPF Investment Account with the CPF Approved Bank for the credit of the Designated Account
- Adjustments : The Exercise Price and/or the number of Warrants to be held by each Warranholder will, after their issue, be subject to adjustments under certain circumstances as set out in

the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any additional Warrants issued shall rank *pari passu* with the Warrants issued under the Rights Shares cum Warrants Issue and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company to the SGX-ST

- Status of the New Shares : The New Shares arising from the exercise of the Warrants, upon issue and allotment, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant exercise date of the Warrants
- Modification of Rights of Warranholders : The Company may, without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the terms of the Deed Poll including the terms and conditions of the Warrants which, in the opinion of the Company is:–
- (a) not materially prejudicial to the interests of the Warranholders;
  - (b) of a formal, technical or minor nature;
  - (c) to correct a manifest error or to comply with mandatory provisions of Singapore law; or
  - (d) to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise thereof or meetings of the Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST
- Transfer and Transmission : The Warrants shall be transferable in lots entitling Warranholders to subscribe for whole numbers of New Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants as set out in the Deed Poll, including, *inter alia*, the following:–
- (a) lodgment of Warrant certificates and transfer forms — a Warranholder whose Warrants are registered in his own name (the "Transferor") shall lodge, during normal business hours in any business day at the specified office of the Warrant Agent, the Transferor's Warrant certificate(s) together with a transfer form (the "Transfer Form"), duly completed and signed by and on behalf of the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty and accompanied by the fees and expenses as set out in the Deed Poll provided that the Warrant Agent may dispense with

requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP; and

- (b) the executors and administrators of a deceased Warrantholder shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants registered in the name of a deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses as set out in the Deed Poll, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased holder could have made.

Winding-Up : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement), the Warrantholders may elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Shares to which they would have become entitled pursuant to such exercise. The Company shall give notice to the Warrantholders in accordance with the terms and conditions as set out in the Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof.

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution for the winding-up of the Company shall lapse and cease to be valid for any purpose

Further issues : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. However, the Warrantholder shall not have any participation rights in any such issues of Shares by the Company unless otherwise resolved by the Company in general meeting

Warrant Agent : B.A.C.S. Private Limited

Governing law : Laws of the Republic of Singapore

The last date and time for the splitting of the provisional allotment of the Rights Shares with Warrants is **15 November 2007 at 4.45 p.m.**

The last date and time for acceptance of and payment for the Rights Shares with Warrants is **21 November 2007 at 4.45 p.m.\***

The last date and time for renunciation of and payment by the renounee for the Rights Shares with Warrants is **21 November 2007 at 4.45 p.m.**

The last date and time for the application of and payment for excess Rights Shares with Warrants is **21 November 2007 at 4.45 p.m.\***

\* The last date and time for acceptance and/or excess application and payment through an ATM of a Participating Bank is **21 November 2007 at 9.30 p.m.**

The allotment and issue of the Rights Shares with Warrants pursuant to the Rights Shares cum Warrants Issue are governed by the terms and conditions as set out in this Offer Information Statement, in particular, Appendices B to D of this Offer Information Statement and in the PAL, the ARE and the ARS.

---

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

---

As at the Latest Practicable Date, the Undertaking Shareholder held 12 million Shares, representing approximately 2.32% of the existing issued share capital of the Company through her securities account maintained with United Overseas Bank Nominees. She is the beneficial owner of the said Shares and does not hold the same on trust for other persons.

The Undertaking Shareholder had on 9 September 2007 given the Undertaking to the Company, *inter alia*:-

- (a) to exercise all her voting rights in the Company to vote in favour of the Rights Shares cum Warrants Issue;
- (b) not to transfer, sell or otherwise dispose of her interest in the capital of the Company prior to the Closing Date of the Rights Shares cum Warrants Issue;
- (c) to subscribe in full for her entitlements to the Rights Shares with Warrants under the Rights Shares cum Warrants Issue which comprise 24 million Rights Shares and 6 million Warrants based on her current shareholding in the Company; and
- (d) in the event that the Rights Shares cum Warrants Issue is not fully subscribed, to subscribe, by way of excess application, for such number of additional Rights Shares that when aggregated with her current shareholdings and her entitlements to the Rights Shares with Warrants shall not exceed 20% (rounded downwards to the nearest 1,000 Rights Shares with Warrants) of the resultant enlarged issued share capital of the Company after the Rights Shares cum Warrants Issue.

Based on the Undertaking provided by the Undertaking Shareholder and assuming that none of the Entitled Shareholders subscribe for the Rights Shares cum Warrant Issue, the Undertaking Shareholder will subscribe, by way of excess application, of up to a maximum of 90,046,000 Rights Shares with Warrants.

The additional 90,046,000 Rights Shares with Warrants to be subscribed by the Undertaking Shareholder and when aggregated with her current shareholdings and her entitlements to the Right Shares with Warrants under the Rights Shares cum Warrants Issue will result in her holding an aggregate of 126,046,000 Shares, representing approximately 20% of the enlarged resultant issued share capital of 630,232,483 Shares, after the close of the Rights Shares cum Warrants Issue.

The obligations of the Undertaking Shareholder are subject to and conditional upon:–

- (a) the lodgment of the Offer Information Statement in connection with the Rights Shares cum Warrants Issue together with all other accompanying documents by the Company with the Authority;
- (b) approval in-principle being granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the Closing Date of the offer of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue) for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (c) the Rights Shares cum Warrants Issue having been approved by Shareholders at the extraordinary general meeting to be convened.

As at the date of this Offer Information Statement, all the above conditions have been fulfilled.

---

**(g) if the Rights Shares cum Warrants Issue is or will not be underwritten, the reason for not underwriting the Issue.**

---

The Rights Shares cum Warrants Issue will not be underwritten.

Taking into account the cost savings in respect of underwriting fees and the Undertaking provided by the Undertaking Shareholder, the Company has decided to proceed with the Rights Shares cum Warrants Issue on a non-underwritten basis.

The Company also believes that the Rights Shares cum Warrants Issue has been appropriately priced to attract subscription interest from Entitled Shareholders and the investing public. The Issue Price of S\$0.035 for each Rights Share is at a discount of approximately 30% to the volume weighted average price of S\$0.05 per Share on the SGX-ST as at the close of trading on 13 August 2007, being the date the announcement on the Rights Shares cum Warrants Issue was released by the Company, and a discount of approximately 7.9% to the volume weighted average price of S\$0.038 per Share on the SGX-ST as at the Latest Practicable Date.

**As the Rights Shares cum Warrants Issue is not and will not be underwritten, Shareholders are advised to carefully evaluate their individual investment positions and if they are uncertain as to the same, to consult their own financial or other adviser.**

**ADDITIONAL DISCLOSURE REQUIREMENTS  
FOR RIGHTS SHARES CUM WARRANTS ISSUE UNDER APPENDIX 8.2  
OF THE LISTING MANUAL**

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

Based on the audited consolidated financial statements of the Group, the working capital of the Group as at FY 2004, FY 2005 and FY 2006 and the working capital of the Group as at 30 June 2007 based on the unaudited consolidated financial statements of the Group for HY 2007 are as follows:–

	<b>As at 31 December 2004 (Audited) S\$'000</b>	<b>As at 31 December 2005 (Audited) S\$'000</b>	<b>As at 31 December 2006 (Audited) S\$'000</b>	<b>As at 30 June 2007 (Unaudited) S\$'000</b>
Current assets:				
Cash and bank balances	464	770	695	944
Investments held for trading	6,537	8,154	7,154	7,806
Trade receivables	23	6	209	264
Other receivables and prepayments	4,674	4,071	6,122	4,811
Inventories	26	7	12	25
Assets classified as held for sale	—	2,845	—	—
<b>Total current assets</b>	<b>11,724</b>	<b>15,853</b>	<b>14,192</b>	<b>13,850</b>
Current liabilities:				
Trade payables	127	86	184	458
Other payables	1,009	617	916	905
Income tax payable	3,203	3,186	3,133	3,122
Current portion of finance leases	43	19	40	40
Liabilities associated with assets held for sale	—	56	—	—
<b>Total current liabilities</b>	<b>4,382</b>	<b>3,964</b>	<b>4,273</b>	<b>4,525</b>
<b>Net current assets</b>	<b>7,342</b>	<b>11,889</b>	<b>9,919</b>	<b>9,325</b>

FY 2005 vs FY 2004

Total current assets as at FY 2005 increased by 35% to S\$15.85 million compared to S\$11.72 million as at FY 2004. The assets and liabilities (S\$2.85 million) attributable to RR Industrial Packaging Design and Services Pte Ltd and its subsidiary PT RR Packaging Indonesia which were expected to be sold within twelve months from December 2005, were re-classified as assets held for sale under current assets as at FY 2005. Investments held for trading had also increased in value by S\$1.62 million.

