

## RIVERSTONE HOLDINGS LIMITED

(the "Company")

(Company Registration Number: 200510666D)

(Incorporated in the Republic of Singapore on 3 Aug 2005)

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**THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 61,900,000 WARRANTS (THE "WARRANTS"), AT AN ISSUE PRICE OF S\$0.02 FOR EACH WARRANT, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE "NEW SHARE") AT AN EXERCISE PRICE OF S\$0.31 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) WARRANT FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "SHARES") HELD BY SHAREHOLDERS OF THE COMPANY (THE "SHAREHOLDERS") AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "WARRANTS ISSUE")**

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### 1. Introduction

The board of directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 61,900,000 Warrants at an issue price of S\$0.02 for each Warrant (the "**Issue Price**"), each Warrant carrying the right to subscribe for one (1) New Share at the exercise price of S\$0.31 for each New Share (the "**Exercise Price**"), on the basis of one (1) Warrant for every five (5) Shares held by the Shareholders as at a time and date to be determined by the directors of the Company (the "**Directors**") for the purpose of determining the Shareholders' entitlements (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Warrants Issue is subject to, *inter alia*, the receipt of the in-principle approval of SGX-ST for the listing of and quotation for the Warrants and the New Shares on the Official List of SGX-ST.

The Company has appointed Kim Eng Corporate Finance Pte. Ltd. (the "**Manager**") as the manager for the Warrants Issue.

Mr. Wong Teek Son ("**WTS**"), the Executive Chairman and Chief Executive Officer of the Company, who holds directly 146,694,400 Shares ("**WTS Shares**"), representing approximately 47.40% of the Company's issued share capital at the date of this announcement, has undertaken to the Company and the Manager that he will, *inter alia*, subscribe and pay for and/or procure the subscription and payment of all of his entitlements of Warrants under the Warrants Issue.

WTS further holds, through Ringle Investment Limited ("**Ringlet**", and together with WTS, the "**Undertaking Shareholders**"), a company legally and beneficially wholly-owned by a trust set up by and for the benefit of WTS, 10,000,000 Shares (the "**Ringle Shares**"), representing approximately 3.23% of the Company's issued share capital at the date of this announcement. WTS is deemed to be interested in the Ringle Shares which are held in the name of HSBC (Singapore) Nominees Pte Ltd (the "**Nominee**") as nominee of Ringle in trust for WTS. Ringle has undertaken to the Company and the Manager that it will, *inter alia*, subscribe and pay for and/or procure the subscription and payment of all of its entitlements of Warrants under the Warrants Issue.

## 2. Proposed Principal Terms of the Warrants Issue

Based on the issued share capital of the Company of 309,500,000 Shares as at the date of this announcement, up to 61,900,000 Warrants will be offered at the Issue Price on the basis of one (1) Warrant for every five (5) Shares held by the Shareholders as at the Books Closure Date.

Assuming all of the Shareholders subscribe in full for their provisional entitlements to the Warrants, 61,900,000 Warrants will be issued under the Warrants Issue ("**Maximum Subscription Scenario**"). Assuming only the Undertaking Shareholders subscribe for their entitlements to the Warrants in accordance to the Undertakings (as defined below) and none of the Shareholders (except for the Undertaking Shareholders) subscribe for their entitlements to the Warrants and/or apply for any excess Warrants, 31,338,880 Warrants will be issued under the Warrants Issue ("**Minimum Subscription Scenario**").

Entitlements to subscribe for the Warrants will be renounceable and are expected to be tradable on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") over a period to be determined by the Board in compliance with the rules of the listing manual of the SGX-ST (the "**Listing Manual**"). Entitled Shareholders (as defined herein) will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Warrants and will be eligible to apply for additional Warrants in excess of their provisional allotments under the Warrants Issue.

The Warrants are payable in full upon acceptance and/or application. The New Shares will, upon allotment and issue pursuant to the exercise of the Warrants, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the relevant exercise date of the Warrants.

Fractional entitlements to the Warrants, if any, will be disregarded and will, together with the provisional allotments of Warrants which are not taken up for any reason, be aggregated and allotted to satisfy applications for excess Warrants (if any) or be disposed of or otherwise dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company. Excess Warrants will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company subject to applicable laws and the Listing Manual. In the allotment of excess Warrants, preference will be given to the rounding of odd lots and substantial Shareholders and Directors will rank last in priority.

The Warrants will be issued in registered form and will be listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system, upon the listing of and quotation for the Warrants on the Official List of the SGX-ST, which is subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 1,000 Warrants or such other board lot size which the SGX-ST may require. Each Warrant will, subject to the terms and conditions governing the Warrants to be set out in an instrument constituting the Warrants (the "**Deed Poll**"), carry the right to subscribe for one (1) New Share at the Exercise Price of S\$0.31, at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding the third (3<sup>rd</sup>) anniversary of such date of issue (the "**Exercise Period**"). The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances in accordance with the Deed Poll. Any Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.

