

OFFER INFORMATION STATEMENT DATED 28 FEBRUARY 2014

(Lodged with the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 28 February 2014)

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

The Rights Shares (as defined herein) offered are issued by TEHO International Inc Ltd. (the “**Company**”), whose shares (the “**Shares**”) are listed for quotation on Catalist (as defined herein).

This offer is made in or accompanied by this offer information statement (the “**Offer Information Statement**”), together with a copy each of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), that have been lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) acting as agent on behalf of the Monetary Authority of Singapore (the “**Authority**”). The lodgement of this Offer Information Statement together with a copy each of the PAL, the ARE and the ARS with the SGX-ST acting as agent on behalf of the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, or requirements in the SGX-ST’s listing rules, have been complied with. Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained herein. Neither the Authority nor the SGX-ST has in any way considered the merits of the Rights Shares being offered for investment.

An application has been made for permission for the Rights Shares to be listed for quotation on Catalist. The listing and quotation notice (the “**LQN**”) has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares on Catalist, subject to compliance with the SGX-ST’s listing requirements. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company, its subsidiaries and their securities. The Rights Shares will be admitted to Catalist and official quotation is expected to commence after all share certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. Acceptance of applications will be conditional upon issue of the Rights Shares and upon listing of the Rights Shares on Catalist. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares on Catalist does not proceed.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

After the expiration of six months from the date of lodgement of this Offer Information Statement, no person shall make an offer of the Rights Shares, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any Rights Shares or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement.

This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Offer Information Statement. The contact person for the Sponsor is Ms Alicia Kwan (Telephone: (65) 6221 5590) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.



TEHO INTERNATIONAL INC LTD.

(Company Registration Number: 200811433K)
(Incorporated in the Republic of Singapore on 10 June 2008)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF 47,276,420 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.09 FOR EACH RIGHTS SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)

Manager of the Rights Issue



SAC CAPITAL PRIVATE LIMITED
(Company Registration Number 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for splitting of the provisional allotment of Rights Shares	:	12 March 2014 at 5.00 p.m.
Last date and time for acceptance and payment for Rights Shares	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation of and payment for Rights Shares	:	18 March 2014 at 5.00 p.m.
Last date and time for application and payment for excess Rights Shares	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

IMPORTANT NOTICE

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

For Entitled Depositors, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through CDP or by way of Electronic Application through an ATM of a Participating Bank. For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd..

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) application for excess Rights Shares must be done through their respective finance companies or Depository Agents, and in the case of investors who had bought Shares under SRS Funds (“SRS Members”), their respective approved banks in which they hold their SRS accounts (“SRS Approved Banks”). Any acceptance of the Rights Shares and/or (if applicable) application for excess Rights Shares made directly through CDP, the Company and/or the Share Registrar, and/or Electronic Application will be rejected.

SRS Members must use, subject to applicable SRS rules and regulations, SRS Funds to pay for the acceptance of their Rights Shares and/or (if applicable) application for excess Rights Shares. SRS Members, who wish to accept their Rights Shares and/or (if applicable) apply for excess Rights Shares using SRS Funds, must instruct the relevant SRS Approved Banks to accept their Rights Shares and/or (if applicable) apply for excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement. SRS Members who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights Shares and/or (if applicable) apply for excess Rights Shares. SRS Members are advised to provide their respective SRS Approved Banks with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. SRS Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, the Company and/or the Share Registrar, and/or Electronic Application will be rejected.

The existing Shares are quoted on Catalist.

Persons wishing to subscribe for the Rights Shares 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 Company and the Group, and the rights and liabilities attaching to the Rights 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 and the Shares or invest in the Company.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Manager or the Sponsor. 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 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 via the SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

None of the Company, the Manager and the Sponsor is making any representation to any person regarding the legality of an investment in the Rights 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 and/or the Shares.

Neither the Manager nor the Sponsor makes any representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Company, the Group or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares. Prospective subscribers for the Rights 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 for the Rights Shares under the Rights Issue and may not be relied upon by any persons other than Entitled Shareholders (and their renounees and Purchasers) to whom these documents are 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 do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such 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 by law in certain jurisdictions under the relevant securities laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions at their own expense and without liability to the Company or the Manager. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

CONTENTS

	Page
DEFINITIONS	5
ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE	10
EXPECTED TIMETABLE OF KEY EVENTS	13
TAKE-OVER LIMITS	14
TRADING	15
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	17
SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005	18
ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER APPENDIX 8A OF THE CATALIST RULES	61
APPENDIX I PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS	I-1
APPENDIX II ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS	II-1
APPENDIX III PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS	III-1
APPENDIX IV LIST OF PARTICIPATING BANKS	IV-1

DEFINITIONS

For the purposes 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:

Companies within the Group

“Company”	:	TEHO International Inc Ltd.
“Group”	:	The Company and its subsidiaries collectively and “Group Company” means any one of them
“TEHO Engineering”	:	TEHO Engineering Pte. Ltd.
“TEHO EuROPE”	:	TEHO EuROPE B.V.
“TEHO Water”	:	TEHO Water & Envirotec Pte. Ltd.

Other Companies, Organisations and Agencies

“Authority”	:	The Monetary Authority of Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Manager” or “Sponsor” or “SAC Capital”	:	SAC Capital Private Limited
“Participating Banks”	:	Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“SCCS”	:	Securities Clearing and Computer Services (Pte) Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.

General

“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers
“Associate”	:	(a) in relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the aggregate of the nominal amount of all the voting shares;

DEFINITIONS

- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “ATM”* : Automated teller machine of a Participating Bank
- “Board of Directors” or “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 27 February 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the time and date at and on which the Register of Members and share transfer books of the Company will be closed to determine the provisional allotments of Rights Shares of the Entitled Shareholders under the Rights Issue
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
- “Closing Date”* : 5.00 p.m. on 18 March 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or 9.30 p.m. on 18 March 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue by way of an Electronic Application
- “Code”* : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “Companies Act”* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Directors”* : The directors of the Company as at the date of this Offer Information Statement
- “Electronic Application”* : Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
- “Entitled Depositors”* : Shareholders with Shares entered against their names in the Depository Register, maintained by CDP, as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents

DEFINITIONS

<i>“Entitled Scripholders”</i>	:	Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<i>“Entitled Shareholders”</i>	:	Entitled Depositors and Entitled Scripholders, collectively
<i>“EPS”</i>	:	Earnings per Share
<i>“Foreign Shareholders”</i>	:	Shareholders whose registered addresses with CDP or the Share Registrar are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
<i>“FY”</i>	:	Financial year ended or ending, as the case may be, 30 June
<i>“HY”</i>	:	Half year ended or ending, as the case may be, 31 December
<i>“Irrevocable Undertakings”</i>	:	The irrevocable undertakings given by the Undertaking Shareholders as described in paragraph 1(f) of Part X of this Offer Information Statement
<i>“Issue Price”</i>	:	The issue price of the Rights Shares, being S\$0.09 for each Rights Share
<i>“Latest Practicable Date”</i>	:	21 February 2014, being the latest practicable date preceding the date of lodgement of this Offer Information Statement
<i>“LQN”</i>	:	Listing and quotation notice
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NTA”</i>	:	Net tangible assets
<i>“O&G”</i>	:	Oil and gas
<i>“Offer Information Statement”</i>	:	This document, together with (where the context requires) the PAL, the ARE, the ARS and all other accompanying documents, including, where the context so admits, any supplementary or replacement documents which may be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Authority in connection with the Rights Issue
<i>“PAL”</i>	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue

DEFINITIONS

<i>“PRC”</i>	:	The People’s Republic of China, excluding Hong Kong Special Administrative Region and Macau Special Administrative Region for the purposes of this Offer Information Statement
<i>“Purchasers”</i>	:	Purchasers of provisional allotments of Rights Shares under the Rights Issue traded on Catalist through the book-entry (scripless) settlement system
<i>“Record Date”</i>	:	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 CDP or the Securities Accounts of Shareholders must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<i>“Register of Members”</i>	:	Register of members of the Company
<i>“Rights Issue”</i>	:	The renounceable non-underwritten rights issue of 47,276,420 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
<i>“Rights Shares”</i>	:	47,276,420 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<i>“Scripholders”</i>	:	Shareholders whose Shares are registered in their own names and whose share certificates are not deposited with CDP
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<i>“SFA”</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>“SGXNET”</i>	:	The SGXNET Corporate Announcement System
<i>“Shareholders”</i>	:	Registered holders of the Shares in the Register of Members, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SRS”</i>	:	Supplementary Retirement Scheme
<i>“SRS Funds”</i>	:	Monies standing to the credit of the SRS accounts of SRS Members under the SRS
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued capital in the Company

DEFINITIONS

“Undertaking Shareholders” : Lim See Hoe, Lim Siew Cheng, Lim Siew Choo, Lim Siew Lian @ Soare Siew Lian, Tan Chiun Wei and Alvin Chee Siong

“Unit Share Market” : The SGX-ST market which allows the trading of odd lots in quantities less than the board lot size

“USA” : United States of America

Currencies, Units and Others

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

“%” or “per cent.” : Per centum or percentage

The term “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them, respectively, in Section 130A of the Companies Act. The term “subsidiary” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference to the time of day in this Offer Information Statement, the PAL, the ARE and 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 and the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for acceptance and payment, renunciation and payment, and excess application and payment) shall include such other dates(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 and 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 Companies Act, the SFA or the Catalist Rules, or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA or the Catalist Rules, or such statutory modification thereof, as the case may be, unless otherwise provided.

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

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

(a) ENTITLED SHAREHOLDERS

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

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

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Entitled Depositors should note that all notices and documents will be sent to their last registered mailing address with CDP.

All dealings in, and transactions of, the provisional allotments of Rights Shares through Catalist 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 Catalist.

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

(b) FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights 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 relevant 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 legislation applicable in countries other than Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdictions outside of Singapore.

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

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares 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 and/or application for excess Rights Shares where it believes, or has reason to believe, that such acceptance and/or application may violate the applicable legislation of any jurisdiction.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

The Company reserves the right to treat as invalid any PAL, ARE or ARS which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address outside Singapore; or (c) purports to exclude any deemed representation or warranty.

Foreign Shareholders, with Shares entered against their names in the Depository Register, who may wish to maintain a mailing address (the “**Rights Mailing Address**”) with CDP for the purpose of receiving the documents for the Rights Issue should inform CDP in writing. Depositors are reminded that any request to CDP to register a Rights Mailing Address or any request to CDP to update its records for a new Rights Mailing Address or to effect any change in address must reach CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, not later than three (3) Market Days prior to the Books Closure Date.

If it is practicable to do so, arrangements may, in the discretion of the Company, be made for the provisional allotment of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post to their mailing addresses in Singapore as maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds distributable 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 Directors, the Manager, the Sponsor, the Share Registrar, CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on Catalist, 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 Directors, the Manager, the Sponsor, the Share Registrar, CDP or their respective officers in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be used to satisfy excess applications for Rights Shares 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 Directors, the Manager, the Sponsor, the Share Registrar, CDP or their respective officers in connection therewith.

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

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to keep themselves informed 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 unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or other legal requirements in those territories.