Total current liabilities as at FY 2005 decreased by 10% to S\$3.96 million compared to S\$4.38 million as at FY 2004. The decrease in current liabilities was a result of the decline in turnover.

Net current assets as at FY 2005 increased by 62% to S\$11.89 million compared to S\$7.34 million as at FY 2004.

#### FY 2006 vs FY 2005

Total current assets as at FY 2006 decreased by 10% to S\$14.19 million compared to S\$15.85 million as at FY 2005. Sale of marketable securities reduced the balance of investments held for trading as at FY 2006 by S\$1 million.

Total current liabilities as at FY 2006 increased by 8% to S\$4.27 million compared to S\$3.96 million as at FY 2005. There was an increase of turnover in the Group's telecommunication business.

Net current assets as at FY 2006 decreased by 17% to S\$9.92 million compared to S\$11.89 million as at FY 2005.

#### HY 2006 (unaudited) vs HY 2007 (unaudited)

Total current assets as at HY 2007 increased by 6% to S\$13.85 million compared to S\$13.10 million as at HY 2006. Total current liabilities as at HY 2007 increased by 5% to S\$4.53 million compared to S\$4.29 million as at HY 2006. Net current assets as at HY 2007 increased by 6% to S\$9.33 million compared to S\$8.81 million as at HY 2006. The growth in the Group's telecommunication business resulted in the increase in both the current assets and current liabilities.

### **Liquidity and capital resources**

#### FY 2005 vs FY 2004

The Group's current ratio (an indicator of the Group's ability to meet short-term debt obligations) as at FY 2005 increased to 4.0 from 2.7 as at FY 2004.

The balance of cash together with investments held for trading totaled S\$8.92 million as at FY 2005. The balance was 2.25 times of the balance of the Group's current liabilities.

#### FY 2006 vs FY 2005

The Group's current ratio as at FY 2006 decreased slightly to 3.3 from 4.0 as at FY 2005. Sale of marketable securities reduced the balance of investments held for trading as at FY 2006 by S\$1 million.

The balance of cash together with investments held for trading totaled S\$7.85 million as at FY 2006. The balance was 1.84 times of the balance of the Group's current liabilities.

#### HY 2006 (unaudited) vs HY 2007 (unaudited)

The Group's current ratio was 3.1 as at HY 2007 and HY 2006.

The balance of cash together with investments held for trading totaled S\$8.75 million as at HY 2007. The balance was 1.93 times of the balance of the Group's current liabilities.

- 
- (i) where the Rights Shares cum Warrants Issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832;
  - (ii) where the Rights Shares cum Warrants Issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state the exercise or conversion price must be fixed and announced before trading of nil-paid rights commerce
- 

- (i) Please refer to Part III, Part IV, Part V and Appendix A of this Offer Information Statement.
  - (ii) Not applicable.
- 

**A statement by the issue manager that, to the best of their knowledge and belief, the documents constitutes full and true disclosure of all material facts about the issue, the issue and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**

---

Not applicable.



## TERMS AND CONDITIONS OF THE WARRANTS

The warrants (the “**Warrants**”) to subscribe for new ordinary shares (the “**New Shares**”) in the capital of Inno-Pacific Holdings Ltd (the “**Company**”) are issued in conjunction with a renounceable non-underwritten rights issue of up to 1,032,372,966 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.035 for each Rights Share with up to 258,093,241 Warrants, each Warrant carrying the right to subscribe for one (1) New Share in the capital of the Company at an exercise price of S\$0.025 for each New Share, on the basis of two (2) Rights Shares for every one (1) existing ordinary share held by shareholders of the Company as at the books closure date, and one (1) Warrant for every four (4) Rights Shares subscribed, fractional entitlements being disregarded. The Warrants are detachable from the Rights Shares upon issue.

The Warrants are subject to and have the benefit of a deed poll dated 29 October 2007 made by the Company (the “**Deed Poll**”). The issue of the Warrants was authorised by resolutions of the Board of Directors of the Company and of the shareholders of the Company.

The statements in these terms and conditions of the Warrants (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Deed Poll. Copies of the Deed Poll are available for inspection at the registered office for the time being of the Company and at the specified office for the time being of the warrant agent referred to in Condition 4(f) (the “**Warrant Agent**”) and the holders of the Warrants (the “**Warrantholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed Poll.

### 1. DEFINITIONS

Terms defined in the Deed Poll but not specifically defined herein shall, unless the context otherwise requires, have the same meanings when used in these Conditions.

“**Act**” means the Companies Act, Chapter 50 of Singapore.

“**Approved Bank**” means any reputable bank or merchant bank in Singapore and selected by the Directors.

“**Auditors**” means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of this Deed Poll or the Conditions, such other auditors as may be nominated by the Company.

“**Business Day**” means a day (other than a Saturday, a Sunday or public holiday) on which the banks, the SGX-ST, CDP and the Warrant Agent are open for business in Singapore.

“**CDP**” means The Central Depository (Pte) Limited and, where the context requires, shall include any person specified by it, in a notice given to the Company, as its nominee.

“**CPF**” means the Central Provident Fund.

“**CPF Act**” means the Central Provident Fund Act, Chapter 36 of Singapore.

“**CPF Approved Bank**” means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations.

“**CPF Board**” means a board of the CPF established pursuant to the CPF Act.

**“CPF Investment Account”** means an account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, *inter alia*, payment of the Exercise Price arising from the exercise of each Warrant.

**“CPF Regulations”** means the Central Provident Fund (Investment Schemes) Regulations, as the same may be modified, amended or supplemented from time to time.

**“Conditions”** means the terms and conditions endorsed on the Warrant Certificates as the same may from time to time be modified in accordance with the provisions set out herein and therein and any reference in this Deed Poll to a particular Condition shall be construed accordingly.

**“Deed Poll”** means this Deed Poll and the Schedules (as the same may be modified from time to time in accordance with the terms hereof) and includes any deed executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto.

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

**“Designated Account”** means a bank account to be specified and operated by the Company and maintained with a bank in Singapore for the purpose of crediting monies received from the exercising Warranholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warranholders.

**“Directors”** means the Directors for the time being of the Company.

**“Exercise Date”** means, in relation to the exercise of a Warrant, the Business Day (falling within the Exercise Period) on which the applicable conditions referred to in Condition 4 are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, Provided that if any such day falls during a period when the Register of Members of the Company and/or the Warrant Register is closed, then the “Exercise Date” shall be the next Business Day on which such registers of the Company are open.

**“Exercise Notice”** means a notice (for the time being current) for the exercise of the Warrants, copies of which may be obtained from the Warrant Agent.

**“Exercise Period”** means the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the second (2<sup>nd</sup>) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company and/or the Warrant Register is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members of the Company and/or the Warrant Register or the immediately preceding Market Day, as the case may be. The right to exercise the Warrants will not be extended beyond the Exercise Period.

**“Exercise Price”** means S\$0.025, being the sum payable in respect of each New Share to which a Warranholder will be entitled to subscribe upon exercise of a Warrant, subject to such adjustments in accordance with Condition 5.

**“Expiry Date”** means the last day of the Exercise Period.

**“Last Dealt Price”** means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on the Main Board of the SGX-ST.

**“Market Day”** means a day on which SGX-ST is open for trading of securities.

**“New Shares”** means new Shares to be issued by the Company upon the exercise of the Warrants.

**“Securities Account”** means a securities account maintained by a Depositor with CDP but does not include a securities sub-account.

**“SGX-ST”** means the Singapore Exchange Securities Trading Limited.

**“Shares”** means ordinary shares in the capital of the Company.

**“Share Registrar”** means Compact Administrative Services Pte Ltd of 3 Anson Road #27-01 Springleaf Tower Singapore 079909 or such other person as may be appointed as such from time to time by the Company.

