

ASEAN SUPREME FUND LTD
(Incorporated in the Republic of Singapore)

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**ANNOUNCEMENT ON THE WINDING UP OF
ASEAN SUPREME FUND LTD (“COMPANY”)**

**THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION.**

This Announcement is issued by Asean Supreme Fund Ltd (the “Company”). Shareholders are advised to read this Announcement carefully. Shareholders and investors are also advised to exercise due caution when buying, holding, redeeming or selling the Shares. If any Shareholder or investor has any doubt as to the action he should take, he is advised to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers. Terms and expressions not defined herein have the same meanings ascribed to them in the Articles of Association of the Company.

NAV As At 13 February 2003

The Board of Directors wishes to inform Shareholders that the net asset value of the Company (“NAV”) as at 13 February 2003, being the latest Valuation Day prior to the date of this Announcement, was US\$9,910,134.

The NAV per Redeemable Preference Share was US\$4.83.

Voluntary Winding Up

As stated in Article 157(1)(a) of the Articles of Association of the Company, the Company shall be dissolved if

- (1) the net assets of the Company first fall to a sum of US\$10,000,000 or less; or
- (2) the Company receives redemption notices in respect of which redemption would result in the net assets of the Company falling to US\$10,000,000 or less.

Accordingly, the Company is now required to be dissolved.

Winding Up Procedures

A Board of Directors meeting will be convened as soon as practicable for the Directors to consider the Statement of Affairs¹, to make the Declaration of Solvency², and to convene an Extraordinary General Meeting (the “**EGM**”) of the Shareholders to resolve that the Company be wound up voluntarily. The notice of EGM will be issued to Shareholders thereafter.

In accordance with the provisions of the Companies Act, the EGM will be held within 5 weeks from the date of the Declaration of Solvency (that is, the date of the Board Meeting). At the EGM, the Shareholders' approval will be sought (pursuant to a special resolution) for *inter alia*, (i) the voluntary liquidation of the Company, (ii) the formal appointment of the Liquidator who will be responsible for winding up the Company's affairs and distributing the assets of the Company, and for (iii) the delisting of the Redeemable Preference Shares.

The Notice of the EGM would be released in due course.

Delisting of the Company

In conjunction with the winding up of the Company, the Company has obtained in-principle approval from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for :-

(i) the delisting of the Redeemable Preference Shares from the Main Board of the SGX-ST pursuant to the voluntary liquidation of the Company, and

(ii) a waiver from compliance with Rule 1307 of the Listing Manual in relation to the requirements that (1) a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted and (2) the issuer should normally appoint an independent financial adviser to advise on the exit offer,

subject to (a) the NAV of the Company falling to US\$10 million or less, and (b) Shareholders' approval being obtained for the proposed voluntary liquidation of the Company. Such approval from the SGX-ST is not to be taken as reflective of the merits of the delisting of the Redeemable Preference Shares or the voluntary liquidation of the Company.

1. ^The Statement of Affairs of the Company will contain information concerning the assets of the Company and the total amount expected to be realized from the winding up of the Company, the liabilities of the Company and the estimated expenses of the winding up.

2. The Declaration of Solvency is a declaration required to be made by the Directors to the effect that they have made an inquiry into the affairs of the Company and have formed the opinion that the Company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding up.

Subject to the approval of the Shareholders being obtained at the EGM, it is expected that the Redeemable Preference Shares will be delisted from the SGX-ST on the fourth Market Day³ after the EGM Date. Trading of the Redeemable Preference Shares on the SGX-ST will be suspended on the day of the EGM, and will remain suspended until the Redeemable Preference Shares are delisted, upon which trading will cease.

Monthly Redemptions

Prior to the EGM, Shareholders may, subject to the limitation set out in Article 13(5) of the Articles of Association of the Company (that is, the Directors may limit the total number of Redeemable Preference Shares that may be redeemed on any relevant Valuation Day to 10% of the total number of Redeemable Preference Shares then in issue), continue with the monthly redemption of their Redeemable Preference Shares in accordance with the usual procedures as set out in the Articles of the Company up to the last Monthly Redemption Calculation Date prior to the EGM. Redemption notices received in respect of any Monthly Redemption Calculation Date on or after the EGM Date will be rejected.