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

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares. The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders at a general meeting.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-rights	:	25 February 2014 from 9.00 a.m.
Books Closure Date	:	27 February 2014 at 5.00 p.m.
Despatch of Offer Information Statement, PAL and ARE (as the case may be) to Entitled Shareholders	:	4 March 2014
Commencement of trading of "nil-paid" rights	:	4 March 2014 from 9.00 a.m.
Last date and time for splitting rights	:	12 March 2014 at 5.00 p.m.
Last date and time for trading of "nil-paid" rights	:	12 March 2014 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of a Participating Bank)
Last date and time for acceptance of and payment for Rights Shares by renounees	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of a Participating Bank)
Last date and time for application and payment for excess Rights Shares ⁽¹⁾	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of a Participating Bank)
Expected date for issuance of Rights Shares	:	25 March 2014
Expected date for crediting of Rights Shares	:	26 March 2014
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	26 March 2014
Expected date for commencement of trading of Rights Shares	:	26 March 2014

Note:

- (1) SRS Members and investors who hold Shares through a finance company and/or Depository Agent, where applicable, will receive notification letter(s) from their respective SRS Approved Banks, finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective SRS Approved Banks, finance companies and/or Depository Agents. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading.

The above timetable is indicative only and is subject to change. At the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with the Manager and with the approval of the SGX-ST and the Sponsor, modify the timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce any change to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of, *inter alia*, 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 more than 1% of the voting rights in the Company in any six (6) month period, must extend a take-over offer for the remaining voting Shares in the Company in accordance with the provisions of the Code.

Pursuant to Rule 820(2) of the Catalist Rules, depending on the level of subscription for the Rights Shares, the Company will, if necessary and upon the approval of the Sponsor and/or the SGX-ST, scale down the subscription and/or excess application for the Rights Shares by any of the Shareholders to avoid placing such Shareholder in the position of incurring an obligation to make a mandatory general offer for the Shares under the Code as a result of other Shareholders not taking up their entitlements of the Rights Shares.

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

TRADING

1. LISTING AND QUOTATION OF RIGHTS SHARES

The Company had on 17 February 2014 obtained the LQN from the SGX-ST approving the listing of and quotation for the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

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

2. ARRANGEMENTS FOR SCRIPLESS TRADING

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or 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 share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on Catalist 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 his address registered with the Share Registrar, he must inform the Share Registrar of his updated address promptly, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with the Share Registrar.

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

TRADING

3. TRADING OF ODD LOTS

Shareholders who wish to trade all or part of their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 200 or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require.

The existing Shares are currently traded in board lots of 1,000 Shares in the ready market. Following the Rights Issue, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of the Shares (that is, lots other than board lots of 1,000 Shares). Shareholders who receive odd lots of Shares and who wish to trade in odd lots on Catalist should note that they are able to do so on the Unit Share Market.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are, forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including 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 and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual future results may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager, the Sponsor nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, the Company, the Manager and the Sponsor disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company may make an announcement to the SGX-ST and, if required, lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority in the event, *inter alia*, that it becomes aware of a new development, event or circumstance that has arisen since the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority, but before the Closing Date of the Rights Issue and that is materially adverse from the point of view of an investor or required to be disclosed pursuant to law and/or the SGX-ST. The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

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

PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

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

Name of Directors	Address	Position
Lim See Hoe	c/o 1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544	Executive Chairman and Chief Executive Officer
Lim Siew Cheng	c/o 1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544	Executive Director and Chief Operating Officer
Kwah Thiam Hock	c/o 1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544	Lead Independent Director
Terrance Tan Kong Hwa	c/o 1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544	Independent Director
Joanne Khoo Su Nee	c/o 1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544	Independent Director

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.
-

Role	Name and Address of Adviser
Manager of the Rights Issue	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
Underwriter	Not applicable as the Rights Issue is not underwritten
Legal Adviser to the Company	Opal Lawyers LLC 30 Raffles Place #19-04 Chevron House Singapore 048622

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

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.**
-

Role	Name and Address of Adviser
Share Registrar and Share Transfer Office	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Receiving Banker	The Bank of East Asia, Limited 60 Robinson Road BEA Building Singapore 068892

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

PART III: OFFER STATISTICS AND TIMETABLE

Offer Statistics

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

Method of Offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of Allotment	:	Two (2) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Issue Price	:	S\$0.09 for each Rights Share
Number of Rights Shares	:	47,276,420 Rights Shares

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 refer to paragraphs 3 to 7 below.

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

Details of the offer procedure for the Rights Issue are set out below:

Offer Period	:	Please refer to the section entitled “ Expected Timetable of Key Events ” of this Offer Information Statement.
Name and address of person to whom purchase or subscription applications submitted	:	The procedures for, and the terms and conditions applicable to, acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the modes of acceptance or application and payment are contained in Appendices I, II and III of this Offer Information Statement and in the PAL, the ARE and the ARS.

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

Circumstances under which the offer period may be modified : At the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Manager and with the approval of the SGX-ST and the Sponsor, modify the timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce the changes to the timetable through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

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 and/or excess Rights Shares (as the case may be) are payable in full upon acceptance and/or application. All payments for Rights Shares and excess Rights Shares must be made either:

- (a) by way of Electronic Application through an ATM of a Participating Bank in the case of Entitled Depositors or Purchasers (as the case may be) for the payment of the full amount for the Rights Shares by **9.30 p.m. on 18 March 2014** (or such other time(s) and date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) if the application for Rights Shares and/or excess Rights Shares, as the case may be, is made by sending the duly completed ARE or ARS to CDP, remittance must be attached to the duly completed and signed ARE or ARS, as the case may be, in Singapore currency 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 – TEHO RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**”. 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 by **5.00 p.m. on 18 March 2014** (or such other time(s) and date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) if the application for Rights Shares and/or excess Rights Shares, as the case may be, is made by sending the duly completed PAL to the Share Registrar, payment for full amount due on acceptance and/or application 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 “**TEHO RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party 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 **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623**, so as to arrive not later than **5.00 p.m. on 18 March 2014** or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Details of the methods of payment for the Rights Shares are contained in Appendices I, II and III of this Offer Information Statement and in the PAL, ARE and ARS (as the case may be).

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

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, excess Rights Shares. At the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with the Manager and with the approval of the SGX-ST and the Sponsor, modify the timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce the changes to the timetable through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

5. State, where applicable, the methods of and time limits for-

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

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 4 March 2014 by crediting the provisional allotments into the Securities Accounts of the respective Entitled Depositors or through the despatch of the relevant PALs to the Entitled Scripholders.

In the case of Entitled Scripholders and their renounees with valid acceptances and (if applicable) successful applications for excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant forms comprised in the PAL, share certificate(s) representing such number of Rights Shares, will be sent to such Entitled Scripholders by registered post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, and Entitled Scripholders and their renounees with valid acceptances and (if applicable) successful applications for excess Rights Shares and who have furnished valid Securities Account numbers in the relevant forms comprised in the PAL, share certificate(s) representing such number of Rights Shares, will be sent to CDP within ten (10) Market Days after the Closing Date. CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts and send a notification letter to the relevant subscribers stating the number of Rights Shares credited to their Securities Accounts.

Please refer to Appendices I, II and III of this Offer Information Statement, the PAL, the ARE and the ARS (as the case may be) for further details.

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.

None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

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).

Results of the Rights Issue

As soon as practicable after the Closing Date, the Company will announce the results of the Rights Issue through a SGXNET announcement which will be posted on the SGX-ST’s website at <http://www.sgx.com>.

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

Manner of Refund

When any acceptance for Rights Shares and/or application for excess Rights Shares is invalid or unsuccessful, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be returned or refunded to such applicants by CDP 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:

- (i) in respect of Entitled Depositors, by crediting their accounts with the relevant Participating Banks at their own risk where acceptance and/or application is through Electronic Application, the receipt by such bank being a good discharge to the Company, the Manager and CDP of their obligations, if any, or by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them by ordinary post and at their own risk to their mailing addresses in Singapore as maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions where acceptance and/or application is through CDP; or
- (ii) in respect of Entitled Scripholders, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them by ordinary post and at their own risk to their mailing addresses in Singapore as maintained with the Share Registrar.

Please refer to Appendices I, II and III of this Offer Information Statement, the PAL, the ARE and the ARS (as the case may be) for further details.

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

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 refer to 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 Rights Issue is expected to raise net proceeds of approximately S\$4.05 million (the “**Net Proceeds**”), after deducting estimated expenses of approximately S\$0.20 million.

The entire Net Proceeds will go to the Company.

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

The Company intends to use the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$' million)	Percentage Allocation (%)
Repayment of bank borrowings	2.50	61.7
Funding for general working capital and new acquisition relating to the Company's ordinary course of business if such opportunities arise	1.55	38.3

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions and/or invested in short term money market or debt instruments and/or for any other purposes on a short term basis, as the Directors may in their absolute discretion deem fit in the interests of the Company.

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

The Rights Issue is not underwritten. However, please refer to paragraph 1(f) of Part X of this Offer Information Statement for further information on the Irrevocable Undertakings. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Rights Issue.

-
- 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.**
-

Based on the intended use of the Net Proceeds as described in paragraph 3 above, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended use and the estimated amount that will be used to pay for expenses incurred in connection with the Rights Issue are as follows:

- (a) approximately S\$0.588 for each dollar of gross proceeds raised will be allocated for the repayment of bank borrowings;
- (b) approximately S\$0.365 for each dollar of gross proceeds raised will be allocated as general working capital of the Group and to fund new acquisition relating to the Company's ordinary course of business if such opportunities arise; and
- (c) approximately S\$0.047 for each dollar of gross proceeds raised will be allocated to meet the expenses incurred in connection with the Rights Issue.

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

Not applicable. The Company does not intend to use any part of the Net Proceeds to, directly or indirectly, acquire or refinance the acquisition of 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.**
-

As disclosed in paragraph 3 above, the Company intends to use part of the Net Proceeds to fund new acquisition relating to the Company's ordinary course of business if such opportunities arise.

As at the Latest Practicable Date, the Company has not identified any specific business to acquire.

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

The Company intends to use approximately S\$2.50 million of the Net Proceeds to partially repay the bank borrowings of the Group ("**Bank Borrowings**").

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

Details of the Bank Borrowings as at the Latest Practicable Date are set out below:

Description of Bank Borrowings	Amount of Bank Borrowings	Maturity of Bank Borrowings	Usage
Trade Bills	S\$7,894,773	Less than one year from the Latest Practicable Date	Inventory financing
Mortgage Loan	S\$3,081,097	Less than five years from the Latest Practicable Date	Mortgage
Short Term Loan	S\$5,500,000	Less than one year from the Latest Practicable Date	Business activities
Hire Purchase	S\$338,833	Less than three years from the Latest Practicable Date	Equipment financing
Total	S\$16,814,703		

-
- 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.**
-

As the Rights Issue is not underwritten, no discount or commission has been agreed upon between the Company and any placement or selling agents in relation to the Rights Issue.

Information on the Relevant Entity

- 9a. 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);**
-

The address and telephone and facsimile numbers of the Company's registered office and principal place of business are as follows:

Registered office and principal place of business	:	1 Commonwealth Lane #09-23 One Commonwealth Singapore 149544
Telephone	:	(65) 6744 8777
Facsimile	:	(65) 6744 8788

- 9b. 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 Group is a diversified group with businesses centred mainly on the marine, offshore O&G and construction industries offering reliable and quality products and services in rigging, mooring, lifting and safety systems; electrical and mechanical engineering systems; and reverse osmosis watermaker, and water and environmental treatment systems.