**“Shareholders”** means the holders of the Shares whose names appear in the Register of Members of the Company, or where CDP is the registered holder of Shares, the term Shareholders shall, in relation to such Shares and where the context so admits, mean the Depositors with Shares entered against their respective names in the Depository Register.

**“Special Resolution”** means a resolution passed at a meeting of the Warrantheolders duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast.

**“unexercised”** means, in relation to the Warrants, all the Warrants which have been issued pursuant to the resolutions referred to in the Recitals hereto and all the Warrants which are issued pursuant to Condition 5 for so long as the Warrants shall not have lapsed in accordance with Condition 3 other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Warrants in respect of which replacement Warrants have been duly issued pursuant to Condition 10, (c) the temporary global warrant, if any, following its exchange for a Warrant or Warrants in definitive form and (d) for the purpose of ascertaining the number of Warrants unexercised at any time (but not for the purpose of ascertaining whether any Warrants are unexercised) those Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Warrants have been issued pursuant to Condition 10; provided that for the purposes of (1) the right to attend and vote at any meeting of Warrantheolders and (2) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 11 and paragraphs 1, 3, 4 and 8 of Schedule 2, those Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgment, be deemed not to remain unexercised.

**“Warrant Agency Agreement”** means the Warrant Agency Agreement to be made between (1) the Company, (2) the Warrant Agent and (3) the Share Registrar appointing, *inter alia*, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment.

**“Warrant Agent”** means B.A.C.S. Private Limited of 63 Cantonment Road, Singapore 089758 or such other person as may be appointed as such from time to time pursuant to the Warrant Agency Agreement.

**“Warrant Certificates”** means the certificates (in registered form) to be issued in respect of the Warrants in or substantially in the form set out in Schedule 1 of the Deed Poll, as from time to time modified in accordance with the provisions set out herein.

**“Warrant Register”** shall have the meaning ascribed to it in Condition 4(g).

**“Warrantholders”** means the registered holders of the Warrants, except that where the registered holder is CDP, the term **“Warrantholders”** shall, in relation to Warrants registered in the name of CDP, include, where the context requires, the Depositors whose Securities Account(s) with CDP are credited with Warrants and provided that for the purposes of Schedule 2 of the Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those Depositors having Warrants credited to their securities account(s) as shown in the records of CDP as at a time not earlier than 48 hours prior to the time of a meeting of Warrantholders supplied by CDP to the Company. The word **“holder”** or **“holders”** in relation to Warrants shall (where appropriate) be construed accordingly.

**“Warrants”** means the warrants to be issued pursuant to the resolutions referred to in the Recitals hereto and the additional warrants to be issued pursuant to Condition 5 and for the time being remaining unexercised or, as the context may require, a specific number thereof and includes any replacement Warrant issued pursuant to Condition 10.

## 2. FORM AND TITLE

(a) The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Condition 9. The Warrant Agent will maintain the Warrant Register on behalf of the Company and except as required by law:

- (i) the registered holder of Warrants (other than CDP); and
- (ii) (where the registered holder of Warrants is CDP) each Depositor for the time being appearing in the Depository Register maintained by CDP as having Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof (whether or not the Company shall be in default in respect of the Warrants or any of its covenants contained in the Deed Poll or these Conditions and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any irregularity or error in the records of CDP or any express notice to the Company or Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

(b) If two or more persons are entered in the Warrant Register or (as the case may be) the records maintained by CDP, as joint holder of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (i) the Company shall not be bound to register more than two persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or trustees of a deceased Warrantholder;
- (ii) joint holders of any Warrant whose names are entered in the Warrant Register or (as the case may be) the relevant records maintained by CDP shall be treated as one Warrantholder;
- (iii) the Company shall not be bound to issue more than one Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Warrant Register shall be sufficient delivery to all; and
- (iv) the joint holders of any Warrant whose names are entered in the Warrant Register or (as the case may be) the relevant records maintained by CDP shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Warrant or the exercise of such Warrant.

### 3. EXERCISE RIGHTS

- (a) Each Warrantholder shall have the right, by way of exercise of a Warrant, at any time during normal business hours on any Business Day during the Exercise Period in the manner set out in Condition 4 and otherwise on the terms and subject to these Conditions, to subscribe for one New Share at the Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Warrant. No fraction of a Share shall be allotted.
- (b) At the expiry of the Exercise Period, any Warrants which have not been exercised in accordance with Condition 4 will lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Expiry Period.
- (c) Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiry Date shall become void.

### 4. PROCEDURE FOR EXERCISE OF WARRANTS

#### (a) Lodgment Conditions

In order to exercise one or more Warrants, a Warrantholder must before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiry Date during the Exercise Period, fulfil the following conditions:

- (i) lodgment of the relevant Warrant Certificate registered in the name of the exercising Warrantholder or CDP (as the case may be) for exercise at the specified office for the time being of the Warrant Agent together with the Exercise Notice (copies of which may be obtained from the Warrant Agent or the Company) in respect of the Warrants represented thereby, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided always that the Warrant Agent may dispense with or defer the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of CDP;
- (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise to ensure the due exercise of the Warrants;
- (iii) the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4(b) below;
- (iv) the payment of deposit or other fees or expenses for the time being chargeable by, and payable to, CDP (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrant(s) as the Warrant Agent may require; and
- (v) if applicable, the payment of any fees for certificates for the New Shares to be issued, submit any necessary documents required in order to effect, and pay the expenses of the registration of the New Shares in the name of the exercising Warrantholder or CDP (as the case may be) and the delivery of certificates for the New Shares upon exercise of the relevant Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depositor (as the case may be).

Any exercise by a Warrantholder in respect of Warrants registered in the name of CDP shall be further conditional on that number of Warrants so exercised being available in the "Free Balance" of the Securities Account(s) of the exercising Warrantholder with CDP and on the exercising Warrantholder electing in the Exercise Notice to have the delivery of the New Shares arising from the exercise of the relevant Warrants to be effected by crediting such

Shares to the Securities Account(s) of the exercising Warrantholder, or, in the case where funds standing to the credit of a CPF Investment Account are to be used for the payment of the Exercise Price arising from the exercise of each Warrant, by crediting such Shares to the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Warrants are registered in the name of CDP irrevocably authorise the Company and the Warrant Agent to obtain from CDP and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these Conditions and the Deed Poll and to take such steps as may be required by CDP (including the steps set out in CDP's "Guidelines to the Procedures for Exercise of Warrants/TSR (Warrants)" as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder Provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the records of and information supplied by CDP.

Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), Exercise Notice and any monies tendered in or towards payment of the Exercise Price in accordance with Condition 4(b) below may not be withdrawn without the consent in writing of the Company.

(b) Payment of Exercise Price

Payment of the Exercise Price shall be made to the specified office of the Warrant Agent by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore, and/or by debiting the CPF Investment Account with the CPF Approved Bank as specified in the Exercise Notice, for the credit of the Designated Account for the full amount of the Exercise Price payable in respect of the Warrants exercised, Provided that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirements for the time being applicable.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (i) the name of the exercising Warrantholder, (ii) the number of Warrants exercised and (iii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of CDP, the Securities Account(s) of the exercising Warrantholder which is to be debited with the Warrants being exercised.

If the payment of the Exercise Price fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Agent is less than the full amount of such Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Designated Account (subject to Condition 4(d) below) unless and until a further payment is made in accordance with the requirements set

out above in this Condition 4(b) in an amount sufficient to cover the deficiency. Neither the Company nor the Warrant Agent shall be held responsible for any loss arising from the retention of any such payment by the Company or the Warrant Agent.

Payment of the Exercise Price received by the Warrant Agent will be deposited by the Warrant Agent to the Designated Account in accordance with the Warrant Agency Agreement in payment for the New Shares to be delivered in consequence of the exercise of such Warrants.

(c) Exercise Date

A Warrant shall be treated as exercised on the Exercise Date relating to that Warrant.

