

## SINGAPORE WINDSOR HOLDINGS LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

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### PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE (I) TRADING DISTRIBUTION AND RETAIL BUSINESS, (II) INFRASTRUCTURE RELATED BUSINESS INVOLVING TELECOM-INFRASTRUCTURE AND CONSTRUCTION AND (III) LIMOUSINE SERVICE BUSINESS

#### MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED DEALERSHIP

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#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Singapore Windsor Holdings Limited (the “**Company**”) wishes to announce that the Company is proposing to diversify its business (“**Proposed Diversification**”) to include (i) trading, distribution and retail business, (ii) infrastructure related business involving telecom-infrastructure and construction and (iii) limousine service business (“**Proposed New Business Segments**”).

In this regard, the Company has on 4 March 2014 entered into a non-binding Memorandum of Understanding (“**MOU**”) with an unrelated third party (the “**Manufacturer**”) in relation to the distribution of completed units of machine and spare parts of the machines made commercially available by the Manufacturer by the Company (“**Dealership**”).

#### 2. PROPOSED NEW BUSINESS

For the Proposed New Business Segments, the Board proposes to carry on the following activities, as and when an appropriate opportunity arises:

- (a) to undertake trading, distribution, retail, branding and/or marketing of FMCG Products<sup>(1)</sup> and Durable/Lifestyle Products<sup>(2)</sup>;
- (b) to undertake infrastructure related business which would include the supply of products, equipment and services relating to (i) construction (including the trading, distribution and/or branding of Industrial Products<sup>(3)</sup>) and (ii) telecom-infrastructure (including the laying of cables and/or building and management of telecommunications towers);
- (c) to provide car rental and/or limousine services.

The Group does not plan to restrict the Proposed New Business Segments to any specific geographical markets as investment would be evaluated and assessed by the Board on its own merits. Nevertheless, in the initial stage of the Proposed New Business Segments, the Group will focus on the markets in the South East Asia, specifically in Myanmar. The Group may also explore joint ventures and/or strategic alliances to carry out the Proposed New Business Segments as and when the opportunity arises.

#### Notes:

- (1) “*FMCG Products*” means “Fast-moving consumer goods” which refer to (I) food products such as pre-packaged foods, confectionary, soft drinks (including bottled water, spirits, wines, beers, alcoholic beverages), grocery items and toiletries; (II) tobacco products, cosmetics, perfumery, hair and personal care; (III) games, toys, stationery, electronics such as mobile phones, digital camera
- (2) “*Durable/Lifestyle Products*” means fashion and accessories (including leather goods), watches and jewellery
- (3) “*Industrial Products*” means all types of equipment and machinery for industrial application

### 3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

The Group intends to diversify its business to include the Proposed New Business Segments as the Proposed New Business Segments would reduce the Group's reliance on its existing business, which remains competitive and challenging.

The Proposed New Business Segments would provide the Group with diversified returns and would contribute an additional stream of revenue and earnings for the Group due to the *inter alia* following:

- (a) the Proposed New Business Segments would allow the Group to participate in the growth prospects of the increase in industrialisation and urbanisation in emerging economies which are expected to lead to increase in demand for:
  - (i) FMCG Products and Durable/Lifestyle Products;
  - (ii) Industrial Products and other products and services from the infrastructure related business segment; and
  - (iii) rental and/or limousine services;
- (b) the Proposed New Business Segments would allow the Group to gain an additional stream of revenue from an increase in demand for products and services which the Group intends to provide via the Proposed New Business Segments as a result of an increase in living standards.

### 4. PRINCIPAL TERMS OF THE MOU

The Company and the Manufacturer have entered into the MOU with a view to entering into a formal and definitive dealer agreement ("**Dealer Agreement**") in due course. Under the terms of the MOU, it is intended that the Company will be appointed as distributor of completed units of machine and spare parts of the machines made commercially available by the Manufacturer in Myanmar and the Company shall be entitled (but not obliged) to appoint such sub-dealers to market, sell and distribute the Products in Myanmar.

The Dealership shall be for a period of two (2) years commencing from the date on which the Manufacturer and Dealer sign the definitive agreements relating to the Dealership including the dealer agreement and dealer service agreement.

### 5. EXTRAORDINARY GENERAL MEETING (THE "EGM")

The Proposed New Business Segments will involve new business areas with different profiles from the Group's existing core business, namely (i) as manufacturer of high-end printed circuit board punching moulds, as well as die-casting and plastic injection mould bases; and (ii) as provider of printed circuit board electroplating, punching and raw materials trading services.

The Proposed New Business Segments may in future form part of the core business of the Group, and it is envisaged that the Proposed New Business Segments will change the existing risk profile of the Group.

Accordingly, an EGM will be convened by the Company to seek the shareholders' approval to approve such expansion, notice of which will be announced in due course. Shareholders' approval of the proposed expansion will allow the Group, in its ordinary course of business, to enter into major transactions relating to the Proposed New Business Segments and which will not compromise the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential major transactions relating to the Proposed New Business Segments arise.

The EGM will allow the shareholders the opportunity to communicate their views on the Proposed New Business Segments, and consider, if thought fit, to approve the Proposed New Business Segments. A circular in relation to the details of the Proposed New Business Segments, together with a notice of the EGM to be convened, will be dispatched to the shareholders in due course.

While reviewing and finalising its business plans, the Company may evaluate possible business opportunities and ventures which may arise. However, Shareholders are advised to exercise caution in dealing with the securities of the Company as there is no certainty or assurance that the Company will, after completing its review, proceed with the proposed expansion of the core business of the Group to include the Proposed New Business Segments. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Further announcements in relation to the Proposed New Business Segments will be made as and when appropriate.

By Order of the Board

Ho Kwok Wai  
Executive Director and Chairman  
4 March 2014