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

As at the Latest Practicable Date, the subsidiaries and associated companies of the Company and their principal activities are as follows:

Name of subsidiary	Country of incorporation	Effective interest held by the Group	Principal activities
TEHO Ropes & Supplies Pte. Ltd.	Singapore	100%	Supplier of mooring, rigging, lifting and safety equipment and systems as well as related services to customers mainly in the marine, offshore O&G and construction industries
TEHO International (USA), LLC	USA	100%	Supplier of rigging and mooring equipment as well as related services to customers mainly in the marine and offshore O&G industries
TEHO (Shanghai) Co., Ltd.	PRC	100%	Supplier of rigging and mooring equipment as well as related services to customers mainly in the marine and offshore O&G industries
TEHO Offshore Pte. Ltd.	Singapore	100%	Dormant
TEHO Engineering Pte. Ltd.	Singapore	100%	Specialises in the supply and servicing of electric heating and associated control system, marine and Offshore O&G fire/shut dampers, storm louvers and gallery hoods, and marine water heaters for the marine and offshore O&G industries
TEHO EuROPE B.V.	Netherlands	100%	Supplier of rigging and mooring equipment as well as related services to customers mainly in the marine and offshore O&G industries
TEHO Water & Envirotec Pte. Ltd.	Singapore	100%	Manufacturer of STS reverse osmosis water maker, high performing hydrophore and calorifier systems, and supplier of STP sewage treatment plant, Marelco marine growth protection equipment and CAT pumps to customers mainly in the marine and offshore O&G industries

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

Name of associated company	Country of incorporation	Effective interest held by the Group	Principal activities
Besteel Pte Ltd	Singapore	25%	Distributor of rigging and mooring equipment
STS Seanly Marine Sdn. Bhd.	Malaysia	49%	Supplier of marine and engineering services and trading in related marine and engineering hard ware and accessories to customers mainly in the marine and offshore O&G industries

- 9c. **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;**
-

Key developments in FY2011

There were no material changes in the affairs of the Group in FY2011.

Key developments in FY2012

In February 2012, the Company announced the incorporation of a wholly-owned subsidiary in Shanghai, PRC, under the name of TEHO (Shanghai) Co., Ltd.. The principal activity of TEHO (Shanghai) Co., Ltd. is to supply mooring and rigging products as well as related services.

In April 2012, the Company announced the incorporation of a wholly-owned subsidiary in Singapore, under the name of TEHO Offshore Pte. Ltd.. The principal activity of TEHO Offshore Pte. Ltd. is to supply equipment and services to the offshore O&G industry. TEHO Offshore Pte. Ltd. has not commenced business operations as at the Latest Practicable Date.

In May 2012, the Company entered into a sale and purchase agreement with the then shareholders of Finessco Systems Pte Ltd (“**Finessco**”) in relation to the acquisition by the Company of the entire issued and paid-up share capital of Finessco. Finessco is principally engaged in the supply, servicing and trading of electrical and mechanical equipment under third party brands to the marine and offshore O&G industries. The aggregate consideration for the acquisition of S\$6,400,000 was satisfied by cash payment of S\$5,800,000 and the allotment and issue of 3,891,051 Shares at an issue price of S\$0.1542 for each Share. Following the completion of the acquisition in May 2012, Finessco became a wholly-owned subsidiary of the Company and was renamed as “TEHO Engineering Pte. Ltd.” in July 2012.

Key developments in FY2013

In November 2012, the Company announced the incorporation and registration of a wholly-owned subsidiary in Netherlands, under the name of TEHO EuROPE B.V.. The principal activity of TEHO EuROPE is the supply of rigging, mooring and engineering equipment, products and systems, and related services.

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

In April 2013, the Company entered into a sale and purchase agreement with the then sole shareholder of Seanly Technical Singapore Pte Ltd (“**Seanly**”) in relation to the acquisition by the Company of the entire issued and paid-up share capital of Seanly. Seanly is principally engaged in the trading of reverse osmosis desalination products and other water related equipment for use in ships and other marine vessels. The aggregate consideration for the acquisition of S\$2,500,000 was satisfied by cash payment of S\$2,000,000 and the allotment and issue of 2,500,000 Shares at an issue price of S\$0.20 for each Share. Following the completion of the acquisition in April 2013, Seanly became a wholly-owned subsidiary of the Company and was renamed as “TEHO Water & Envirotec Pte. Ltd.” in May 2013.

In June 2013, the Company announced the increase in the issued and paid-up share capital of TEHO Water from S\$50,000 to S\$550,000.

Key developments from 1 July 2013 to Latest Practicable Date

In October 2013, the Company announced the potential acquisition opportunity where the Company is considering and has entered into several discussions with a potential target exploring an acquisition opportunity which may involve its diversification into the property sector. However the discussions are only at a preliminary and exploratory stage and the Company has not reached any definite or firm decision in regard to the aforesaid matters, and there is no certainty that the Company will proceed with any of the aforesaid matters.

In December 2013, the Company appointed SAC Capital Private Limited to act as its new Continuing Sponsor, in place of Canaccord Genuity Singapore Pte. Ltd. with effect from 26 December 2013.

In December 2013, the Company announced the Rights Issue subject to, *inter alia*, (a) the receipt of LQN from the SGX-ST for the listing of and quotation for the Rights Shares on Catalist; and (b) the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority.

In January 2014, the Company appointed Joanne Khoo Su Nee as an independent Director and a member of the audit committee and nominating committee as well as the chairman of the remuneration committee of the Company.

In February 2014, the Company obtained the LQN from the SGX-ST approving the listing of and quotation for the Rights Shares on Catalist, subject to compliance with the SGX-ST’s listing requirements. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

9d. The equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
-

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

The equity capital of the Company as at the Latest Practicable Date is as follows:

		Number of Shares	S\$
Equity share capital	:	118,191,051	16,755,795
Loan capital	:	Not applicable	Not applicable

The Company does not have any loan capital as at the Latest Practicable Date.

9e. Where –

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

Based on the information in the Register of Substantial Shareholders maintained by the Company under Section 88 of the Companies Act, the Substantial Shareholders and the number of Shares in which they have an interest as at the Latest Practicable Date are as follows:

Name	Direct Interest		Deemed Interest	
	Number of Shares	% of Issued Capital	Number of Shares	% of Issued Capital
Lim See Hoe ⁽¹⁾	39,909,659	33.77	–	–
Lim See Heng ⁽¹⁾	19,800,140	16.75	–	–
Lim Siew Cheng ⁽¹⁾	16,500,111	13.96	–	–
Lim Siew Choo ⁽¹⁾	13,200,090	11.17	–	–

Note:

- (1) Lim See Hoe, Lim See Heng, Lim Siew Cheng and Lim Siew Choo are siblings.
-

9f. Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

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

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

- 9g. 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

The Company has not issued any securities or equity interests for cash nor for services within the twelve (12) months immediately preceding the Latest Practicable Date.

- 9h. A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

A summary of each material contract, other than a contract entered into in the ordinary course of business, to which any member of the Group is a party, for the period of two years immediately preceding the date of lodgement of this 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 Company or any other member of the Group is set out below:

- (i) The sale and purchase agreement dated 2 May 2012 entered into between the Company and Goh Gek Liang, Tong Chwee Hwa and Tan Chiun Wei in relation to the acquisition by the Company of the entire issued and paid-up share capital of TEHO Engineering at an aggregate consideration of S\$6,400,000; and
- (ii) The sale and purchase agreement dated 13 April 2013 entered into between the Company and Alvin Chee Siong in relation to the acquisition by the Company of the entire issued and paid-up share capital of TEHO Water at an aggregate consideration of S\$2,500,000.

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

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

The table below sets out the Group's audited income statement for FY2011, FY2012 and FY2013 and their unaudited income statement for HY2013 and HY2014:

	← Audited →			← Unaudited →	
	FY2011	FY2012	FY2013	HY2013	HY2014
	S\$	S\$	S\$	S\$	S\$
Revenue	33,410,407	37,366,455	42,971,401	21,837,970	28,006,777
Cost of Sales	(24,142,378)	(26,237,287)	(29,024,583)	(14,517,358)	(19,099,869)
Gross Profit	9,268,029	11,129,168	13,946,818	7,320,612	8,906,908
Other Items of Income					
Interest Income	4,563	33,039	1,437	859	961
Other Credits	111,591	346,009	122,497	99,375	48,843
Other Items of Expense					
Distribution Costs	(584,420)	(763,149)	(1,105,665)	(464,132)	(640,032)
Administrative Expenses	(3,538,352)	(4,776,802)	(6,048,527)	(2,691,197)	(3,627,352)
Other Operating Expenses	(1,988,211)	(2,381,165)	(2,930,576)	(1,351,139)	(1,759,298)
Finance Costs	(518,212)	(359,922)	(375,390)	(118,031)	(172,969)
Other Charges	(151,511)	(322,749)	(902,479)	(479,274)	(406,909)
Total Other Items of Expenses	(6,780,706)	(8,603,787)	(11,362,637)	(5,103,773)	(6,606,560)
Share of Profit from Equity-Accounted Associate	13,007	5,133	34,330	20,833	–
Profit before Tax from Continuing Operations	2,616,484	2,909,562	2,742,445	2,337,906	2,350,152
Income Tax Expense	(412,464)	(670,585)	(361,875)	(526,389)	(415,693)
Profit from Continuing Operations, Net of Tax	2,204,020	2,238,977	2,380,570	1,811,517	1,934,459

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

	← FY2011	Audited	FY2013	← Unaudited	FY2014
	S\$	FY2012	S\$	HY2013	S\$
		S\$		S\$	
Other Comprehensive Income:					
Exchange Differences on Translating Foreign Operations, Net of Tax	(14,658)	(5,926)	(6,126)	5,616	(2,581)
Total Comprehensive Income	2,189,362	2,233,051	2,374,444	1,817,133	1,931,878

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.
-

	FY2011	FY2012	FY2013	HY2013	HY2014
(a) Dividend per Share (cents)	0.8	0.8	1.0	0.4	–
(b) EPS before the Rights Issue (cents)	2.0	2.0	2.1	1.6	1.7
(c) EPS after adjusting for the Rights Issue (cents)	1.4	1.4	1.5	1.1	1.2

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.

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

A description of the significant factors, including any unusual or infrequent events or new developments, which materially affected profit before tax of the Group, and the extent to which such profit before tax of the Group was so affected in respect of each of the three most recent completed financial years and HY2014 for which the financial statements have been published is set out below:

HY2014 vs HY2013

Revenue

Revenue increased by S\$6.2 million or 28.2% from S\$21.8 million in HY2013 to S\$28.0 million in HY2014. The increase in revenue was mainly contributed by TEHO Water since the completion of its acquisition by the Group in April 2013 and TEHO EuROPE following its incorporation in November 2012. TEHO Water and TEHO EuROPE contributed S\$2.1 million and S\$1.9 million to the Group's total revenue respectively. The increase in revenue was also due to contribution by TEHO Engineering, which delivered several major contracts for the Group in HY2014. The revenue contribution from TEHO Engineering amounted to S\$5.8 million in HY2014. TEHO Engineering had recorded an increase in revenue of approximately S\$1.6 million or 38.1% in HY2014 as compared to HY2013.

