

AURIC

AURIC PACIFIC GROUP LIMITED

(Company Registration Number: 198802981D)
(Incorporated in the Republic of Singapore)

PROPOSED SELECTIVE CAPITAL REDUCTION

- **SGD1.65 in cash for each Share cancelled (same as Offer Price)**
- **Opportunity for Participating Shareholders to exit (in cash) their investment in the Shares, which have been unquoted following the Delisting**
- **The Selective Capital Reduction is subject to approval by the Participating Shareholders and the Court**
- **If the Participating Shareholders do not approve the Selective Capital Reduction, there is no assurance that the Company will arrange another undertaking or opportunity in the future for them to exit (in cash) their investment in the Shares**

1. Introduction

Auric Pacific Group Limited (“**Company**”) proposes to cancel all the ordinary shares in the Company (“**Shares**”) not held by its controlling shareholders, representing 2.0% of all the outstanding Shares, by way of a selective capital reduction in consideration of SGD1.65 in cash per Share (“**Selective Capital Reduction**”).

2. Selective Capital Reduction

2.1 Background. On 7 February 2017, Silver Creek Capital Pte. Ltd. (“**Silver Creek**”), a company jointly owned by Dr. Stephen Riady (“**SR**”) and Dr. Andy Adhiwana (“**AA**”), announced a voluntary conditional cash offer (“**Offer**”) for all the Shares, other than those which were held by the Silver Creek or its concert parties, at SGD1.65 in cash per Share (“**Offer Price**”).

The Offer closed on 7 April 2017 and the Company was delisted from the Singapore Exchange Securities Trading Limited on 17 April 2017 (“**Delisting**”). As at the date hereof (“**Announcement Date**”):

- (a) Silver Creek holds 26,701,737 Shares, representing approximately 21.2% of the total number of Shares in issue¹;
- (b) Lippo China Resources Limited (“**LCR**”) holds 61,927,335 Shares, representing approximately 49.3% of the total number of Shares in issue; and
- (c) Goldstream Capital Limited (“**Goldstream**”) holds 34,487,811 Shares, representing approximately 27.4% of the total number of Shares in issue.

¹ Calculated based on a total of 125,667,324 Shares in issue.

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In aggregate, Silver Creek, LCR and Goldstream (“**Non-Participating Shareholders**”) hold 123,116,883 Shares, representing approximately 98.0% of the total number of Shares in issue. The remaining 2,550,441 Shares, representing approximately 2.0% of the total number of Shares in issue, are held by shareholders of the Company (“**Shareholders**”) other than the Non-Participating Shareholders (“**Participating Shareholders**”).

2.2 Company’s Proposal. The Company proposes to implement the Selective Capital Reduction and cancel all the 2,550,441 Shares held by the Participating Shareholders. This would provide the Participating Shareholders with an opportunity to exit (in cash) their investment in the Shares, which have been unquoted following the Delisting.

2.3 Reduction of Capital. The Selective Capital Reduction will involve cancelling 2,550,441 Shares in consideration of SGD1.65 in cash per Share. Such consideration per Share would be the same consideration per Share received by former Shareholders who tendered their Shares in acceptance of the Offer (i.e., Offer Price of SGD1.65).

If the Selective Capital Reduction becomes effective, it will apply to all Participating Shareholders and an aggregate sum of SGD4,208,227.65 in cash will be returned to the Participating Shareholders (“**Cash Distribution**”). The outstanding Shares in issue will be reduced from 125,667,324 Shares to 123,116,883 Shares, and the Non-Participating Shareholders will in aggregate own all of such Shares.

If the Selective Capital Reduction does not become effective, all Participating Shareholders will continue to hold Shares and will not receive the Cash Distribution.

2.4 Funds for the Selective Capital Reduction. The Selective Capital Reduction will be funded from existing cash and cash equivalents of the Company.

3. Information on Non-Participating Shareholders

3.1 Silver Creek. Silver Creek is a private company incorporated in Singapore, and its principal activity is that of investment holding. SR is the majority shareholder of Silver Creek, while AA holds at least 20% of Silver Creek. As at the Announcement Date, the directors of the Silver Creek are AA and Lau Yee Lee Eli.

3.2 LCR. LCR is an entity listed on The Stock Exchange of Hong Kong Limited, and its principal activity is that of investment holding. LCR is an indirect subsidiary of Lippo Capital Limited. Lippo Capital Limited is wholly-owned by Lanius Limited, the trustee of a discretionary trust, the beneficiaries of which include, *inter alia*, SR and his family members. As at the Announcement Date, the directors of LCR are SR, John Luen Wai Lee, James Siu Lung Lee, Leon Nim Leung Chan, Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung.

3.3 Goldstream. Goldstream is a private company incorporated in British Virgin Islands, and its principal activity is that of investment holding. Goldstream is ultimately owned by AA. As at the Announcement Date, the directors of the Goldstream are AA and Lau Yee Lee Eli.