The aggregate of the Issue Price and the Exercise Price is S\$0.33, which represents a discount of approximately 47.6% to the closing price of S\$0.63 on 19 May 2010, being the date of this announcement.

The terms and conditions of the Warrants Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Warrants Issue will be contained in an offer information statement to be lodged by the Company with the Monetary Authority of Singapore (the "**MAS**") in connection with the Warrants Issue (the "**Offer Information Statement**") and to be despatched to Entitled Shareholders in due course.

The Warrants and the New Shares will be issued under the share issue mandate approved by Shareholders at the Company's annual general meeting on 26 April 2010.

### **3. Undertakings**

As at the date of this announcement, WTS, who is directly interested in 146,694,400 Shares, representing approximately 47.40% of the issued share capital in the Company, has given to the Company and the Manager an irrevocable undertaking to (the "**WTS Undertaking**"), *inter alia*, subscribe and pay for and/or procure the subscription and payment of, 29,338,880 Warrants representing his pro-rata rights entitlements under the Warrants Issue, in line with his current interest of approximately 47.40% in the issued and paid-up share capital of the Company, within the time and in the manner as required under the terms of the Warrants Issue.

As at the date of this announcement, WTS is also deemed to be interested in 10,000,000 Shares, representing approximately 3.23% of the issued share capital in the Company, held by Ringlet through the Nominee.

Ringlet has also given to the Company and the Manager an irrevocable undertaking to (the "**Ringlet Undertaking**", together with the WTS Undertaking, the "**Undertakings**"), *inter alia*, to subscribe and pay for and/or procure the subscription and payment of, 2,000,000 Warrants representing its pro-rata rights entitlements under the Warrants Issue, in line with its interest of approximately 3.23% in the issued and paid-up share capital of the Company, within the time and in the manner as required under the terms of the Warrants Issue.

The Undertakings are subject to, *inter alia*, the receipt of the approval in-principle from the SGX-ST for the dealing in the listing of and quotation for the Warrants and the New Shares on the Main Board of the SGX-ST and the lodgement of the Offer Information Statement.

In view of the Undertakings, the Company has decided to proceed with the Warrants Issue on a non-underwritten basis. The Board is of the opinion that, after taking into consideration the Group's internal sources of funds, the net proceeds from the Warrants Issue (based on the Minimum Subscription Scenario), cash generated from its business operations and the Group's present banking facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

### **4. Rationale and Use of Proceeds**

The Directors believe that the Warrants Issue will provide Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the New Shares through the exercise of the Warrants. In addition, as and when the Warrants are exercised, the proceeds arising therefrom will provide additional financial flexibility to the Group for working capital purposes.

In the Maximum Subscription Scenario, the estimated net proceeds from the subscription of the Warrants Issue, after deducting professional fees as well as related expenses of approximately S\$0.3 million incurred in connection with the Warrants Issue, is expected to be approximately S\$0.9 million.

In the Minimum Subscription Scenario, the estimated net proceeds from the subscription of the Warrants Issue, after deducting professional fees as well as related expenses of approximately S\$0.3 million incurred in connection with the Warrants Issue, is expected to be approximately S\$0.3 million.

The Company intends to utilise the net proceeds from the Warrants Issue for the general working capital purposes of the Company.

As and when the Warrants are exercised, the proceeds arising therefrom may also be applied towards the general working capital of the Company and/or such other purposes at the discretion of the Directors. The Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.

Pending the deployment of the net proceeds from the Warrants Issue and/or the exercise of the Warrants (as and when the Warrants are exercised), the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

The issue of the Warrants (not taking into account the issue of any New Shares pursuant to the exercise of Warrants) is not expected to have a material impact on the financial position of the Company.

## **5. Eligibility to Participate in the Warrants Issue**

The Warrants Issue is proposed to be made on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, 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 to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**").

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**").

The entitlements to Warrants which would otherwise be provisionally allotted to the Foreign Shareholders may, if it is practicable to do so, be sold "nil-paid" on the SGX-ST or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company. Any entitlements to the Warrants not taken up will be aggregated and allotted to satisfy excess applications, 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.

**6. Conditions**

The Warrants Issue is subject to, *inter alia*, the following:

- (a) the receipt of the in-principle approval of SGX-ST for the listing of and quotation for the Warrants and the New Shares on the Official List of the SGX-ST; and
- (b) the lodgement of the Offer Information Statement in respect of the Warrants Issue with the MAS.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Warrants and the New Shares on the Official List of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course. The Offer Information Statement will be lodged with the MAS and dispatched to Entitled Shareholders in due course after in-principle approval of the SGX-ST is obtained.

By Order of the Board

Wong Teek Son  
Executive Chairman and Chief Executive Officer  
19 May 2010