(d) Designated Account

Payment of the Exercise Price received by the Warrant Agent shall be deposited to the Designated Account on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Shares to be delivered in consequence of the exercise of such Warrants. The relevant Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of CDP, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from CDP of such Warrant Certificates, accompanied by instructions from CDP as to the cancellation of such Warrant Certificates, from CDP.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount of the Exercise Price, or the conditions set out in Condition 4(a) have not then all been fulfilled in relation to the exercise of such Warrants, such payment will remain in the Designated Account pending recognition of such payment or full payment or, fulfilment of the lodgment conditions, as the case may be, but on whichever is the earlier of (i) the fourteenth (14<sup>th</sup>) day after receipt of such Exercise Notice by the Warrant Agent and (ii) the Expiry Date, such payment will (if the Exercise Date in respect of such Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment. The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice together with such payment, after receipt of the same from the Company, to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company will, upon receipt of notification from the Warrant Agent of any unsuccessful exercise of Warrants, forward such payment to the Warrant Agent for it to be returned to the exercising Warrantholder. The Company will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Designated Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned 14-day period with the consent in writing of the Company.

(e) Allotment of Shares and issue of Balancing Warrant Certificates

A Warrantholder exercising Warrants which are registered in the name of CDP must elect in the Exercise Notice to have the delivery of New Shares arising from the exercise of such Warrants to be effected by crediting such New Shares to the Securities Account of such Warrantholder or, as the case may be, the nominee company of the CPF Approved Bank as specified in the Exercise Notice. A Warrantholder exercising Warrants registered in his own

name may elect in the Exercise Notice to either receive physical share certificates in respect of the New Shares arising from the exercise of such Warrants or to have the delivery of such New Shares effected by crediting such New Shares to his Securities Account or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, with CDP (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by CDP), failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such New Shares at his address specified in the Warrant Register.

The Company shall allot and issue the New Shares arising from the exercise of the relevant Warrants by a Warrantholder in accordance with the instructions of such Warrantholder set out in the Exercise Notice and:

- (i) where such Warrantholder has (or is deemed to have) elected in the Exercise Notice to receive physical share certificates in respect of the New Shares arising from the exercise of the relevant Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Market Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice (or the Warrant Register, as the case may be) and at the risk of such Warrantholder the share certificates relating to such New Shares registered in the name of such Warrantholder; and
- (ii) where such Warrantholder has elected in the Exercise Notice to have the delivery of New Shares arising from the exercise of the relevant Warrants to be effected by the crediting of the Securities Account of such Warrantholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Market Days after the relevant Exercise Date despatch the certificates relating to such New Shares in the name of, and to, CDP for the credit of the Securities Account of such Warrantholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice.

Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warrantholder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (or failing which, to his address specified in the Warrant Register) and at the risk of that Warrantholder at the same time as it delivers in accordance with the relevant Exercise Notice the share certificate(s) relating to the New Shares arising upon exercise of such Warrants.

Where the Warrantholder exercises part only (but not all) of the subscription rights represented by the Warrants registered in the name of CDP, the number of Warrants represented by the Warrant Certificates registered in the name of CDP shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

The New Shares will rank for any dividends, rights, allotments or other distributions, the record date for which shall fall after the relevant Exercise Date. Subject as aforesaid, the New Shares shall rank *pari passu* in all other respects with the then existing Shares. For the purpose of this Condition 4(e), "record date" means, in relation to any dividends, rights, allotments or other distributions, the date on which as at the close of business (or such other time in accordance with market practice as may have been notified in writing by the Company), Shareholders must be registered with the Company or in the case of Shareholders whose Shares are registered in the name of CDP, with CDP, in order to participate in such dividends, rights, allotments or other distributions.



(f) Warrant Agent and Share Registrar

The names of the initial Warrant Agent and the Share Registrar and their respective specified offices are set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent or the Share Registrar and to appoint an additional or another Warrant Agent or another Share Registrar, provided that it will at all times maintain a Warrant Agent approved in writing by CDP having a specified office in Singapore, so long as the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the names or specified offices of the Warrant Agent or the Share Registrar will be given to the Warrantholders in accordance with Condition 12.

Share Registrar:–

Compact Administrative Services Pte Ltd  
3 Anson Road  
#27-01 Springleaf Tower  
Singapore 079909

Warrant Agent:–

B.A.C.S. Private Limited  
63 Cantonment Road  
Singapore 089758

(g) Register of Warrantholders

- (i) The Warrant Agent will maintain a register containing particulars of the Warrantholders (other than Warrantholders who are Depositors) and such other information relating to the Warrants as the Company may require (the “Warrant Register”). The Warrant Register (and, with the approval of CDP, the Depository Register) may be closed during such periods when the Register of Transfers and/or the Register of Members of the Company is deemed to be closed and during such periods as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants held by any Warrantholder or during such other periods as the Company may determine. Notice of the closure of the Warrant Register and (if applicable) the Depository Register will be given to the Warrantholders in accordance with Condition 12.
- (ii) Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Warrant Register (where the registered holder of a Warrant is a person other than CDP) or the Depository Register (where CDP is the registered holder of a Warrant) or any statement or certificate issued by CDP to the Company or any Warrantholder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantholders, the number of Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Company shall be in default in respect of the Warrants or any of the terms and conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).
- (iii) Except as required by law:
  - (a) the person in whose name a Warrant is registered (other than CDP); and
  - (b) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account;

will be deemed and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any express notice to the Company or Warrant Agent or any other related matter) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

## 5. ADJUSTMENTS OF EXERCISE PRICE AND NUMBER OF WARRANTS

- (a) The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and certified to be in accordance with the formulae stated in Condition 5(b) by the Auditors. The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:
- (i) any consolidation, subdivision or conversion of the Shares; or
  - (ii) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend); or
  - (iii) a Capital Distribution (as defined below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
  - (iv) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
  - (v) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 5(a)(iv), and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below).
- (b) Subject to these Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 5(a)(i) to 5(a)(v) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank shall determine):
- (i) If, and whenever, consolidation or subdivision or conversion of the Shares occurs, the Exercise Price shall be adjusted in the following manner:–

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and the number of Warrants shall be adjusted in the following manner:–

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

Where:–

- A = the aggregate number of issued and fully-paid up Shares immediately before such consolidation or subdivision or conversion;
- B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion;
- W = existing number of Warrants held; and
- P = existing Exercise Price.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

- (ii) If and whenever the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times P$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:

- A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);
- P = as in P above; and
- W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, “record date” in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

- (iii) If and whenever:
  - (a) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
  - (b) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Condition 5(b)(iii)(b) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:

C = the average of the Last Dealt Prices on the five (5) Market Days immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in Condition 5(b)(iii)(b) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5(b)(iii)(b) above, the value of the rights attributable to one Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5(b)(iii) above, the fair market value, as determined by an Approved Bank, of that portion of the Capital Distribution or of the nil-paid rights attributable to one Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of “D” above, the “**value of the rights attributable to one Share**” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares;

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights; and

1 = one.

For the purposes of Conditions 5(a)(iii) and 5(b)(iii)(a), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5(b)(ii)) or other securities (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully or partly paid-up by way of capitalisation of profits or reserves. Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before that date and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5(b)(iii)(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 5(b)(iii)(b).

For the purposes of this Condition 5(b), “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

- (iv) If and whenever the Company makes any allotment to its Shareholders as provided in Condition 5(b)(ii) and also makes any offer or invitation to its Shareholders as provided in Condition 5(b)(iii)(b) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

where:

B = as in B above;

C = as in C above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

- (v) If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Condition 5(b)(iii)(b) or 5(b)(iv) and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90%) of the average Last Dealt Price on the SGX-ST on the five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times P$$

where:

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price for the five (5) Market Days before the date on which the issue price of such Shares is determined (exclusive of expenses);

M = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Conditions 5(a)(v) and 5(b)(v), the “**Total Effective Consideration**” shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- (c) Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants held by each Warrantholder will be required in respect of:
- (i) an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for shares to officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme approved by the Shareholders in general meeting; or
  - (ii) an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
  - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Warrants; or
  - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights.
- (d) Any adjustment to the Exercise Price will be rounded upwards to the nearest half cent (S\$0.005) and in no event shall any adjustment involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5(b) by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one half of one cent or if the amount by which the Exercise Price is adjusted is equal to or less than five per cent. (5%) of the prevailing Exercise Price but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- (e) Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warrantholder shall be made unless (i) it has been certified to be in accordance with the formulae stated in Condition 5(b) by the Auditors; and (ii) approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (the “**First Adjustment**”) made to the Exercise Price or the number of Warrants held by each Warrantholder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warrantholder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank may consider appropriate.