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4. Rationale

The Selective Capital Reduction is a corporate exercise that is proposed by the Company for the Participating Shareholders to have an opportunity to exit (in cash) their investment in the Shares. Following the Delisting, the Company understands that it has become difficult for the Participating Shareholders to exit their investment in the Shares given the lack of a public market for the Shares.

If the Participating Shareholders do not approve the Selective Capital Reduction, there is no assurance that the Company will arrange another undertaking or opportunity in the future for them to realise the value of their Shares.

5. Exemption by the Securities Industry Council

The Securities Industry Council (“**Council**”) has exempted the Selective Capital Reduction from Rules 14, 15, 16, 17, Note 1(b) on Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Singapore Code on Take-overs and Mergers.

6. Confirmation of Financial Resources

Oversea-Chinese Banking Corporation Limited confirms that sufficient financial resources are available to the Company to fund the aggregate Cash Distribution which will be returned to the Participating Shareholders if the Selective Capital Reduction becomes effective.

7. Disclosure of Shareholdings and Dealings

7.1 Share Capital. As at the Announcement Date:

- (a) the Company has only one class of Shares in issue, the Shares, and there are 125,667,324 Shares in issue, none of which is held in treasury; and
- (b) there are no instruments convertible into Shares, or any options, rights or warrants for the issuance of any new Shares, outstanding.

7.2 Disclosures. As at the Announcement Date, except as set out in **Schedule 1**, none of (i) Silver Creek or its directors, (ii) LCR or its directors, (iii) Goldstream or its directors, (iv) SR or (v) AA:

- (a) owns, controls or has agreed to acquire any Relevant Securities²;
- (b) has dealt for value in any Relevant Securities in the three-month period immediately prior to this Announcement³;

² In this Announcement, “**Relevant Securities**” means (a) any Shares, (b) any securities which carry voting rights in the Company and (c) any convertible securities, warrants, options or derivatives in respect of any Shares or securities referred to in (a) and (b) above.

³ i.e., the period commencing on 17 April 2017 and ending on 16 July 2017.

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- (c) has received any irrevocable undertaking from any person to refrain from voting on or to vote in favour of or against the Selective Capital Reduction in respect of any Relevant Securities;
- (d) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Relevant Securities which might be material to the Selective Capital Reduction;
- (e) has granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;
- (f) has borrowed any Relevant Securities from any other person (excluding borrowed Relevant Securities which have been on-lent or sold); and
- (g) has lent any Relevant Securities to any other person.

7.3 Confidentiality. In the interests of confidentiality, Silver Creek, LCR and Goldstream have not made enquiries in respect of certain other parties who or which are or may be presumed to be acting in concert with them in connection with the Selective Capital Reduction. Further enquiries will be made of such persons after the Announcement Date and the relevant disclosures (if any) will be made in the Circular (as defined below).

8. Shareholders' and Court Approval

Process. Pursuant to Section 78G of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), the Selective Capital Reduction requires:

- (a) a special resolution⁴ to be passed by the Shareholders approving the Selective Capital Reduction; and
- (b) the approval and confirmation by the High Court of the Republic of Singapore ("**Court**") of the Selective Capital Reduction.

Upon an order of the Court being made approving the Selective Capital Reduction ("**Court Order**"), the Selective Capital Reduction will take effect upon the lodgment of a copy of the Court Order, together with the other documents as prescribed under the Companies Act, with the Registrar of Companies of Singapore ("**Registrar**") within 90 days beginning with the date the Court Order is made, or within such longer period as the Registrar may allow.

Shareholders' Approval. Shareholders' approval is being sought for the Selective Capital Reduction.

⁴ A special resolution is a resolution passed by a majority of at least 75% of Shares voted – such majority is counted on a "present and voting" basis (not based on total Shares in issue).

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9. Directors

As at the Announcement Date, the directors of the Company (“**Directors**”) are SR, AA and Monish Mansukhani (“**MM**”). The Council ruled that SR and AA, but not MM, are exempted from the requirement to make a recommendation on the Selective Capital Reduction to the Participating Shareholders because they would face conflicts of interest, or may reasonably be perceived to face conflicts of interest, that would render them inappropriate to make such recommendation⁵. MM will therefore make a recommendation on the Selective Capital Reduction to Participating Shareholders.

All Directors will assume responsibility for the accuracy of facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Selective Capital Reduction.

10. Appointment of Independent Financial Adviser

The Company has appointed MS Corporate Finance Pte Ltd as the independent financial adviser (“**IFA**”) to advise MM in connection with the Selective Capital Reduction.