Gross profit

The overall gross profit increased by S\$1.6 million or 21.7% from S\$7.3 million in HY2013 to S\$8.9 million in HY2014. The marine sector's gross profit showed the largest increase mainly as a result of contribution by two of the Company's wholly-owned subsidiaries, TEHO Water and TEHO EuROPE. The Group's gross profit margin decreased by 1.7 percentage points from 33.5% in HY2013 to 31.8% in HY2014 due mainly to lower gross profit margin from TEHO Engineering. The gross profit margin of TEHO Engineering decreased by 10.4% due mainly to the stiff competition and higher sub-contractor costs recorded in HY2014.

Other items of income

Other items of income decreased by S\$0.05 million or 50.5% from S\$0.10 million in HY2013 to S\$0.05 million in HY2014 due mainly to the rental income recognised in HY2013 which did not recur in HY2014 as a result of the expiry of a lease for one of the Group's properties.

Other items of expense

Other items of expenses increased by S\$1.5 million or 29.4% from S\$5.1 million in HY2013 to S\$6.6 million in HY2014 due mainly to increase in administrative expenses and other operating expenses.

Distribution costs increased by S\$0.18 million or 37.9% from S\$0.46 million in HY2013 to S\$0.64 million in HY2014 due mainly to the increase in outward freight and handling charges of S\$0.13 million and the increase in travelling expenses of S\$0.05 million incurred as a result of consolidation of TEHO Water after its acquisition by the Group and following the incorporation of TEHO EuROPE, and an increase in trade exhibitions.

Administrative expenses increased by S\$0.9 million or 34.7% from S\$2.7 million in HY2013 to S\$3.6 million in HY2014 due mainly to the increased headcounts, salaries and related expenses of S\$0.5 million as a result of the consolidation of TEHO Water after its acquisition by the Group and following the incorporation of TEHO EuROPE.

Other operating expenses increased by S\$0.4 million or 30.2% from S\$1.4 million in HY2013 to S\$1.8 million in HY2014 as a result of (i) an increase in staff welfare, benefits and training expense which amounted to S\$0.2 million, and (ii) an increase in depreciation expense, upkeep of properties and equipment, and rental of office which amounted to S\$0.2 million.

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

Finance costs increased by S\$0.05 million or 46.6% from S\$0.12 million in HY2013 to S\$0.17 million in HY2014 as a result of an increase in borrowings in HY2014.

Other charges had decreased by S\$0.07 million or 15.0% from S\$0.48 million in HY2013 to S\$0.41 million in HY2014 due mainly to lower amortisation of intangibles arising from the acquisition of TEHO Water.

Profit before tax from continuing operations

There is no significant fluctuation in the profit before tax despite the increase in gross profit of S\$1.6 million in HY2014. This was due to the increase in other items of expense of S\$1.5 million as discussed above.

Profit from continuing operations, net of tax

The profit from continuing operations, net of tax increased by S\$0.12 million in HY2014 as a result of lower effective tax rate used due to higher capital allowance and a higher enhanced deduction.

FY2013 vs FY2012

Revenue

The Group's revenue for FY2013 of S\$43.0 million was an increase of S\$5.6 million or 15.0%, from S\$37.4 million in FY2012. Revenue contribution from the offshore O&G segment increased by S\$6.6 million which was partly offset by a decrease from the marine and other industries segments of S\$0.5 million each. The increase in revenue from the offshore O&G segment was largely due to the contribution by TEHO Engineering since the completion of its acquisition by the Group in May 2012. TEHO Engineering had delivered several major contracts for the Group. Revenue from Singapore increased by S\$4.0 million or 13.6%, due to the contribution of TEHO Engineering. Revenue derived from the rest of the world increased by S\$1.9 million or 76.1% due to an increase in revenue by overseas subsidiaries, particularly in Europe and USA, as well as an increase in overseas business derived from Singapore.

Gross profit

The Group performed well in FY2013 despite the volatility in the global markets. The overall gross profit in FY2013 increased by S\$2.8 million or 25.3% to S\$14.0 million. The offshore O&G segment's gross profit showed the biggest increase mainly as a result of contribution by TEHO Engineering which the Group acquired in the previous financial year. The gross profit from others segment decreased by S\$0.5 million or 17.6% was due to a decrease in revenue from customers in the construction industry as they did not have major projects in FY2013. The Group's gross profit margin increased by 2.7 percentage points from 29.8% to 32.5% due to a higher gross profit margin contributed by TEHO Engineering.

Other credits

Income from other credits decreased by S\$0.2 million or 64.6% from S\$0.3 million in FY2012 to S\$0.1 million in FY2013 due mainly to there having been no major disposals of plant and equipment in FY2013.

Other items of expense

Other items of expense increased by S\$2.8 million or 32.1%, from S\$8.6 million in FY2012 to S\$11.4 million in FY2013 due mainly to increases in administrative expenses, other operating expenses and other charges.

Distribution costs increased by S\$0.3 million due mainly to the increase in outward freight and handling charges of S\$0.1 million and the increase in travelling expenses of S\$0.2 million. The increase in travelling expenses was due to travelling to the newly incorporated subsidiary in Europe, commissioning of overseas projects and an increase in trade exhibitions.

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

Administrative expenses increased by S\$1.3 million due mainly to the increased headcounts, salaries and related expenses of S\$1.1 million as a result of consolidation of TEHO Engineering after its acquisition by the Group. The increase was also due to an increase in insurance coverage expenses of S\$0.1 million and professional fees incurred in the acquisition and incorporation of new subsidiaries of S\$0.1 million.

Other operating expenses increased by S\$0.5 million as a result of an increase of S\$0.2 million in staff welfare, benefits and training expense, and the balance of the S\$0.3 million increase from depreciation, upkeep of properties and equipment, land rent and property tax, and rental of office. The depreciation charge increased by 21.8% due to the purchase of S\$0.4 million of new plant and equipment during the financial year.

There was no significant fluctuation in finance costs.

Other charges increased by S\$0.6 million due mainly to amortisation of intangibles resulting from the acquisition of the acquired subsidiaries in the current and previous years.

Profit before tax from continuing operations

Profit before tax decreased by S\$0.2 million despite the increase in gross profit of S\$2.8 million. This was due to the increase in other items of expense of S\$2.7 million and decrease in other items of income of S\$0.3 million, as discussed above.

Income tax expenses

The effective tax rate of 13.2% for FY2013 was lower compared to the effective tax rate of 23.0% for FY2012 due to a higher capital allowance and a higher enhanced deduction claimed for FY2013.

FY2012 vs FY2011

Revenue

The Group's revenue for FY2012 of S\$37.4 million had increased by S\$4.0 million or 11.8%, from S\$33.4 million in FY2011. Revenue contribution from marine segment and the offshore O&G segment increased by S\$2.8 million and S\$1.1 million respectively. Revenue from Singapore accounted for more than 78.0% of the total revenue. The increase in the marine segment was largely due to the increase in demand for the replacement of rigging and mooring equipment by the Group's customers. The increase in offshore O&G segment was mainly due to the contribution by the newly acquired subsidiary.

Gross profit

The Group performed well in FY2012 despite the volatility in the global markets. The overall gross profit in FY2012 had increased by S\$1.9 million or 20.1% to S\$11.1 million. The marine sector's gross profit showed the biggest increase as a result of increase in sales order. The Group's gross profit margin increased by 2.1 percentage points from 27.7% to 29.8% due to higher gross profit margin contributed by the newly acquired subsidiary.

Other credits

The other credits had increased by S\$0.2 million or 210.1% from S\$0.1 million in FY2011 to S\$0.3 million in FY2012 due mainly to the gain recognised from the disposal of plant and equipment.

Other items of expense

Other items of expense increased by S\$1.8 million or 26.9%, from S\$6.8 million in FY2011 to S\$8.6 million in FY2012 due mainly to increases in the administrative expenses and other operating expenses.

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

Distribution costs increased by S\$0.2 million due mainly to the increase in outward freight and handling charges of S\$0.1 million and increase of advertisement and transport allowances of S\$0.1 million.

Administrative expenses had increased by S\$1.2 million due mainly to the increased headcounts, salaries and related expenses of S\$0.9 million, increased insurance coverage expenses of S\$0.1 million and professional fees incurred in the acquisition of a new subsidiary of S\$0.2 million.

Other operating expenses had also increased by S\$0.4 million as a result of an increase of S\$0.1 million in staff welfare, benefits and training, and the balance of the S\$0.3 million increase from depreciation, upkeep of properties and equipment, land rent and property tax, and rental of office.

Finance costs had decreased by S\$0.2 million due to refinancing of long term loans at lower interest rates.

Other charges increased by S\$0.2 million due mainly to impairment of intangibles and fair value adjustment resulting from the acquisition of the newly acquired subsidiary.

Profit before tax from continuing operations

Profit before tax from continuing operations for FY2012 was S\$2.9 million, representing an increase of S\$0.3 million or 11.2% from S\$2.6 million in FY2011, of which S\$2.0 million was due mainly to the higher revenue on higher overall gross profit margin and gain on disposal of plant and equipment of S\$0.2 million.

Income tax expenses

The effective tax rate for FY2012 of 23.0% was higher compared to the effective tax rate for FY2011 of 15.7% due to higher non-allowable expenses in FY2012 and lower capital allowances claimed for assets purchased using hire purchase.

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.**
-

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

The audited statement of financial position of the Group as at 30 June 2013 and the unaudited statement of financial position of the Group as at 31 December 2013 are set out below:

	Audited As at 30 June 2013 S\$	Unaudited As at 31 December 2013 S\$
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant and Equipment	6,463,444	6,560,492
Intangible Assets	5,601,926	5,274,426
Investment in Associates	171,748	171,748
Total Non-Current Assets	12,237,118	12,006,666
<u>Current Assets</u>		
Inventories	20,258,172	22,064,962
Trade and Other Receivables	11,271,327	14,608,950
Other Assets	58,598	120,110
Cash and Cash Equivalents	5,081,521	6,162,626
Total Current Assets	36,669,618	42,956,648
Total Assets	48,906,736	54,963,314
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share Capital	16,476,668	16,476,668
Retained Earnings	12,275,862	13,501,176
Foreign Currency Translation Reserve	(24,016)	(26,597)
Total Equity	28,728,514	29,951,247
<u>Non-Current Liabilities</u>		
Deferred Tax Liabilities	522,653	522,653
Other Payables, Non-Current	723,000	723,000
Other Financial Liabilities, Non-Current	2,803,471	1,846,674
Finance Leases, Non-Current	286,066	205,885
Total Non-Current Liabilities	4,335,190	3,298,212
<u>Current Liabilities</u>		
Income Tax Payable	585,857	748,850
Trade and Other Payables, Current	2,927,226	5,792,429
Finance Lease, Current	156,652	159,158
Other Finance Liabilities, Current	12,173,297	15,013,418
Total Current Liabilities	15,843,032	21,713,855
Total Liabilities	20,178,222	25,012,067
Total Equity and Liabilities	48,906,736	54,963,314

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

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.