- (f) Notwithstanding the provisions referred to in this Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants held by each Warrantholder provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder should be made notwithstanding that no such adjustment is required or contemplated under the said provisions, the Company may appoint an Approved Bank to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank to be in its opinion appropriate.
- (g) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheholders in accordance with Condition 12 that the Exercise Price and/or the number of Warrants held by each Warrantholder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office for the time being, a signed copy of the certificate of the Auditors referred to in Conditions 5(a) certifying the adjustment to the Exercise Price and/or the number of Warrants and a certificate signed by a Director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request and at the expense of the Warrantholder, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants held by each Warrantholder, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, at his address appearing in the Warrant Register or, in respect of Warrants registered in the name of CDP, to CDP Provided that if additional Warrants are issued to each Warrantholder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrantholder is readjusted pursuant to Condition 5(e), such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Bank may consider appropriate.
- Pursuant to Rule 830 of the Listing Manual of the SGX-ST, any adjustment to the Exercise Price and/or the number of Warrants in accordance with the provisions of this Condition 5 will also be announced by the Company through SGXNET.
- (h) If the Directors of the Company, the Approved Bank and the Auditors are unable to agree upon any adjustment required under these provisions, the Directors of the Company shall refer the adjustment to the decision of another Approved Bank acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- (i) Without prejudice to the generality of Condition 5(f), if the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into Shares, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank and the Directors of the Company shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrantholder shall be adjusted accordingly.

- (j) Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and the Conditions, on such terms and conditions as the Directors of the Company may from time to time think fit.
- (k) In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company, the Warrantholders and all other persons having an interest in the Warrants.
- (l) Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder other than in accordance with the provisions of this Condition 5, shall be subject to the approval of the SGX-ST and agreed to by the Company, the Auditors and the Approved Bank.
- (m) Nothing shall prevent or restrict the buy-back of any class of shares in the Company pursuant to applicable law and the requirements of the SGX-ST. No approval or consent of the Warrantholders shall be required for such share buy-back. There shall be no adjustments to the Exercise Price and number of Warrants by reason of such share buy-back.

## **6. RESTRICTIONS TO PROTECT EXERCISE OF WARRANTS**

As from the date of listing and quotation of the Warrants on SGX-ST and as long as any of the Warrants remains exercisable:

- (i) the Company shall keep available for issue sufficient New Shares to satisfy in full all Warrants for the time being outstanding;
- (ii) the Company shall not, if and so long as the share capital of the Company is divided into shares of more than one class, in any way modify any rights attached to the shares of a class or attach any special restrictions thereto save as provided in these Conditions; and
- (iii) the Company shall not create or permit to be in issue any Equity Share Capital which, as regards dividend, voting or capital, has rights more favourable to its holders than those attached to the Shares provided that nothing in this Condition 6(iii) shall prevent the issue of Equity Share Capital to officers, including directors, if applicable, or employees of the Company, or of any of its subsidiaries pursuant to purchase or option schemes approved by the Shareholders in general meeting.

For the purposes of Condition 6(iii), Equity Share Capital means the share capital of the Company for the time being excluding any part which does not either as regards dividends or as regards capital carry any right to participate beyond a specified amount in a distribution or beyond an amount calculated by reference to a specified rate of taxation.



## 7. WINDING-UP OF THE COMPANY

If a resolution is passed for a members' voluntary winding-up of the Company then:

- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warranholders, or some person designated by them for such purpose, by Special Resolution (as defined in the Deed Poll), the terms of such scheme of arrangement shall be binding on all the Warranholders; and
- (b) in any other case every Warranholder shall be entitled upon and subject to the Conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with payment of the relevant Exercise Price and having duly complied with all other conditions set out in Conditions 4(a) and 4(b), to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Warranholders in accordance with Condition 12 of the passing of any such resolution within (7) seven days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

## 8. FURTHER ISSUES

Subject to the Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

## 9. TRANSFER OF WARRANTS

- (a) Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling the Warranholders to subscribe for whole numbers of New Shares and so that no person shall be recognised by the Company as having title to Warrants entitling the holder thereof to subscribe for a fractional part of a New Share or otherwise than as the sole or joint holder of the entirety of such New Share.
- (b) Subject to applicable law and other provisions of the Conditions, a Warrant which is not registered in the name of CDP may only be transferred in accordance with the following provision of this Condition 9(b):
  - (i) a Warranholder whose Warrants are registered in the name of a person other than CDP (the "**Transferor**") shall lodge, during normal business hours on any Business Day at the specified office of the Warrant Agent, the Transferor's Warrant Certificate(s) together with a transfer form as prescribed by the Company from time to time (the "**Transfer Form**") duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty Provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP;

- (ii) the Transfer Form shall be accompanied by the registration fee (such fee being for the time being a sum of \$2.00 (excluding any goods and services tax) for each Warrant Certificate to be transferred which shall be payable by cash or cheque together with any stamp duty and any goods and services tax (if any) specified by the Warrant Agent to the Transferor, such evidence as the Warrant Agent may require to determine and verify the due execution of the Transfer Form and payment of the expenses of, and submit, such documents as the Warrant Agent may require to effect delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;
  - (iii) if the Transfer Form has not been fully or correctly completed by the Transferor or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Transferor accompanied by written notice of the omission(s) or error(s) and requesting the Transferor to complete and/or amend the Transfer Form and/or to make the requisite payment; and
  - (iv) if the Transfer Form has been fully and correctly completed, the Warrant Agent shall as agent for and on behalf of the Company (a) register the person named in the Transfer Form as transferee in the Warrant Register as registered holder of the Warrant in place of the Transferor, (b) cancel the Warrant Certificate(s) in the name of the Transferor, and (c) issue new Warrant Certificate(s) in respect of the Warrants registered in the name of the transferee.
- (c) With respect to Warrants registered in the name of CDP, any transfer of such Warrants shall be effected subject to and in accordance with these Conditions, applicable law and the rules of CDP as amended from time to time and where the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry.
- (d) The executors and administrators of a deceased Warrantholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holders of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses referred to in Conditions 9(b)(ii) and 9(b)(iii). Conditions 9(b) and 9(c) shall apply *mutatis mutandis* to any transfer of the Warrants by such persons.
- (e) A Transferor or Depositor, as the case may be, shall be deemed to remain a Warrantholder of the Warrant until the name of the transferee is entered in the Warrant Register by the Warrant Agent or in the Depository Register by CDP, as the case may be.
- (f) Where the transfer relates to part only (but not all) of the Warrants represented by a Warrant Certificate, the Company shall deliver or cause to be delivered to the Transferor at the cost of the Transferor, a Warrant Certificate in the name of the Transferor in respect of any Warrants not transferred.

## 10. REPLACEMENT OF WARRANTS

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may, subject to applicable law and at the discretion of the Company, be replaced upon the request by the Warrantheader at the specified office for the time being of the Warrant Agent on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Warrants at the time of the replacement thereof), advertisement, undertaking and otherwise as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate will be issued to the registered holder of the Warrant Certificate replaced.

## 11. MEETINGS OF WARRANTHOLDERS AND MODIFICATION

- (a) The Deed Poll contains provisions for convening meetings of the Warrantheaders to consider any matter affecting their interests, including the sanctioning by Special Resolution (as defined in the Deed Poll) of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Company or by Warrantheaders holding not less than twenty per cent. (20%) of the Warrants for the time being remaining unexercised (as defined in the Deed Poll). The quorum at any such meeting for passing a Special Resolution shall be two (2) or more persons present being Warrantheaders or proxies duly appointed by Warrantheaders holding or representing over fifty per cent. (50%) of the Warrants for the time being unexercised.

At any adjourned meeting two (2) or more persons present being or representing Warrantheaders or proxies duly appointed by the Warrantheaders whatever the number of Warrants so held or represented shall form a quorum, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including canceling the subscription rights constituted by the Warrants), the necessary quorum for passing a Special Resolution shall be two (2) or more persons holding or representing not less than seventy-five per cent. (75%), or at any adjournment of such meeting over fifty per cent. (50%), of the Warrants for the time being remaining unexercised. A Special Resolution duly passed at any meeting of Warrantheaders shall be binding on all Warrantheaders, whether or not they were present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgment, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantheaders.

A resolution in writing signed by all the Warrantheaders shall be deemed to be a resolution duly passed by the Warrantheaders at a meeting of the Warrantheaders duly convened.