Distribution of Surplus Assets upon the winding up of the Company

Upon the commencement of the winding up proceedings, all liabilities of the Company will be discharged as soon as practicable. After deducting the liquidation expenses, the surplus assets of the Company will be distributed to Shareholders in cash in the manner set out in Article 157(2) of the Company's Articles of Association, that is:-

- (a) first, in repayment of the nominal amount on the Company's Redeemable Preference Shares (if any);
- (b) secondly, in repayment of the nominal amount on Ordinary Shares of the Company, (if any);
- (c) thirdly, the Net Assets remaining after repayment of the nominal amount on the Company's Redeemable Preference Shares and Ordinary Shares shall be distributed equally among the holders of the Redeemable Preference Shares Provided Always That if the Net Assets remaining for distribution to the holders of Redeemable Preference Shares after repayment under sub-paragraphs (a) and (b) above exceeds US\$1,000,000 per Redeemable Preference Share, the amount payable under sub-paragraph (d) below to the holders of Nominal Shares shall be deducted from the Net Assets first before distributing to the holders of the Redeemable Preference Shares; and
- (d) fourthly, Provided That the Net Assets remaining for distribution to the holders of Redeemable Preference Shares after repayment under sub-paragraphs (a) and (b)

³. Market Day means a day on which the SGX-ST is open for securities trading.

above exceeds US\$1,000,000 per Redeemable Preference Share, in repayment of the nominal amount on the Nominal Shares.

Singapore Tax Status of the Company

The Company is exempt from Singapore income tax under Section 13C of the Income Tax Act, (Chapter 134). Income derived by the Company will be tax exempt if it satisfies all the conditions as specified in the Income Tax (Income From Funds Managed For Foreign Investors) Regulations. One of the conditions specified in the Regulations is for the Company to qualify as a "foreign investor". As a foreign investor, the Company has to ensure that no more than 20% of the issued share capital is beneficially owned, directly or indirectly by shareholders who are Singapore citizens or tax residents in Singapore (excluding the percentage owned directly by Government of Singapore Investment Corporation Pte Ltd and Singapore statutory boards).

If the Directors of the Fund determine that this shareholding limit may be or has been exceeded, the Company may require the compulsory transfer or redemption of any Redeemable Preference Shares upon the giving of at least 5 Business Days prior notice to the relevant shareholder(s). For the purpose of the Income Tax Act, (Cap.134), Singapore tax resident is defined:

- (i) in relation to an individual, as a person who in the year preceding the year of assessment, resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such person to be resident in Singapore, and includes a person who is physically present or who exercises an employment (other than a director of a company) in Singapore for 183 days or more during the year preceding the year of assessment; and
- (ii) in the case of a company or body persons, as a company or body of persons the control or management of whose business is exercised in Singapore.

As at 13 February 2003, 9.051% of the Company's issued Redeemable Preference Shares were held by Singapore Tax Resident Shareholders.

The tax advisors of the Company, PricewaterhouseCoopers Services Pte Ltd, have advised that the specified income⁴ derived by the Company will continue to be tax exempt as long as the Company is able to continue to satisfy all the conditions and requirements specified under the Income Tax (Income From Funds Managed For Foreign Investors) Regulations when the Company is being voluntarily liquidated. In this regard, the Company will take appropriate steps to ensure that the Company continues to comply with the applicable conditions and requirements for the tax exemption in the course of its liquidation.

⁴ The term "specified income" is defined in the Income Tax (Income From Funds Managed for Foreign Investors) Regulations (Chapter 134, Regulation 8)

Submitted by Noraini Latiff, Company Secretary on 14 February 2003 to the SGX-ST.

For Enquiries:

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