	As at 30 June 2013	As at 31 December 2013
Number of Shares before the Rights Issue	118,191,051	118,191,051
(a) Number of Shares after adjusting for the Rights Issue	165,467,471	165,467,471
(b) NTA per Share before the Rights Issue (cents)	19.6	20.9
(c) NTA per Share after adjusting for the Rights Issue (cents)	16.4	17.4

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.
-

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

An evaluation of the material sources and amounts of cash flows from operating, investing and financing activities of the Group is set out in the table below:

	Audited FY2013 S\$	Unaudited HY2014 S\$
<u>Cash Flows From Operating Activities</u>		
Profit before Tax	2,742,445	2,350,152
Adjustments for:		
Share of Profit from Equity-Accounted Associates	(34,330)	–
Depreciation of Property, Plant and Equipment	912,214	464,607
Gain on Disposal of Property, Plant and Equipment	(5,314)	–
Interest Expense	375,390	172,969
Interest Income	(1,437)	(961)
Amortisation of Intangible Assets	852,000	327,500
Net Effect of Exchange Rate Changes in Consolidating Foreign Entities	(6,153)	(2,581)
	4,834,815	3,311,686
<u>Operating Cash Flows Before Working Capital Changes</u>		
Decrease/(Increase) in Inventories	336,588	(1,806,790)
Increase in Trade and Other Receivables	(2,274,229)	(3,337,623)
Decrease/(Increase) in Other Assets	209,425	(61,512)
(Decrease)/Increase in Trade and Other Payables	(1,350,801)	2,865,207
	1,755,798	970,968
Net Cash Flows From Operations	1,755,798	970,968
Income Taxes Paid	(788,340)	(252,702)
	967,458	718,266
Net Cash Flows From Operating Activities		
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(459,163)	(561,877)
Proceeds from Disposal of Property, Plant and Equipment	5,314	–
Acquisition of Subsidiary (Net of Cash Acquired)	(1,604,023)	–
Interest Received	1,437	961
	(2,056,435)	(560,916)
Net Cash Flows Used in Investing Activities		
<u>Cash Flows Used in Financing Activities</u>		
Dividends paid to Equity Shareholders	(1,388,293)	(709,147)
Decrease in Finance Leases	(152,025)	(77,675)
Increase from New Borrowings	3,500,000	1,000,000
(Decrease)/Increase in Other Financial Liabilities	(2,468,018)	883,546
Interest Paid	(375,390)	(172,969)
	(883,726)	923,755
Net Cash Flows (used in)/from Financing Activities		
	(1,972,703)	1,081,105
Net (Decrease)/Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	7,029,224	5,056,521
	5,056,521	6,137,626
Cash and Cash Equivalent, Statement of Cash Flows, Ending Balance ⁽¹⁾		

Note:

(1) Excludes a cash of S\$25,000 pledged to cover a bank guarantee issued.

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

HY2014

Operating cash flows before changes in working capital was S\$3.3 million in HY2014. Net cash flow used in working capital was S\$2.3 million due mainly to an increase in inventories of S\$1.8 million, increase in trade and other receivables of S\$3.3 million and partially offset by the increase in trade and other payables of S\$2.9 million. As a result of the above, net cash from operating activities in HY2014 was S\$0.7 million, after deducting income tax paid of S\$0.3 million.

Net cash used in investing activities in HY2014 was S\$0.6 million, mainly due to the purchase of equipment for one of the Company's wholly owned subsidiaries, TEHO Ropes & Supplies Pte Ltd..

Net cash from financing activities in HY2014 was S\$0.9 million, mainly attributable to the Group's dividend paid amounting to S\$0.7 million, decrease in finance leases of S\$0.1 million and interest paid of S\$0.2 million and offset by the increase in new bank borrowings of S\$1.0 million and increase in other financial liabilities of S\$0.9 million.

As a result of the above, there was a net increase in cash and cash equivalents of approximately S\$1.1 million for HY2014. The cash and cash equivalents as at 31 December 2013 stood at S\$6.2 million.

FY2013

Net cash generated from operating activities was S\$1.0 million due to the net cash flows from operations before interest and tax of S\$1.8 million less income tax paid of S\$0.8 million. Net cash flow used in working capital was S\$3.2 million as the increase in trade and other receivables of S\$2.3 million and decrease in trade and other payables of S\$1.4 million was partially offset by the decrease in inventories and other assets by S\$0.3 million and S\$0.2 million respectively.

Net cash used in investing activities was S\$2.1 million, mainly attributable to the purchase of plant and equipment of S\$0.5 million and acquisition of subsidiary of S\$1.6 million.

Net cash used in financing activities was S\$0.8 million, mainly attributable to increase in new borrowings of S\$3.5 million and offset by the repayment of finance lease of S\$0.2 million and other financial liabilities of S\$2.5 million. The Group had also paid dividends of S\$1.4 million and interest of S\$0.4 million during the year.

As a result of the above, there was a net decrease in cash and cash equivalents of S\$2.0 million for FY2013. The cash and cash equivalents as at 30 June 2013 stood at S\$5.1 million.

-
7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
-

The Directors are of the reasonable opinion that, after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the Group has sufficient working capital for its present working capital requirements as at the date of lodgement of this Offer Information Statement.

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

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 knowledge of the Directors as at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the Company's or 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.

The Group expects the outlook to remain challenging with the prevailing uncertainties over the European Union's financial crisis, the weak economic recovery and the coming quantitative easing tapering in the USA, a slowdown in the major emerging markets including India and the PRC, and the political tension in Thailand within the Association of Southeast Asian Nations region.

Despite the reservations of the Group, recent news have shown signs that the marine industry may be bottoming out and is looking likely to be on the mend in the near future, with industry data indicating that the recent revival in shipbuilding orders will continue to remain healthy. The Group will continue to monitor the situation and ensure that it is ready to capitalise when the marine industry recovers.

For the offshore O&G industry, the outlook seems more positive and the Group expects that it would be able to continue to grow its capabilities and make further inroads into the industry.

The construction industry in Singapore continues to be positive albeit the productivity challenge and the higher levy costs of foreign workers whom the industry is highly dependent upon.

The Group will continue to review and evaluate its business strategies to ensure that the Group stays relevant and competitive in the prevailing market and economic environment.

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

The Company is currently considering and has entered into several discussions with a potential target exploring an acquisition opportunity which may involve its diversification into the property sector. The discussions are only in the preliminary and exploratory stage, and the Company has not reached any definite or firm decision in regard to the aforesaid matters. There is no certainty that the Company will proceed with any of the aforesaid matters and further updates will be made by the Company via the SGXNET as and when appropriate.

Save as disclosed above, the Directors are not aware of any recent known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's net sales or revenues, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial conditions.

Please refer to the section entitled "Risk Factors" below for more information on factors which may affect the Group's revenue and financial performance.

Risk Factors

To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding to invest in the Shares and/or the Rights Shares.

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 developed into actual events, the business, results of operations and financial condition of the Company and the Group may be materially and adversely affected. In any such case, the market price of the Shares and/or the Rights Shares could decline. Moreover, there is a risk that the trading of the Shares may be suspended and it may be eventually delisted. Accordingly, Shareholders may lose all or part of their investment in the Shares and the Rights Shares.

Risks relating to the business of the Group

A decrease in transshipment activities and shipping traffic at Singapore ports and shipbuilding activities in Singapore will reduce the demand for the Group's products

The business of the Group is based primarily in Singapore. The Group is dependent on the number of ship arrivals, both container ships and oil tankers, and the level of transshipment activities and shipping traffic in Singapore, which will have a direct impact on the level of demand for the Group's products and services from customers operating mainly in the marine industry. Global shipping activities are dependent on world trade and global economic growth which may be affected by any economic downturn in the USA, Europe and other leading economies. In addition, with intense competition from other regional ports such as in the PRC, Hong Kong, Taiwan and Malaysia or a global downturn, there can be no assurance that the number of ships calling at Singapore ports will grow or continue to remain at the current levels or that the level of transshipment activities and shipping traffic could be sustained. In addition, the Group's operations in Singapore are also dependent on worldwide demand for new vessels including offshore O&G facilities. A decrease in demand for new vessels may affect the level of new shipbuilding activities at Singapore shipyards. The ability of Singapore's shipyard operators to provide reliable, efficient and quality shipbuilding and repair services at competitive prices also affect their business volume, and hence the Group's business volume.

If the number of ships calling at Singapore ports, the level of transshipment activities and the volume of new shipbuilding activities decline substantially, demand for rigging and mooring equipment will likely fall and the Group's revenue and financial performance will be adversely affected.

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

Dependency on the marine, offshore O&G and construction industries may expose the Group to downturn in the sectors

The customers of the Group are mainly companies operating in the marine industry, including the increasing number of customers from the offshore O&G and construction industries which are dependent on the global market and economic conditions. They include ship chandlers, ship owners, ship yards and port operators, ship management companies and crane operators. The marine industry continued to face challenging conditions of low freight and chartering rates and over-capacity in the container ships and dry bulk carriers. The continuing global economic slowdown had adversely affected international business conditions and trade, which resulted in a reduction in shipping activities, including shipbuilding and ship repairs. Such decline in the level of activities in the marine industry resulting in a decrease in demand for the Group's products and services will have an adverse impact on the Group's business and financial performance.

The business and performance of the Group are exposed to the uncertain economic outlook

The Group's business is subject to the general economic conditions in the markets that it operates in as well as the markets of its customers. A global economic recession will have an adverse impact on world trade, and will in turn have a negative impact on the overall demand for and profit margin of the Group's products. If the global recession continues to persist for a prolonged period, it will adversely affect the Group's performance and profitability. There is no assurance that the factors which have contributed to the success of the Group over the past years will continue to occur in the future. The business performance, future plans and operations of the Group will inevitably be adversely affected if these conditions deteriorate in the future.

The supply of the Group's products may be disrupted due to shortage of raw materials as the Group generally does not enter into long term or exclusive agreements with its suppliers

Steel is the main component for the production of steel wire rope. The Group risks not receiving the required quantity of products from its suppliers should its suppliers fail to receive sufficient quantity of steel for their production. Even if the Group receives the steel wire ropes, it also faces the risk of not receiving the quantity it ordered resulting in the Group's inability to fulfil the orders to its customers. The Group generally does not enter into long term or exclusive agreements with its major suppliers. On the other hand, the Group has entered into fixed term contracts with certain of its customers to supply and sell them a fixed quantity of products over the contractual period. The Group is therefore exposed to potential action (including legal action) from its customers if the Group is not able to deliver its products on time, resulting in disruption to customers' business. In addition, the Group's reputation will be affected and it will lose its existing or potential customers. If such events were to occur, the Group's business and financial performance will be adversely affected.

The financial performance of the Group may be affected by fluctuations in the costs of its products

The prices of the Group's products fluctuate largely in line with the costs of certain commodities, such as crude oil and steel used in making steel and synthetic fibres and the timing of the Group's purchases from its suppliers. The main commodities for making steel are iron ore and coal, while synthetic fibres are made mainly from chemical derivatives obtained from crude oil. Any fluctuation in the prices of these commodities will cause a fluctuation in the prices of the Group's products. There can be no assurance that the Group will be able to pass on the increase in the costs to its customers and sustain its profit margins. If this develops into actual event, the financial performance of the Group will be adversely affected.