- (b) The Company may, without the consent of the Warrantheaders but in accordance with the terms of the Deed Poll, effect (i) any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interests of the Warrantheaders, (ii) any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Company, is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or (iii) any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Company, is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of new Shares arising from the exercise thereof or meetings of the Warrantheaders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the

Company's securities on the SGX-ST. Any such modification shall be binding on the Warrantheolders and shall be notified to them in accordance with Condition 12 as soon as practicable thereafter.

## **12. NOTICES**

Each Warrantheolder is required to nominate an address in Singapore for service of notices and documents by giving a notice in writing to the Company and the Warrant Agent, failing which such Warrantheolder shall not be entitled to receive any notices or documents. Notices to Warrantheolders may be sent by ordinary post to their respective addresses so nominated (and in the case of joint holdings, to the Warrantheolder whose name appears first in the Warrant Register, or where applicable, the relevant record of CDP in respect of joint holdings) or be given by advertisement in a leading daily English language newspaper in circulation in Singapore. Such notices shall be deemed to have been given in the case of posting, on the date of posting and in the case of advertisement, on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made. If such publication is not practicable, notices will be valid if given in such other manner as the Company, with the approval of the Warrant Agent, shall determine.

The Company shall, not later than one (1) month before the Expiry Date, give notice to the Warrantheolders in accordance with this Condition 12, of the Expiry Date and announce the same to the SGX-ST. The Company shall also, not later than one (1) month before the Expiry Date, take reasonable steps to notify the Warrantheolders in writing of the Expiry Date and such notice shall be delivered by post to the addresses of the Warrantheolders as recorded in the Warrant Register or, in the case of Warrantheolders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

Without prejudice to the generality of the foregoing, Warrantheolders who acquire Warrants after notice of the Expiry Date has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with this Condition 12. For the avoidance of doubt, neither the Company nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

## **13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

The Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not under any circumstances apply to these Conditions and any person who is not a party to these Conditions (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified, in these Conditions), other than a Warrantheolder, shall have not right whatsoever under the said Act to enforce these Conditions or any of its terms.

## 14. GOVERNING LAW

The Warrants and these Conditions are governed by, and shall be construed in accordance with, the laws of Singapore. The Company submits and each Warrantholder is deemed to irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Singapore for all purposes in relation to the Warrants and these Conditions but the foregoing shall not prevent or restrict any of them from enforcing any judgment obtained from a Singapore court in any other jurisdiction.

### NOTES:

- (1) *The attention of Warrantholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers and Sections 139 and 140 of the Securities and Futures Act (Cap. 289). In general terms, these provisions regulate the acquisition of effective control of public companies. Warrantholders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warrantholder should note that he may be under an obligation to extend a take-over offer of the Company if:*
    - (a) *he acquires, by exercise of the Warrants or otherwise, whether by a series of transactions over a period of time or not, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of the Company; or*
    - (b) *he, together with persons acting in concert with him, holds not less than thirty per cent. (30%), but not more than fifty per cent. (50%), of the voting rights of the Company, and either alone or together with persons acting in concert with him, acquire additional Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1%).*
  - (2) *The attention of the Warrantholders is drawn to Condition 3(b) of the Warrants relating to the restrictions on the exercise of the Warrants.*
  - (3) *A Warrantholder who, after the exercise of his Warrants, holds not less than five per cent. (5%) of the aggregate of the amount of the issued share capital of the Company, is under an obligation to notify the Company of his interest in the manner set out in Section 82 of the Act.*
- 

**Share Registrar  
Compact Administrative Services Pte Ltd  
3 Anson Road  
#27-01 Springleaf Tower  
Singapore 079909**

**Warrant Agent  
B.A.C.S. Private Limited  
63 Cantonment Road  
Singapore 089758**

## 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.
- 1.2 The provisional allotments of Rights Shares with Warrants are governed by the terms and conditions of this Offer Information Statement and the enclosed ARE. The number of Rights Shares with Warrants provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) being disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares with Warrants as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares with Warrants in whole or in part. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares with Warrants are set out in this Offer Information Statement as well as the ARE.
- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares with Warrants specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares with Warrants in addition to the Rights Shares with Warrants which have been provisionally allotted to him, he may do so by completing the relevant portions of the ARE or by way of an Electronic Application through an ATM of a Participating Bank (as described below). An Entitled Depositor should ensure that the ARE is accurately and correctly completed, failing which his acceptance of the provisional allotment of Rights Shares with Warrants and (if applicable) application for excess Rights Shares with Warrants may be rejected.

**An Entitled Depositor may accept his provisional allotment of Rights Shares with Warrants specified in his ARE and (if applicable) apply for excess Rights Shares with Warrants either through CDP or by way of an Electronic Application through an ATM of a Participating Bank as described below.**

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares with Warrants in relation to the Rights Shares cum Warrants 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 ARE, the ARS, the PAL, and/or any other application form for the Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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 or present for payment or arrange other processes for all remittances at any time after receipt in such manner as it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of Rights Shares with Warrants, and where applicable, application of excess Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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) shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares with Warrants.

- 1.4 **CPF Board members under the CPF Investment Scheme — Ordinary Account who wish to use their CPF Ordinary Account Savings (subject to the availability of investible savings) (“CPF Funds”) for the payment of the Issue Price to subscribe for the Rights Shares with Warrants and/or apply for excess Rights Shares with Warrants are subject to applicable CPF rules and regulations. Such members who wish to accept the provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved banks, where such members hold their CPF Investment Accounts, to accept the Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares with Warrants directly from the market.**
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or ARS, 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 through CDP**

If an Entitled Depositor wishes to accept the provisional allotment of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants through CDP, he must complete and sign the ARE and return it together with **A SINGLE REMITTANCE** in payment for the full amount due on acceptance and (if applicable) excess application by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**, or by post, at the sender’s own risk, in the enclosed self-addressed envelope provided to **INNO-PACIFIC 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 **4.45 p.m. on 21 November 2007** (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 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 — INNO-PACIFIC RIGHTS ISSUE ACCOUNT”** for the relevant number of Rights Shares with Warrants accepted and (if applicable) Excess Rights Shares with Warrants applied for at the Issue Price 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 (as the case may be).

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

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

If an Entitled Depositor is accepting and (if applicable) applying for Excess Rights Shares with Warrants through an ATM, no Cashier’s Order or Banker’s Draft is required. The ARE need not be submitted to CDP. The Entitled Depositor must have a valid ATM card issued in his own name by

the relevant Participating Banks. Instructions for Electronic Applications through ATMs to accept the Rights Shares with Warrants provisionally allotted or (if applicable) to apply for excess Rights Shares with Warrants will appear on the ATM screens of the respective Participating Banks. The Electronic Application through an ATM must be made not later than **9.30 p.m. on 21 November 2007**.

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.

### **2.3 Acceptance of Part of Provisional Allotments of Rights Shares with Warrants and Trading of Provisional Allotments of Rights Shares with Warrants**

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

- (a) complete and sign the ARE and return it to CDP for the number of Rights Shares with Warrants provisionally allotted which he wishes to accept in the prescribed manner as described above; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares with Warrants by way of Electronic Application in the prescribed manner as described above.

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

Entitled Depositors who wish to sell all or part of their provisional allotment of Rights Shares with Warrants may do so through their dealer or remisier, for the period up to the last day for trading of the provisional allotment of Rights Shares with Warrants as determined by the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares with Warrants on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares with Warrants will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares with Warrants 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 with Warrants as soon as dealings therein commence on the SGX-ST.

### **2.4 Purchasers of Provisional Allotments of Rights Shares with Warrants**

The AREs need not be forwarded to the purchasers of the provisional allotments of Rights Shares with Warrants (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS, accompanied by this Offer Information Statement, by ordinary post and at the Purchasers’ own risk, to their respective Singapore addresses as maintained with CDP. Purchasers should ensure that the ARS are accurately and correctly completed, failing which the acceptance of the provisional allotments of Rights Shares with Warrants may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement, may obtain the same from CDP or any stockbroking firm which is a member company of the SGX-ST for the period up to **4.45 p.m. on 21 November 2007** (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 Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.