11. Circular to Shareholders and Notice of EGM

A circular to Shareholders (“**Circular**”) setting out relevant information relating to the Selective Capital Reduction and containing the advice of the IFA and the recommendation of MM, together with the notice (“**Notice**”) of the extraordinary general meeting of the Company (“**EGM**”) to be convened to seek the approval of the Shareholders for the Selective Capital Reduction, will be despatched to Shareholders in due course. A copy of the Circular and the Notice will also be made available on the Company’s website at <http://www.auricgroup.com/index.html>.

12. Abstentions

Non-Participating Shareholders and parties acting in concert with them will abstain and will not vote on the special resolution relating to the Selective Capital Reduction at the EGM.

13. Responsibility Statement

13.1 Company. The Directors (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Non-Participating Shareholders in **paragraphs 3.1, 3.2, 3.3** and **7.2** and **Schedule 1** for which the Non-Participating Shareholders have taken responsibility) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

⁵ In view of (i) the interests that SR has in Silver Creek and LCR and (ii) the interests that AA has in Silver Creek and Goldstream.

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Where any information has been extracted or reproduced from published or publicly available sources (other than those relating to the Non-Participating Shareholders in **paragraphs 3.1, 3.2, 3.3 and 7.2** and **Schedule 1** for which the Non-Participating Shareholders have taken responsibility), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

- 13.2 Silver Creek.** The directors of Silver Creek (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in **paragraphs 3.1 and 7.2** and **Schedule 1** (other than those relating to the Company, LCR, Goldstream, SR and AA) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information in **paragraphs 3.1 and 7.2** and **Schedule 1** has been extracted or reproduced from published or publicly available sources (other than those relating to the Company, LCR, Goldstream, SR and AA), the sole responsibility of the directors of Silver Creek has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in **paragraphs 3.1 and 7.2** and **Schedule 1**.

- 13.3 LCR.** The directors of LCR (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in **paragraphs 3.2 and 7.2** and **Schedule 1** (other than those relating to the Company, Silver Creek, Goldstream, SR and AA) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information in **paragraphs 3.2 and 7.2** and **Schedule 1** has been extracted or reproduced from published or publicly available sources (other than those relating to the Company, Silver Creek, Goldstream, SR and AA), the sole responsibility of the directors of LCR has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in **paragraphs 3.2 and 7.2** and **Schedule 1**.

- 13.4 Goldstream.** The directors of Goldstream (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in **paragraphs 3.3 and 7.2** and **Schedule 1** (other than those relating to the Company, Silver Creek, LCR, SR and AA) are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information in **paragraphs 3.3 and 7.2** and **Schedule 1** has been extracted or reproduced from published or publicly available sources (other than those relating to the Company, Silver Creek, LCR, SR and AA), the sole responsibility of the directors of Goldstream has been to ensure through reasonable enquiries that such information is accurately extracted

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from such sources or, as the case may be, reflected or reproduced in **paragraphs 3.3 and 7.2** and **Schedule 1**.

BY ORDER OF THE BOARD OF
Auric Pacific Group Limited

Adrian Chan Pengee
Company Secretary

17 July 2017
Singapore

Any enquiries relating to this Announcement or the Selective Capital Reduction should be directed to the following:

Auric Pacific Group Limited

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Forward-looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect the Company’s current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. The Company does not guarantee any future performance or event or undertake any obligation to update publicly or revise any forward-looking statements.

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**Schedule 1
Holdings**

Name	Direct Interest		Total Interest	
	No. of Shares	%	No. of Shares	% ⁶
Silver Creek	26,701,737	21.2	26,701,737 ⁷	21.2
LCR	-	-	61,927,335 ⁸	49.3
Goldstream	34,487,811 ⁹	27.4	34,487,811	27.4
SR	-	-	88,629,072 ¹⁰	70.5
AA	-	-	61,189,548 ¹¹	48.7

⁶ Calculated based on a total of 125,667,324 Shares in issue.

⁷ On 13 April 2017, Silver Creek gave an undertaking to LCR to vote, or refrain from voting, 1,256,674 Shares held by Silver Creek in accordance with LCR's directions. This undertaking was given in order to ensure that LCR will control more than 50% of the voting rights attributable to all the outstanding Shares and therefore will continue to be able to consolidate the Company. The 26.7 million Shares include the 1.3 million Shares which are the subject of such undertaking.

⁸ For the deemed interest of LCR in the Company, please refer to pages 146 and 147 of the annual report of the Company for the financial year ended 31 December 2015. Note that these 61,927,335 Shares do not include the 1.3 million Shares which are the subject of Silver Creek's undertaking referred to above.

⁹ Goldstream has granted a security interest over 31,236,111 of its Shares, representing 24.9% of the 125,667,324 Shares in issue.

¹⁰ SR is deemed to have an interest in the Shares held by LCR and Silver Creek.

¹¹ AA is deemed to have an interest in the Shares held by Goldstream and Silver Creek.