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

The business of the Group will be affected by any adverse impact on its reputation and business goodwill

The Group has established its reputation as a reliable supplier of quality rigging and mooring equipment and related services. Customers typically value the quality, reliability, timeliness of delivery and price competitiveness of the Group's products and services. In addition, many new customers are referred to the Group by its existing customers mainly due to the credible reputation of the Group. Any negative publicity about the Group whether arising from product liability claims or claims for late delivery may tarnish the Group's reputation and goodwill with its customers. Under these circumstances, the customers of the Group may lose confidence in the Group, and the Group risks losing business from them and their referral of new business opportunities. This will have an adverse impact on the business and financial performance of the Group.

The Group's continued success is dependent on its key management personnel

The continued success of the Group depends to a significant extent on the continued services of its chief executive officer, Lim See Hoe, and chief operating officer, Lim Siew Cheng, who are responsible for formulating and implementing the Group's business plans and driving its growth and corporate development. There is no assurance that the Group will be able to retain the aforesaid key management personnel. The loss of any key management personnel without suitable or timely replacement will have an adverse impact on the operations and financial performance of the Group.

Intense competition in the industry may erode the Group's margins and revenue

Competition in the supply of rigging and mooring equipment is intense due to the relatively low barriers to entry. Competitive factors in the Group's industry include range and availability of products, quality customer service, price competitiveness, timeliness of delivery and geographical presence. Hence, it is important for the Group to source for and purchase products at competitive prices that meet its customers' requirements and specifications. The competitors of the Group may be significantly larger than the Group and have access to greater financial, technical and other resources and thus can better withstand adverse economic and market conditions. Specifically, competition may result in downward pressure on the prices of the Group's products and adversely affect its financial performance. Should the Group be unable to maintain its competitiveness in the future, the operations and margins of the Group would be adversely affected.

The Group is exposed to product liability claims or claims for delinquent deliveries

The customers of the Group may claim from the Group for defective products that it sold to them or they may claim for damages against the Group for personal injury arising from the use of the products bought from the Group. In both cases, the Group may have to incur additional expenses and resources to defend against any of these claims. In addition, the customers of the Group may claim against the Group for delinquent delivery should there be a delay in delivery from any of the independent manufacturers from whom the Group procures its products. There can be no assurance that the Group will be able to claim from the independent manufacturers any indemnification or compensation for the aforementioned claims against the Group. Under these circumstances, the Group will incur additional expenses and resources, and its reputation will be adversely affected. As a result, the Group's business and financial performance will be adversely affected.

A shortage of foreign workers may affect the Group's operations and therefore its financial performance

The operations of the Group require skilled workers to carry out technical testing of ropes' strength or tensile strength of other rigging and mooring equipment as well as other related ancillary services for its customers. The supply of skilled workers is subject to demand and supply conditions in the labour market as well as the local and foreign government labour regulations. Any disruption or inability in hiring the required number of skilled foreign workers will adversely affect the business operations and financial performance of the Group. The Group may also have to

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

resort to paying higher salaries to attract and/or retain foreign workers. Further, any change in government regulations, including foreign workers' levy, may increase the Group's cost and adversely affect its financial performance.

The Group is exposed to credit risk and defaults in payments by its customers

The Group's financial position and profitability are, to a certain extent, dependent on the creditworthiness of its customers. Any material default in payment by its customers will adversely affect the financial condition, profitability and cash flow of the Group and there is no assurance that the customers of the Group will not default in their payments. In the event that the customers of the Group default in their payment, bad debts written off will increase, and this will have an adverse impact on the Group's financial performance and condition.

The Group may experience industry-related accidents that may expose the Group to liability claims

Due to the nature of the Group's operations, the Group is subject to the risks of its employees or customers' representatives exposed to industrial-related accidents at the Group's premises and injuries to the Group's employees while on duty at its customers' premises. In the event of accidents which are not covered by the Group's insurance or workmen's compensation policies taken by the Group, or if claims arising from such accidents are in excess of the Group's insurance coverage, and/or any of the Group's insurance claims are contested by the insurance companies, the Group will be required to pay such compensation. Under such circumstances, the business and financial performance of the Group will be adversely affected.

The outbreak of communicable diseases, if uncontrolled, could affect the business of the Group

In recent years, the outbreak of various communicable diseases such as severe acute respiratory syndrome, the avian influenza and the swine influenza have resulted in global economic and social uncertainties. There is no assurance that the Group will not be affected should there be an outbreak, as the Group purchases most of its products overseas. For example, the facilities of the Group's suppliers may have to shut down temporarily if any of their employees are affected. Shipping activities may be slowed down due to checks imposed on workers of the ships calling at Singapore ports. The Group's own facilities may have to be shut down temporarily if any of its employees are affected. If an outbreak of communicable diseases were to happen, the business and financial performance of the Group will be adversely and materially affected.

Any adverse changes in the political, economic, regulatory or social conditions in the countries that the Group operates in or in which the Group intends to expand its business may have a material and adverse effect on the operations, financial performance and future growth of the Group

The Group is governed by the laws, regulations and government policies in each of the countries that it operates in or in which the Group intends to expand its business and operations. The business and future growth of the Group are dependent on the political, economic, regulatory and social conditions in these countries. Any economic downturn or changes in policies implemented by the governments in these countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection laws and regulations, duties and taxation as well as limitations on imports and exports could materially and adversely affect the Group's operations, financial performance and future growth.

The Group is exposed to foreign exchange transaction risks

The Group's revenue is mainly denominated in S\$. The Group's purchases are mainly denominated in US\$, S\$ and EUR while its expenses are mainly denominated in S\$. Foreign exchange risks arise mainly from a mismatch between the currency of the Group's sales and the currency of its purchases and expenses. The Group may suffer foreign exchange losses if there are significant adverse fluctuations in currency exchange rates between the time of its purchases and payments

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

in foreign currencies and the time of its sales and receipts in foreign currencies. This may adversely affect the Group's financial results. Currently, the Group does not have any formal policy for hedging against foreign exchange exposure. The Group has in the past used financial hedging instruments to manage its foreign exchange risks from time to time. The Group will continue to monitor its foreign exchange exposure and may employ hedging instruments to manage its foreign exchange exposure should the need arise.

Risks relating to the Shares and the Rights Shares

Future sale of Shares could adversely affect the Share price

Any future sale or availability of Shares can have a downward pressure on the price of the Shares. The sale of a significant amount of Shares on Catalist after the Rights Issue, or the perception that such sales may occur, could materially affect the market price of the Shares. These factors also affect the Company's ability to sell additional equity securities in future.

The trading price of the Shares may be volatile

The trading price of the Shares may be highly volatile and subject to fluctuations. The price of the Shares may increase or decrease in response to a number of events and factors, including but not limited to the following, some of which are beyond the Group's control:

- (i) variations in the Group's operating results;
- (ii) changes in the Group's assets and liabilities;
- (iii) the success or failure of the Group's management team in implementing its business strategies and future plans;
- (iv) changes in conditions affecting the industries which the Group operates in;
- (v) gain or loss of an important business relationship or contract;
- (vi) changes in analysts' estimates of the Group's financial performance or investors' interests;
- (vii) announcements by the Group of significant acquisitions, strategic alliances or joint ventures;
- (viii) fluctuations in stock market prices and volume;
- (ix) the Group's involvement in material litigation or other legal proceedings;
- (x) additions or departures of key personnel;
- (xi) material changes or uncertainty in the political, economic and regulatory environment in the markets that the Group operates;
- (xii) general economic and stock market conditions; and
- (xiii) negative or adverse publicity or announcement involving the Group's business activities, any of its Directors, Substantial Shareholders or senior management.

These fluctuations may be exaggerated if the trading volume of the Shares is low.

Potential dilution in the value of the Shares

The Group may need to raise additional funds in the future, *inter alia*, to finance the repayment of the Group's borrowings, for the Group's working capital, for the expansion of the Group's existing operations and/or to finance the Group's future capital expenditure and investments.

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

If existing Shareholders do not participate in the *pro rata* fund raising activities or the additional funds are raised through the issuance of new Shares other than on a *pro rata* basis to its existing Shareholders, the percentage interest of existing Shareholders may be reduced and they may experience dilution in the value of their Shares.

An active market for the Shares may not develop after the Rights Issue

Although the SGX-ST has granted the LQN for the listing of and quotation for the Rights Shares on Catalist, there is no assurance that an active trading market for the Shares will develop, or if it develops, will be sustained after the Rights Issue. There is also no assurance that the market price for the Shares will not decline below the Issue Price after the Rights Issue. Volatility in the trading price of the Shares may be caused by factors outside the Group's control and may be unrelated or disproportionate to its operating results. Shareholders should note that the Shares trade in board lots of 1,000 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 1,000 Shares) and who wish to trade in odd lots on Catalist should note that there is no assurance that they can acquire such number of Shares to make up one board lot of 1,000 Shares or to dispose of their odd lots (whether in part or in whole) on Catalist. Further, Entitled Shareholders who hold odd lots of less than 1,000 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

An active market for the "nil-paid" rights during the provisional allotment trading period prescribed by the SGX-ST may not develop

There is no assurance that an active trading market for the "nil-paid" rights on Catalist will develop during the provisional allotment trading period prescribed by the SGX-ST or that any over-the-counter trading market for the "nil-paid" rights will develop. Even if an active market develops, the trading price of the "nil-paid" rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The "nil-paid" rights which would otherwise be provisionally allotted to Foreign Shareholders may be sold by the Company, which could affect the trading price of the "nil-paid" rights.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An investment in shares quoted on Catalist, a listing platform established at the beginning of 2008 primarily designed for fast growing and emerging or smaller companies to which higher investment risks tend to be attached as compared to larger or more established companies, may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. As such, the Group's future success and liquidity in the market for the Shares cannot be guaranteed. Active and liquid trading for securities generally results in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on Catalist may not change or decline after the Rights Issue.

-
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.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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

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.

Not applicable. No profit forecast 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.

Not applicable. 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.

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

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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

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 and any announcements which have already been released to the general public and in the annual report for FY2013, the Directors are not aware of any event which has occurred since 31 December 2013 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

Meaning of “published”

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

Noted.

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

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 lodgement 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\$0.09, payable in full on acceptance of all or part of the provisional allotment of Right Shares and, if applicable, on the application for excess Right Shares.

No expenses incurred in the Rights Issue will be specifically charged to the subscribers or purchasers. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

An administrative fee will be charged for each Electronic Application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

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, and the Rights Shares will be, traded on Catalist.

The Issue Price represents (i) a discount of approximately 47.1% to the closing price of S\$0.170 per Share for trades done on Catalist on 12 December 2013, being the last full Market Day on which trades of the Shares were done prior to the date of announcement of the Rights Issue on 27 December 2013 (no Shares were traded between 13 December 2013 and 27 December 2013); and (ii) a discount of approximately 49.7% to the closing price of S\$0.179 per Share as at the Latest Practicable Date.

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 of the offer price.