**Purchasers should inform their banks or Depository Agents if their purchases of such provisional allotments are settled through these intermediaries. In such instances, if the Purchasers wish to accept the Rights Shares with Warrants represented by the provisional allotments purchased, they will need to go through these intermediaries, who will then subscribe for the Rights Shares with Warrants on their behalf.**

### **3. ILLUSTRATIVE EXAMPLES**

As an illustration, if an Entitled Depositor has 2,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 4,000 Rights Shares with 1,000 Warrants 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 Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants

#### **Procedures to be taken**

- (1) Accept his entire provisional allotment of 4,000 Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2007** (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 the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 4,000 Rights Shares with Warrants and (if applicable) the number of excess Rights Shares with Warrants applied for and forward the ARE together with a single remittance for S\$140 (or, if applicable, such higher amount in respect of the total number of Rights Shares with Warrants accepted and excess Rights Shares with Warrants 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 — INNO-PACIFIC RIGHTS ISSUE ACCOUNT"** for the Rights Shares with Warrants and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** for the full amount due on acceptance and (if applicable) application, by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post, at his own risk, in the self-addressed envelope provided to **INNO-PACIFIC 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

## Alternatives

- (b) Accept a portion of his provisional allotment of Rights Shares with Warrants, for example, his entitlement to 2,000 provisionally allotted Rights Shares with Warrants and trade the balance on the SGX-ST

## Procedures to be taken

than **4.45 p.m. on 21 November 2007** (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. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODE OF PAYMENT (INCLUDING PERSONAL CHEQUES AND THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (1) Accept his provisional allotment of 2,000 Rights Shares with Warrants out of the provisional allotment of 4,000 Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2007** (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 the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 2,000 Rights Shares with Warrants, and forward the ARE, together with a single remittance for S\$70, in the prescribed manner described in alternative (a)(2) above to CDP, so as to arrive not later than **4.45 p.m. on 21 November 2007** (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 2,000 Rights Shares with Warrants may be traded on the SGX-ST during the provisional allotment trading period. **Entitled Depositors should note that the provisional allotment of Rights Shares will be tradable in board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require, during the provisional allotment trading period.**

## Alternatives

- (c) Accept a portion of his provisional allotment of Rights Shares with Warrants, for example his entitlement to 2,000 provisionally allotted Rights Shares with Warrants, and reject the balance

## Procedures to be taken

- (i) Accept his provisional allotment of 2,000 Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2007** (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
- (ii) complete the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 2,000 Rights Shares with Warrants and forward the ARE, together with a single remittance for S\$70, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **4.45 p.m. on 21 November 2007** (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 2,000 Rights Shares with Warrants 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 21 November 2007** (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 if an acceptance is not made through CDP by **4.45 p.m. on 21 November 2007** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## 4. TIMING AND OTHER IMPORTANT INFORMATION

### 4.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS UNDER THE RIGHTS SHARES CUM WARRANTS ISSUE IS:-**

- (A) 4.45 P.M. ON 21 NOVEMBER 2007 IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS MADE THROUGH CDP; OR**
- (B) 9.30 P.M. ON 21 NOVEMBER 2007 IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**

If acceptance and payment for the Rights Shares with Warrants in the prescribed manner as set out in the ARE or the ARS (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 21 November 2007** or through CDP by **4.45 p.m. on 21 November 2007** (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 with Warrants 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 in the interests of the Company. All monies received in connection therewith will be returned by CDP 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 or by any other manner as the Entitled Depositors or the Purchasers may have agreed with CDP for any cash distributions (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance is through Electronic Application at the ATMs) and at the Entitled Depositors' or the Purchasers' own risk.

**If any Entitled Depositor or Purchaser 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.**

#### **4.2 Application for Excess Rights Shares with Warrants**

The excess Rights Shares with Warrants 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 with Warrants will, at the Directors' absolute discretion, be satisfied from such Rights Shares with Warrants as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares with Warrants together with the aggregated fractional entitlements to the Rights Shares with Warrants, any unsold "nil-paid" provisional allotment of Rights Shares with Warrants (if any) of Foreign Shareholders and any Rights Shares with Warrants 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 with Warrants than are available, the excess Rights Shares with Warrants available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares with Warrants, preference will be given to Shareholders for the rounding of odd lots and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Shares with Warrants, in whole or in part, without assigning any reason whatsoever therefor. CDP takes no responsibility for any decision that the Directors may make.

If no excess Rights Shares with Warrants are allotted or if the number of excess Rights Shares with Warrants allotted is less than that applied for, the amount paid on application or the surplus application monies, 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 14 days after the Closing Date at their own risk by any one or a combination of the following: (i) by crediting their bank accounts with the relevant Participating Banks (if they accept by way of an Electronic Application), the receipt by such banks being a good discharge to the Company and CDP for their obligations, if any, thereunder; or (ii) by means of a crossed cheque drawn on a bank in Singapore and sent to them BY ORDINARY POST at their mailing address maintained with CDP or by any other manner as they may have agreed with CDP for other cash distributions (if they apply through CDP).

#### 4.3 Deadlines

It should be particularly noted that unless:–

- (a) acceptance and payment of the provisional allotment of Rights Shares with Warrants 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 with Warrants is effected by **9.30 p.m. on 21 November 2007** (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) acceptance and payment (where applicable) 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 — INNO-PACIFIC RIGHTS ISSUE ACCOUNT**" for the Rights Shares with Warrants and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and/or application and 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 **THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the enclosed self-addressed envelope provided, at the sender's own risk, to **INNO-PACIFIC HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **4.45 p.m. on 21 November 2007** (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 with Warrants will be deemed to have been declined and shall forthwith lapse and become void, in accordance with and subject to the terms and conditions contained in this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions contained in the ARE. To the extent that such provisional allotment of Rights Shares with Warrants shall be accepted in part only, the balance will be deemed to have been declined and will forthwith lapse and cease to be capable of being accepted by the Entitled Depositor. CDP takes no responsibility for any decision the Company may make.

All monies 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 or by any other manner as they may have agreed with CDP for other cash distributions (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance is through Electronic Application), and at the Entitled Depositors' or the Purchasers' (as the case may be) own risk within 14 days after the Closing Date.

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

## ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”). Please read carefully the terms and conditions 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 Participating Bank cannot be used to accept and (if applicable) apply for Rights Shares with Warrants 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 renounce or the purchaser of the provisional allotment who accepts or (as the case may be) who applies for the Rights Shares with Warrants through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the 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 (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE or ARS.

**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 or (as the case may be) 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 with Warrants, 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 and (as the case may be) application for the Rights Shares with Warrants under the Rights Shares cum Warrants 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, CDP Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the “Relevant Parties”).**

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 two statements above. 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 to the Relevant Parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares with Warrants using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares with Warrants provisionally allotted and excess Rights Shares with Warrants applied for as stated on the Transaction Record or the number of Rights Shares with Warrants standing to the credit of his Securities Account as at the close of the Rights Shares cum Warrants Issue. In the event that the Company decides to allot any lesser number of excess Rights Shares with Warrants or not to allot any number of excess Rights Shares with Warrants to the Applicant, the Applicant agrees to accept the decision as final.
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 with Warrants accepted and/or excess Rights Shares with Warrants applied for shall signify and shall be treated as his acceptance of the number of Rights Shares with Warrants accepted and/or excess Rights Shares with Warrants applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares with Warrants both by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as CDP may, in its absolute discretion, deem fit. In determining the number of Rights Shares with Warrants 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 number of provisionally allotted Rights Shares with Warrants which are standing to the credit of his Securities Account as at the close of the Rights Shares cum Warrants Issue and the aggregate number of Rights Shares with Warrants which have been accepted by the Applicant by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM. CDP, in determining the number of Rights Shares with Warrants which the Applicant has validly 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 with Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through Electronic Application through an ATM of a Participating Bank.
6. If applicable, in the event that the Applicant applies for excess Rights Shares with Warrants both by way of ARE and by Electronic Application through an ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as CDP may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares with Warrants which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares with Warrants not exceeding the aggregate number of excess Rights Shares with Warrants for which he has applied by way of ARE and by way of application through Electronic Application through an ATM of a Participating Bank. CDP, in determining the number of excess Rights Shares with Warrants which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares with Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank.

