



OKP HOLDINGS LIMITED  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200201165G)

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## PROPOSED BONUS ISSUE AND PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF WARRANTS

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### 1. INTRODUCTION

The Board of Directors (the "**Directors**") of OKP Holdings Limited (the "**Company**") wishes to announce that the Company is proposing to undertake the following:

- (a) a bonus issue (the "**Bonus Issue**") of 82,430,470 new ordinary shares in the capital of the Company<sup>1</sup> (the "**Bonus Shares**") on the basis of one (1) Bonus Share for every two (2) ordinary shares in the capital of the Company (the "**Shares**") held by the Entitled Bonus Issue Shareholders (as defined in paragraph 2 below) as at a books closure date to be determined by the Directors for the purpose of determining the entitlements of the shareholders of the Company (the "**Shareholders**") under the Bonus Issue (the "**Bonus Issue Books Closure Date**"); and
- (b) a renounceable and non-underwritten rights issue (the "**Rights Issue**") of up to 61,822,852 warrants<sup>2</sup> (the "**Warrants**"), at an issue price of S\$0.01 for each Warrant (the "**Issue Price**"), with each Warrant carrying the right to subscribe for one (1) new Share (the "**New Share**") at an exercise price of S\$0.20 (the "**Exercise Price**") for each New Share, on the basis of one (1) Warrant for every four (4) Shares held by the Entitled Rights Issue Shareholders (as defined in paragraph 2 below) as at a books closure date (such date to occur after the Bonus Issue Books Closure Date) to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Rights Issue (the "**Rights Issue Books Closure Date**"),

fractional entitlements being disregarded.

The Company has appointed NRA Capital Pte. Ltd. (the "**Manager**") as the manager for the Bonus Issue and Rights Issue.

### 2. PROPOSED PRINCIPAL TERMS OF THE BONUS ISSUE AND THE RIGHTS ISSUE

The Bonus Issue is proposed to be made to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (the "**CDP**"), as the case may be, as at the Bonus Issue Books Closure Date (the "**Entitled Bonus Issue Shareholders**"). The Rights Issue is proposed to be made to the Shareholders whose registered addresses with the Company or with the CDP, as the case may be, are in

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<sup>1</sup> As at the date hereof, the Company has 164,860,940 issued Shares (as defined herein) and does not have any outstanding warrants or convertible securities in issue or share options granted. On the basis that there is no change in the outstanding issued share capital of the Company as at the Bonus Issue Books Closure Date (as defined herein), 82,430,470 Bonus Shares will be issued pursuant to the Bonus Issue.

<sup>2</sup> Based on the enlarged share capital of the Company after the Bonus Issue of 247,291,410 Shares and on the basis that there is no change in the outstanding issued share capital of the Company as at the Rights Issue Books Closure Date (as defined herein), up to 61,822,852 Warrants will be issued pursuant to the Rights Issue.

Singapore as at the Rights Issue Books Closure Date or who have, at least three (3) Market Days<sup>3</sup> prior to the Rights Issue Books Closure Date provided to the Company or to the CDP, as the case may be, addresses in Singapore for the service of notices or documents (the "**Entitled Rights Issue Shareholders**").

#### Bonus Issue

- 2.1 The Bonus Shares will be issued free to the Entitled Bonus Issue Shareholders and when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Bonus Shares.

#### Rights Issue

- 2.2 The Warrants are payable in full upon acceptance and application, and will be in registered form and constituted in an instrument by way of a deed poll (the "**Deed Poll**") that sets out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.
- 2.3 Each Warrant will, subject to the terms and conditions of the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price during the exercise period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the third (3<sup>rd</sup>) anniversary of the date of issue of the Warrants (the "**Exercise Period**"). Any Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.
- 2.4 The Warrants will be listed and traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") under the book-entry settlement system. The listing and quotation for the Warrants on the SGX-ST, if approved, is expected to be subject to, *inter alia*, there being an adequate spread of holding of the Warrants to provide for an orderly market in the Warrants. Each board lot of the Warrants will consist of 1,000 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.
- 2.5 The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date for which falls after the exercise date of the Warrants, save as may be otherwise provided in the Deed Poll. The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll.
- 2.6 Entitled Rights Issue Shareholders are at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Warrants in whole or in part, and are also eligible to apply for additional Warrants in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Rights Issue Shareholders and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. Preference will be given to the rounding of odd lots in the allotment of any excess Warrants, and substantial Shareholders and Directors will rank last in priority.

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<sup>3</sup> A day on which the SGX-ST (as defined in paragraph 2.4 above) is open for trading in securities.

- 2.7 For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Warrants will not be offered to Shareholders whose registered addresses are outside Singapore as at the Rights Issue Books Closure Date and who have not, at least three (3) Market Days prior to the Rights Issue Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of the 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 allotments of the Warrants commence. Such sales will, 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 arising therefrom, after deduction of all expenses, will be dealt with in accordance with the terms set out in the circular to Shareholders (the “**Circular**”) and the offer information statement (the “**Offer Information Statement**”) to be issued by the Company in connection with the Rights Issue.
- 2.8 The aggregate of the Issue Price and Exercise Price of S\$0.21 for each Warrant represents a discount of approximately 67.19% to the last transacted price of S\$0.64 per Share on the SGX-ST on 11 September 2009, being the latest trading date prior to this announcement on 14 September 2009 and a discount of approximately 50.78% to the theoretical ex-Bonus Issue Share price of approximately S\$0.43, based on the last transacted price of the Shares on the SGX-ST on 11 September 2009.
- 2.9 The terms and conditions of the Rights Issue are subject to such change(s) as the Directors, after consultation with the Manager and other professional advisers, may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Circular and/or the Offer Information Statement to be despatched by the Company to the Shareholders in due course.