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

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

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

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

-
- (a) The highest and lowest closing prices, and the volume of Shares traded on Catalist over the twelve (12) months immediately preceding the Latest Practicable Date are as follows:

Month	Price Range		Volume of Shares traded ('000)
	Highest Closing Price (S\$)	Lowest Closing Price (S\$)	
February 2013	0.170	0.151	748
March 2013	0.173	0.155	220
April 2013	0.181	0.165	402
May 2013	0.160	0.160	100
June 2013	–	–	–
July 2013	–	–	–
August 2013	0.168	0.145	265
September 2013	0.187	0.170	111
October 2013	0.220	0.164	1,037
November 2013	0.174	0.168	85
December 2013	0.178	0.170	100
January 2014	0.189	0.180	150
February 2014 (up to the Latest Practicable Date)	0.188	0.176	139

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

Source: Bloomberg L.P. has not consented to the inclusion of the price range and volume of Shares quoted under this section and is therefore not liable for such information under Sections 253 and 254 of the SFA. The Company has included the above price range and volume of Shares in their proper form and context in this Offer Information Statement and has not verified the accuracy of the above information.

- (b) The Shares have been listed on Catalist for more than twelve (12) months immediately preceding the Latest Practicable Date.
- (c) There has been no trading suspension of the Shares on Catalist during the three (3) years immediately preceding the Latest Practicable Date.
- (d) The Shares are regularly traded on Catalist. Please refer to paragraph 4(a) of this Part for the volume of Shares traded during each of the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 February 2014 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) **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.**

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

The Rights Shares are to be issued pursuant to the share issue mandate approved by Shareholders at the annual general meeting of the Company held on 28 October 2013.

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 : 47,276,420 Rights Shares will be allotted and issued at the Issue Price. The Rights Shares will be provisionally allotted to Entitled Shareholders on the basis of two (2) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date.

Fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' allotments and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Rights Shares (if any) 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.

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

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for excess Rights Shares (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.

In the allotment of any excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

The Rights Issue is not underwritten.

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

Terms and Conditions : The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, including Appendices I, II and III, the PAL, the ARE and the ARS.

The Rights Shares are not offered through any broker or dealer.

Notwithstanding that the Rights Issue is not underwritten, the Rights Issue will be fully subscribed pursuant to the Irrevocable Undertakings and the LSH Excess Undertaking (as defined herein). Please see paragraph 1(f) of Part X of this Offer Information Statement for information.

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

The Rights Issue is not underwritten. However, please refer to the Irrevocable Undertakings described in paragraph 1(f) of Part X of this Offer Information Statement.

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

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.**
-

Not applicable. 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.**
-

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

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

Not applicable.

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.**
-

SAC Capital has given, and has not withdrawn its written consent to being named in this Offer Information Statement as the Manager of the Rights 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 matters which could materially affect, directly or indirectly, the Group's business operations, financial position or results or investments by holders of securities in the Company.

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

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 ISSUE

1. Provide –

(a) the particulars of the rights issue;

Number of Rights Shares	:	47,276,420 Rights Shares will be issued.
Basis of Provisional Allotment	:	Two (2) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements will be disregarded.
Issue Price	:	S\$0.09 for each Rights Share, payable in full on acceptance and/or application.
Discount	:	The Issue Price represents (i) a discount of approximately 47.1% to the closing price of S\$0.170 per Share for trades done on Catalist on 12 December 2013, being the last full Market Day on which trades of the Shares were done prior to the date of announcement of the Rights Issue on 27 December 2013; (ii) a discount of approximately 38.8% to the theoretical ex-rights trading price of S\$0.147 per Share (based on the closing price of S\$0.170 per Share for trades done on Catalist on 12 December 2013); and (iii) a discount of approximately 49.7% to the closing price of S\$0.179 per Share as at the Latest Practicable Date.
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date of which falls on or after the date of issue of the Rights Shares.
Listing of the Rights Shares	:	The SGX-ST has granted the LQN for the listing of and quotation for the Rights Shares on Catalist on 17 February 2014, subject to compliance with the SGX-ST's listing requirements. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on Catalist, the Rights Shares will be traded on Catalist under the book-entry (scripless) settlement system. For the purposes of trading on Catalist, each board lot of Shares will comprise 1,000 Shares or such other number of Shares as may be notified by the Company.

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

Acceptance, excess application and payment procedures : Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for excess Rights Shares.

Provisional allotments of Rights Shares which are not taken up or allotted for any reason shall be aggregated and used to satisfy applications for excess Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company.

In the allotment of any excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

The procedures for acceptance, payment and excess application by Entitled Depositors and the procedures for acceptance, payment, splitting, renunciation and excess application by Entitled Scripholders are set out in Appendices I, II and III of this Offer Information Statement.

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

Governing Law : Laws of Singapore.

-
1. (b) **the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
 - (c) **the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights 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 issue;**
 - (e) **the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**
-

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

Important dates and times for the Rights Issue are as follows:

Last date and time for splitting of the provisional allotment of the Rights Shares	:	12 March 2014 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares	:	18 March 2014 at 5.00 p.m.
Last date and time for application and payment for excess Rights Shares	:	18 March 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

The terms and conditions of the Rights Issue are set out in this Offer Information Statement, in particular Appendices I, II and III of this Offer Information Statement as well as the PAL, the ARE and the ARS.

-
- (f) **the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
- (g) **if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
-

Irrevocable Undertakings

To show their support for the Rights Issue and to demonstrate their commitment to the Company, the Undertaking Shareholders had each on 27 December 2013, by way of a deed of undertaking, irrevocably undertaken to subscribe for his/her entitlements of Rights Shares in full.

Lim See Hoe had also undertaken that he will, within such time and date to be informed by the Company to him (to the extent permitted by the SGX-ST, CDP or any relevant authority), make excess applications and payment for, in accordance with the terms of the Rights Issue, at the Issue Price, the Rights Shares which remain unsubscribed for by Shareholders at the Closing Date after satisfying all applications and excess applications (if any) for the Rights Shares (the “**LSH Excess Undertaking**”).

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

The following table sets out the number of Rights Shares and excess Rights Shares undertaken by the Undertaking Shareholders pursuant to the Irrevocable Undertakings and LSH Excess Undertaking:

Undertaking Shareholders	Shares held as at the Latest Practicable Date (“Existing Shares”)	% of total issued voting Shares	No. of Rights Shares subject to Irrevocable Undertakings	% of total number of Rights Shares	No. of excess Rights Shares subject to Irrevocable Undertakings ⁽²⁾	% of total number of Rights Shares
Lim See Hoe ⁽¹⁾	39,909,659	33.77	15,963,863	33.77	Up to 14,640,057	30.97
Lim Siew Cheng ⁽¹⁾	16,500,111	13.96	6,600,044	13.96	Nil	–
Lim Siew Choo ⁽¹⁾	13,200,090	11.17	5,280,036	11.17	Nil	–
Lim Siew Lian @ Soare Siew Lian ⁽¹⁾	5,590,000	4.73	2,236,000	4.73	Nil	–
Tan Chiun Wei	3,891,051	3.29	1,556,420	3.29	Nil	–
Alvin Chee Siong	2,500,000	2.12	1,000,000	2.12	Nil	–
Total	81,590,911	69.04	32,636,363	69.04	Up to 14,640,057	30.97

Notes:

- (1) Lim See Hoe, Lim See Heng, Lim Siew Cheng, Lim Siew Choo and Lim Siew Lian @ Soare Siew Lian are siblings and are presumed to be parties acting in concert pursuant to the provisions of the Code. For the avoidance of doubt, “Undertaking Shareholders” excludes Lim See Heng, who holds 19,800,140 Existing Shares.
- (2) Based on the terms of the Rights Issue and the Irrevocable Undertakings, the aggregate interest of the Undertaking Shareholders immediately after the close of the Rights Issue will be approximately 77.88% of the Company’s enlarged share capital, assuming that, save for the Undertaking Shareholders pursuant to the Irrevocable Undertakings, none of the other Shareholders subscribe for their respective entitlements pursuant to the Rights Issue and the LSH Excess Undertaking is fulfilled.

Pursuant to the Irrevocable Undertakings, each of the Undertaking Shareholders had also irrevocably and unconditionally undertaken to the Company that, *inter alia*:

- (i) he/she will not, on or before the Books Closure Date, *inter alia*, acquire, sell, transfer or dispose of any interest in the Existing Shares or otherwise create any mortgage, lien, charge, assignment, security interest or encumbrance (“**Encumbrances**”) over the Existing Shares and will, as at the Books Closure Date, hold the Existing Shares free from any Encumbrances; and
- (ii) he/she will and will procure that he/she will subscribe and pay for (or procure subscription and payment for) in accordance with the terms of the Rights Issue, all of the Rights Shares which may be provisionally allotted to him/her.

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

The illustrative shareholding structure of the Company after the completion of the Rights Issue (based on the shareholding information available to the Company as at the Latest Practicable Date) is set out below:

	As at the Latest Practicable Date		Assuming all Shareholders subscribed proportionately		Assuming only the Undertaking Shareholders fulfil the Irrevocable Undertakings and the LSH Excess Undertaking and none of the other Shareholders subscribed	
	Number of Shares	% of existing share capital	Number of Shares	% of enlarged share capital	Number of Shares	% of enlarged share capital
Directors						
Lim See Hoe	39,909,659	33.77	55,873,522	33.77	70,513,579	42.61
Lim Siew Cheng	16,500,111	13.96	23,100,155	13.96	23,100,155	13.96
Kwah Thiam Hock	–	–	–	–	–	–
Terrance Tan Kong Hwa	–	–	–	–	–	–
Joanne Khoo Su Nee	–	–	–	–	–	–
Undertaking Shareholders (other than the Directors)						
Lim Siew Choo	13,200,090	11.17	18,480,126	11.17	18,480,126	11.17
Lim Siew Lian @ Soare Siew Lian	5,590,000	4.73	7,826,000	4.73	7,826,000	4.73
Tan Chiun Wei	3,891,051	3.29	5,447,471	3.29	5,447,471	3.29
Alvin Chee Siong	2,500,000	2.12	3,500,000	2.12	3,500,000	2.12
Other Shareholders	36,600,140	30.97	51,240,197	30.97	36,600,140	22.12
TOTAL	118,191,051	100.00	165,467,471	100.00	165,467,471	100.00

Non-underwritten Basis

The Rights Issue will not be underwritten in view of the Irrevocable Undertakings, the savings in costs enjoyed by the Company for not having to bear underwriting fees and there being no minimum amount to be raised from the Rights Issue.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER
APPENDIX 8A OF THE CATALIST RULES**

Working Capital

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

The working capital of the Group for FY2011, FY2012, FY2013 and HY2014 are set out below:

	←———— Audited —————→			Unaudited
	As at 30 June 2011 S\$	As at 30 June 2012 S\$	As at 30 June 2013 S\$	As at 31 December 2013 S\$
Total current assets	34,101,884	35,931,942	36,669,618	42,956,648
Total current liabilities	12,193,654	15,508,528	15,843,032	21,713,855
Working Capital	21,908,230	20,423,414	20,826,586	21,242,793

Review of Working Capital

As at 31 December 2013

The increase in current assets of S\$6.3 million or 17.1% from S\$36.7 million as at 30 June 2013 to S\$43.0 million as at 31 December 2013 was mainly attributable to an increase in inventories of S\$1.8 million, trade and other receivables of S\$3.3 million, and cash and cash equivalents of S\$1.1 million.