7. The Applicant irrevocably requests and authorises the Company to:–
  - (a) register or to procure the registration of the Rights Shares with Warrants allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return (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 with Warrants accepted and/or excess Rights Shares with Warrants applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
  - (c) return (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 with Warrants be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank 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 WITH WARRANTS AS A NOMINEE OF ANY OTHER PERSON.**
9. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company and/or the Share Registrar, and if, in any such event, CDP, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application by 9.30 p.m. on the Closing Date, 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 CDP, the Participating Banks, the Company and/or the Share Registrar for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. **Electronic Applications shall close at 9.30 p.m. on 21 November 2007 (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 thereof. 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 made through ATMs of the Participating Banks which 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 Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) 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 acceptance/application monies will be refunded on the same terms.

15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Shares cum Warrants Issue at **9.30 p.m. on 21 November 2007** (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 supplementary document or replacement document referred to in Section 241 of the SFA 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, CPF Board, the Participating Banks or the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP 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 with Warrants and (if applicable) acceptance of his application for excess Rights Shares with Warrants;
  - (e) in respect of the Rights Shares with Warrants 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 contracts made pursuant to this Offer Information Statement or the Electronic Application 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 transferrable.
16. The Applicant should ensure that his personal particulars as maintained 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 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 with Warrants or (if applicable) applies for excess Rights Shares with Warrants, as the case may be, by way of ARE and/or ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares with Warrants and/or excess Rights Shares with Warrants will be allotted in such manner as the Company or CDP may, in their

absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:–

- (a) by means of a crossed cheque sent BY ORDINARY POST at his own risk if he accepts and (if applicable) applies through CDP; and
  - (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.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which he can validly accept, the Company and CDP are entitled, and the Applicant hereby authorises the Company and CDP, to take into consideration:–
- (a) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which the Applicant has validly accepted, whether under the ARE and/or ARS or any other form of acceptance (including Electronic Application through an ATM) for the Rights Shares with Warrants;
  - (b) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants standing to the credit of the Applicant's Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which has been disposed of by the Applicant.

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

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares with Warrants accepted by the Applicant and (if applicable) the excess Rights Shares with Warrants 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 ARE, the ARS, the PAL and/or any other application form for the Right Shares with Warrants in relation to the Rights Shares cum Warrants 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 ARE, the ARS, the PAL, and/or any other application form for the Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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 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 CDP shall be entitled to process each application submitted for the acceptance of Rights Shares with Warrants, and where applicable, application of excess Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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.

## PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

### 1. INTRODUCTION

- 1.1 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:–

PAL incorporating:–

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

- 1.2 The provisional allotment of the Rights Shares with Warrants and application for excess Rights Shares with Warrants is governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares with Warrants provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares with Warrants, in full or in part, and are eligible to apply for Rights Shares with Warrants in excess of their entitlements under the Rights Shares cum Warrants Issue.
- 1.3 Full instructions for the acceptance of and payment for the Rights Shares with Warrants provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.
- 1.4 With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares with Warrants in relation to the Rights Shares cum Warrants Issue or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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 or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- 1.5 The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares with Warrants, and where applicable, application of excess Rights Shares with Warrants in relation to the Rights Shares cum Warrants 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 Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid.
- 1.6 **Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares with Warrants through the 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 SGX-ST.**

1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the PAL 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)

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares with Warrants or accept any part of it and decline the balance, should complete Form A only and return the PAL, in its entirety, duly completed and signed, together with a remittance (if any) for the full amount due and payable on acceptance to **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD, 3 ANSON ROAD #27-01 SPRINGLEAF TOWER SINGAPORE 079909**, in the self-addressed envelope provided so as to reach the Share Registrar not later than **4.45 p.m. on 21 November 2007** (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. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)

3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares with Warrants and renounce the balance of their provisional allotments of Rights Shares with Warrants, or who wish to renounce all or part of their provisional allotments of Rights Shares with Warrants in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotment of Rights Shares with Warrants under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B in accordance with these instructions together with the PAL in its entirety should then be returned to reach **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD**, at the above mentioned address not later than **4.45 p.m. on 15 November 2007** (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 **4.45 p.m. on 15 November 2007** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3.2 The Split Letters representing the number of Rights Shares with Warrants which Entitled Scripholders intend to renounce may be renounced by completing the Form for Renunciation (Form C) before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares with Warrants they intend to accept, if any and forward the said Split Letter(s) together with the remittance for the payment in the manner hereinafter prescribed to **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD**, so as to arrive not later than **4.45 p.m. on 21 November 2007** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares with Warrants 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 allotments of Rights Shares with Warrants which they wish to renounce and deliver the PAL in its entirety to the renounee as soon as possible.

#### 4. PAYMENT

- 4.1 Payment in relation to the PALs 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 **"INNO-PACIFIC RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the remittance. The completed PAL and remittance should be addressed and forwarded, at the sender's own risk, to **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD, 3 ANSON ROAD #27-01 SPRINGLEAF TOWER SINGAPORE 079909** so as to arrive not later than **4.45 p.m. on 21 November 2007** (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 PERSONAL CHEQUES AND THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 4.2 If acceptance and payment in the prescribed manner as set out in the PAL is not received by **4.45 p.m. on 21 November 2007** (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 allotments of Rights Shares with Warrants will be deemed to have been declined and such provisional allotments 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 any share of revenue or benefit arising therefrom, within 14 days after the Closing Date.

#### 5. APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

- 5.1 Entitled Scripholders who wish to apply for excess Rights Shares with Warrants in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares with Warrants Application Form (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares with Warrants applied for in the form and manner set out in paragraph 4 above, at their own risk, to **INNO-PACIFIC HOLDINGS LTD C/O THE SHARE REGISTRAR, COMPACT ADMINISTRATIVE SERVICES PTE LTD, 3 ANSON ROAD #27-01 SPRINGLEAF TOWER SINGAPORE 079909** so as to arrive not later than **4.45 p.m. on 21 November 2007** (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 PERSONAL CHEQUES AND THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 5.2 The excess Rights Shares with Warrants available for application are subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares with Warrants will, at the Directors' absolute discretion, be satisfied from such Rights Shares with Warrants 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 with Warrants, together with the aggregated fractional entitlements to the Rights Shares with Warrants, the unsold "nil-paid" provisional allotment of Rights Shares with Warrants (if any) of Foreign Shareholders and any Rights Shares with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. In the event that applications are received by the Company for more excess Rights Shares with Warrants than are available, the excess Rights Shares with Warrants available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares with Warrants, preference will be given

to Shareholders for the rounding of odd lots and substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse, in whole or in part, any application for excess Rights Shares with Warrants without assigning any reason whatsoever.

- 5.3 If no excess Rights Shares with Warrants are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, 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 at their own risk.

## 6. GENERAL

- 6.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

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

- 6.3 Upon listing and quotation on the Official List of the SGX-ST, the Rights Shares with Warrants, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares with Warrants 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 The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the above are available from CDP.

- 6.4 **Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants provisionally allotted to them and (if applicable) apply for excess Rights Shares with Warrants, and who wish to trade the Rights Shares with Warrants 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 with Warrants and, if applicable, the excess Rights Shares with Warrants 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 with Warrants and have their Rights Shares with Warrants credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("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 certificates in their own names for the Rights Shares and Warrants allotted to them and if applicable, the excess Rights Shares and Warrants allotted to them. Such 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.**

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

- 6.6 A holder of physical certificate(s), or an Entitled Scripholder who has not deposited his certificates with CDP but who wishes to trade on the SGX-ST, must deposit with CDP the relevant 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 Warrants and/or existing Shares, as the case may be, before he can effect the desired trade.
- 6.7 **THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS 4.45 P.M. ON 21 NOVEMBER 2007 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

**LIST OF PARTICIPATING BANKS**

DBS Bank Ltd (including POSB)

Oversea-Chinese Banking Corporation Limited

United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited



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, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

Dated this 5<sup>th</sup> day November 2007

For and on behalf of  
**INNO-PACIFIC HOLDINGS LTD**

---

DATO MOEHAMAD IZAT BIN  
ACHMAD HABECHI EMIR  
Director  
(Signed by Wong Chin Yong on  
behalf of Dato Moehamad Izat Bin  
Achmad Habechi Emir)

---

WONG CHIN YONG  
Director

---

ONG KAH HOCK  
Director

---

ABDUL WAHAB BIN MD SHAHIR  
Director  
(Signed by Wong Chin Yong on behalf of  
Abdul Wahab Bin Md Shahir)

*This page has been intentionally left blank.*

*This page has been intentionally left blank.*