### 3. UNDERTAKINGS

- 3.1 The Rights Issue will be supported by certain Shareholders (the “**Undertaking Shareholders**”), the names and shareholding details of whom (a) as at the date hereof; and (b) upon the allotment and issuance of the Bonus Shares, are as follows:

No	Shareholder	Number of Shares		Percentage of Shareholdings (%)
		As at the date hereof	Upon the allotment and issuance of the Bonus Shares	
1	Or Kim Peow Investments Pte. Ltd.	89,901,940	134,852,910	54.53
2	Or Kim Peow	2,430,000	3,645,000	1.47
3	Or Toh Wat	1,238,000	1,857,000	0.75
4	Ang Beng Tin	1,239,000	1,858,500	0.75
5	Or Kiam Meng	1,238,000	1,857,000	0.75
6	Oh Enc Nam	444,000	666,000	0.27
7	Or Lay Huat Daniel	1,238,000	1,857,000	0.75
	<b>Total</b>	<b>97,728,940</b>	<b>146,593,410</b>	<b>59.27</b>

- 3.2 The Undertaking Shareholders have each, unconditionally and irrevocably undertaken to the Company, *inter alia*:
- (a) not to transfer, dispose of or otherwise reduce any of its/his/her interests in the Shares which it/he/she legally and beneficially owns as at the date of the undertaking and which it/he/she is entitled to be issued pursuant to the Bonus Issue, up till and including the Rights Issue Books Closure Date;
  - (b) to subscribe and pay and/or procure subscription and payment in full for all its/his/her entitlements of Warrants under the Rights Issue; and
  - (c) to vote in favour of the Bonus Issue and the Rights Issue at the extraordinary general meeting (the “**EGM**”) to be convened for, *inter alia* this purpose in respect of its/his/her shareholding in the Company,
- (collectively the “**Undertakings**”).
- 3.3 In addition, the Undertaking Shareholder, Or Kim Peow Investments Pte. Ltd., has unconditionally and irrevocably undertaken to the Company to subscribe and pay and/or procure subscription and payment in full for all Warrants, by way of application for excess Warrants, which are not subscribed or otherwise taken up and/or applied for by the other Shareholders at the close of the Rights Issue (the “**OKP Undertaking**”).
- 3.4 The above Undertakings and the OKP Undertaking shall lapse and cease to have any effect in the event that the Rights Issue is aborted or terminated for any reason whatsoever.
- 3.5 The Undertaking Shareholders are willing to support the Company and the proposed Rights Issue on the terms and conditions set out above. In view of the Undertakings and the OKP Undertaking provided by the Undertaking Shareholders, the Rights Issue will not be underwritten by any financial institution.

#### **4. RATIONALE FOR THE BONUS ISSUE AND THE RIGHTS ISSUE**

- 4.1 The Company is considering the Bonus Issue for the following reasons:
- (a) to increase the issued share capital base of the Company to reflect the growth and expansion of the business of the Company and its subsidiaries (the “**Group**”) and increase the liquidity of the Shares in the market; and
  - (b) to reward the Shareholders for continuing to support the Company.
- 4.2 The Company is considering the Rights Issue for the following reasons:
- (a) to generate further equity participation in the Company by the Shareholders through the exercise of the Warrants; and
  - (b) as and when the Warrants are exercised, the proceeds arising therefrom will expand and strengthen the capital base of the Company and provide additional resources and working capital required to support the business activities and operations of the Group.

## 5. USE OF PROCEEDS FROM THE RIGHTS ISSUE

- 5.1 The estimated net proceeds from the subscription of the Warrants is approximately S\$0.39 million, after deducting professional fees as well as related expenses amounting to an aggregate of approximately S\$0.23 million in connection with the Bonus Issue and the Rights Issue. The estimated gross proceeds from the exercise of such Warrants will amount to approximately S\$12.36 million.
- 5.2 The Company intends to utilise the net proceeds from the subscription of the Warrants for its general working capital.
- 5.3 As and when the Warrants are exercised, the proceeds arising therefrom may also be applied towards the general working capital of the Company and/or such other purposes as the Directors may deem fit. The Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.
- 5.4 Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be placed as deposits with financial institutions or invested in short-term money market instruments and/or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

## 6. APPROVALS

- 6.1 The Bonus Issue is subject, *inter alia*, to the following approvals being obtained:
- (a) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares, the Warrants and the New Shares on the Official List of the SGX-ST having been obtained; and
  - (b) the Bonus Issue and the Rights Issue having been approved by Shareholders at the EGM.
- 6.2 The Rights Issue is subject, *inter alia*, to the terms and conditions set out in the Offer Information Statement, and the following approvals being obtained:
- (a) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares, the Warrants and the New Shares on the Official List of the SGX-ST having been obtained;
  - (b) the Bonus Issue and the Rights Issue having been approved by Shareholders at the EGM; and
  - (c) the lodgment of the Offer Information Statement in respect of the Warrants and the New Shares pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the Monetary Authority of Singapore (the "**Authority**").
- 6.3 An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Bonus Shares, the Warrants and the New Shares on the Official List of the SGX-ST in due course.
- 6.4 The Circular containing, *inter alia*, details of the Bonus Issue and the Rights Issue and the notice of the EGM will be despatched to Shareholders in due course.
- 6.5 The Offer Information Statement will be lodged with the Authority and despatched to Entitled Rights Issue Shareholders in due course after, *inter alia*, the approval in-principle of the SGX-ST and the approval of the Shareholders at the EGM have been obtained.

**7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed herein, none of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Bonus Issue and/or the Rights Issue (other than through their respective shareholdings in the Company).

**8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company (including those who may have been delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Or Toh Wat  
Group Managing Director  
14 September 2009