The increase in trade and other receivables' turnover days from 82 days in HY2013 to 96 days in HY2014 was due to several major deliveries made in October and November 2013 for which the receivables relating thereto were still outstanding as at the financial year end. The Group does not foresee any issue with the recoverability of the receivables. Despite the increase in inventories, the inventories turnover days reduced from 262 days in HY2013 to 210 days in HY2014.

Current liabilities increased by S\$5.9 million or 37.0% from S\$15.8 million as at 30 June 2013 to S\$21.7 million as at 31 December 2013 due mainly to increase in other financial liabilities of S\$2.8 million, trade and other payables of S\$2.9 million and income tax payable of S\$0.2 million.

The increase in other financial liabilities was due to (i) additional short term loan obtained for the acquisition of the new wholly-owned subsidiary, TEHO Water, and set up of another new wholly-owned subsidiary in the Netherlands, TEHO EuROPE, and (ii) the financial liabilities within the acquired subsidiary, TEHO Water which were assumed by the Group.

Trade and other payables increased by S\$2.9 million or 97.9% from S\$2.9 million as at 30 June 2013 to S\$5.8 million as at 31 December 2013 mainly due to higher purchases of inventory in HY2014 to meet the increasing demand of the same for the Company's wholly-owned subsidiaries, TEHO Engineering, TEHO Water and TEHO EuROPE.

Accordingly, the Group's working capital increased by S\$0.4 million or 2.0% from S\$20.8 million as at 30 June 2013 to S\$21.2 million as at 31 December 2013.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER APPENDIX 8A OF THE CATALIST RULES

As at 30 June 2013

The increase in current assets of S\$0.7 million was mainly attributable to an increase in inventories of S\$0.1 million as a result of higher sales orders and an increase in trade and other receivables of S\$2.8 million. The increase in trade and other receivables' turnover days from 82 days to 96 days was due to several major deliveries made in May 2013 and June 2013 which were still outstanding as at the financial year end. The increase was partially offset by a decrease in cash and cash equivalents of S\$2.0 million and other assets of S\$0.2 million.

Current liabilities increased by S\$0.3 million due mainly to an increase of S\$1.8 million in other financial liabilities as a result of an additional short term loan obtained for the acquisition of TEHO Water and set up of another new subsidiary, TEHO EuROPE, in the Netherlands and the financial liabilities within the acquired subsidiary which were assumed by the Group. The increase was partially offset by decreases in income tax payables of S\$0.2 million and in trade and other payables of S\$1.3 million.

Accordingly, the Group's working capital increased by S\$0.4 million or 2.0% from S\$20.4 million as at 30 June 2012 to S\$20.8 million as at 30 June 2013.

As at 30 June 2012

Current assets rose by S\$1.8 million to S\$35.9 million from increases in inventory of S\$1.4 million as a result of higher sales orders, as well as an increase in trade and other receivables of S\$1.4 million. This was partially offset by the decrease in cash and cash equivalent of S\$1.1 million.

Current liabilities expanded by S\$3.3 million mainly due to the increase of S\$2.3 million in trade and other payables. Other financial liabilities and income tax payable grew by S\$0.6 million and S\$0.3 million respectively.

Accordingly, the Group's working capital reduced by S\$1.5 million or 6.8% from S\$21.9 million as at 30 June 2011 to S\$20.4 million as at 30 June 2012.

As at 30 June 2011

Current assets declined by S\$1.0 million from reductions in inventories of S\$0.2 million, trade and other receivables of S\$1.4 million, other assets of S\$0.1 million, and a boost in cash and cash equivalents of S\$0.7 million.

Current liabilities decreased by S\$1.0 million mainly due to decrease in income tax provision of S\$0.4 million as a result of higher payment for FY2010 which is offset by lower provisioning as a result of lower profit before tax for FY2011, decrease in trade and other payables of S\$0.5 million, and repayment of term loans and banking facilities of S\$1.6 million offset by the reclassification of terms loans repayable within the next 12 months of S\$1.5 million.

Convertible Securities

1. **Provide –**

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

Not applicable. The Rights Issue does not involve an issue of convertible securities and the Rights Issue is not underwritten.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUE UNDER
APPENDIX 8A OF THE CATALIST RULES**

Sponsor and Manager's Responsibility Statement

2. **Provide a statement by the sponsor and each financial adviser that, to the best of their knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the sponsor and each financial adviser are 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 they are satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**
-

SAC Capital, as the Sponsor to the Company and the Manager of the Rights Issue, confirms that, to the best of its knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and that SAC Capital is not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading.

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

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

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

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

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

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK.

WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

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

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

2. MODE OF ACCEPTANCE AND APPLICATION

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

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

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

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

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to “**CDP – TEHO RIGHTS ISSUE ACCOUNT**”; and

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
- (i) by hand to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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

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

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

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

2.4 Insufficient Payment

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

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

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

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

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

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 200 or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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

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

2.7 Renunciation of Provisional Allotments of Rights Shares

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

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

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

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.09)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 4,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

(a) Accept his entire provisional allotment of 4,000 Rights Shares and (if applicable) apply for excess Rights Shares

(i) Accept his entire provisional allotment of 4,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

(ii) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 4,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$360.0 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore and made payable to "**CDP - TEHO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2,**

**APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS
APPLICATION BY ENTITLED DEPOSITORS**

SINGAPORE 068807 or by post, at his own risk, in the self-addressed envelope provided to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

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

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on Catalist
- (i) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$90.0, in the prescribed manner described in alternative (a)(ii) above, to CDP, so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 3,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on Catalist during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 200 or 1,000 Rights Shares or any other board lot size which the SGX-ST may require.

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance
- (i) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$90.0, in the prescribed manner described in alternative (a)(ii) above to CDP so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 3,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

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

- (A) **9.30 P.M. ON 18 MARCH 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**
- (B) **5.00 P.M. ON 18 MARCH 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND**

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

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

5.2 Appropriation

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

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

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

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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

5.3 Availability of Excess Rights Shares

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

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application 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 fourteen (14) days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – TEHO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **TEHO INTERNATIONAL INC LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

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

All 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** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

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

5.5 Certificates

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

5.6 General

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

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

APPENDIX I — PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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

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

CDP Phone User Guide

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

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

APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at 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 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 the purchaser of the provisional allotment of Rights Shares who accepts or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATMs 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 and/or ARS.

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

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.

An Applicant may accept his provisional allotment of Rights Shares and if applicable, may apply for excess Rights Shares by way of separate Electronic Applications to accept and subscribe for his provisional allotment of Rights Shares, and if applicable, apply for excess Rights Shares.

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

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, 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, SCCS, CDP, CPF Board, the SGX-ST, the Company and the Manager (the “Relevant Parties”).**

APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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) of the Third Schedule to 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 at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his 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 provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares 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 accepted and/or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date and the aggregate number of Rights Shares 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, and the Company and/or CDP, in determining the number of Rights Shares 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, whether by way of Banker’s Draft or Cashier’s Order drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of acceptance through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of ARE and by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of ARE and by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for the application for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Banker’s Draft or Cashier’s Order

APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

drawn on a bank in Singapore accompanying the ARE or by way of application through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.

- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register, or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that 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, the Share Registrar and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company, the Share Registrar and/or the Manager and if, in any such event, CDP and/or the Participating Banks and/or the Company and/or the Share Registrar and/or the Manager do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 18 MARCH 2014**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, the Share Registrar and/or the Manager 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 at the 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 18 MARCH 2014** or such other time(s) and 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 at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

- (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 account with the relevant Participating Bank within fourteen (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 Issue at **9.30 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not the form and/or content of this Offer Information Statement is modified (as may be determined by the SGX-ST), or it is amended, supplemented, replaced and/or re-lodged with the SGX-ST acting as agent on behalf of 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, the Manager, CDP, the Participating Banks nor 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 and (if applicable) acceptance of his application for excess Rights Shares;
 - (e) in respect of the Rights Shares and/or excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, 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 in this Offer Information Statement, 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.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his mailing 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.

APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE and/or ARS or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the 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 fourteen (14) days after the Closing Date by any one or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent BY ORDINARY POST at his own risk to his mailing address as maintained with CDP or in such manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
 - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares 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 represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE or any other form of application (including Electronic Application through an ATM of any Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.
- The Applicant hereby acknowledges that CDP's and the Company'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 accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
- (21) With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Memorandum and Articles of Association of the Company and/or any other application form for Rights Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they may deem fit.

**APPENDIX II — ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC
APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS**

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

APPENDIX III — PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

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

Renounceable PAL incorporating:

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

- 1.2 The provisional allotment of the Rights Shares and application for excess Rights Shares are 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 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, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

- 1.3 **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**

- 1.4 With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Memorandum and Articles of Association of the Company and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the ARE, the ARS, the PAL, and /or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such acceptance, application or payment and/or other processes of 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 the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares.

- 1.6 **Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on Catalist.**

APPENDIX III — PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

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)

2.1 Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete the Form of Acceptance (Form A) for the number of Rights Shares which they wish to accept and forward at the sender's own risk, the PAL in its entirety, duly completed and signed, together with a single remittance for the full payment in the prescribed manner to **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

If:

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

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

2.3 Appropriation

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

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

3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B together with the PAL in its entirety should be returned, by post in the self-addressed envelope provided, at the sender's own risk, to reach **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** not later than **5.00 p.m. on 12 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will

APPENDIX III — PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 12 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing the Form for Renunciation (Form C) before delivery to the renouncee(s). Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and forward the said Split Letter(s) together with a single remittance for the payment in the prescribed manner to **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).
- 3.4 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

4. PAYMENT

- 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 "**TEHO 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 and signed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided at the sender's own risk, to **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF PERSONAL CHEQUE, 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 **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests

APPENDIX III — PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

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 renouncee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within fourteen (14) days after the Closing Date.

5. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

5.1 Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the excess Rights Shares Application Form (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out above, by post in the self-addressed envelope provided at their own risk, to **TEHO INTERNATIONAL INC LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

5.2 The excess Rights Shares are available for application 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 will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the purchaser(s) of the provisional allotments of Rights Shares, together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E 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 than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares. The Company reserves the right to allot the excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to refuse, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever. In the event that the number of the excess Rights Shares allotted to Entitled Scripholders is less than the number of excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of excess Rights Shares actually allotted to them.

5.3 If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus 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 fourteen (14) days after the Closing Date, BY ORDINARY POST to their mailing address maintained with the Share Registrar at their own risk.

6. GENERAL

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

APPENDIX III — PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

- 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 Catalist, the Rights Shares when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP", as the same may be amended from time to time. Copies of the above are available from CDP.
- 6.4 **To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares and who wish to trade the Rights Shares issued to them on Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or 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 share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent BY ORDINARY POST to person(s) entitled thereto at his/their own risk.**
- 6.5 If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments and other correspondences will be sent to their addresses last registered with CDP.
- 6.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on Catalist, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares 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 IS 5.00 P.M. ON 18 MARCH 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX IV — LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH ATMS:

1. Oversea-Chinese Banking Corporation Limited
2. United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

This Offer Information Statement is dated this 28th day of February 2014.

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

For and on behalf of **TEHO INTERNATIONAL INC LTD.**

LIM SEE HOE

LIM SIEW CHENG

KWAH THIAM HOCK

TERRANCE TAN KONG HWA

JOANNE KHOO SU NEE