

ULTRO TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore
(Company Registration No. 198700318G)
(the "Company")

SECOND SUPPLEMENTAL AGREEMENT TO THE SALE AND PURCHASE AGREEMENT DATED 24 DECEMBER 2011 (AS AMENDED AND SUPPLEMENTED BY THE SUPPLEMENTAL AGREEMENT DATED 15 FEBRUARY 2012)

1. The Board of Directors of the Company refers to the announcements released on 26 December 2011 and 15 February 2012 in relation to the Company's proposed acquisition of the entire issued and paid-up share capital of Ley Choon Constructions and Engineering Pte Ltd ("**Announcements**"). Unless otherwise defined herein, terms defined in the Announcements shall have the same meanings herein.
2. The Board of Directors of the Company wishes to announce that on 2 April 2012, the Company entered into a second supplemental agreement with the Vendors ("**Second Supplemental Agreement**") to amend and supplement the sale and purchase agreement dated 24 December 2011 (as amended and supplemented by the supplemental agreement dated 15 February 2012) (collectively referred to herein as the "**Amended SPA**").
3. Pursuant to the Second Supplemental Agreement:
 - (a) the Company acknowledged and consented to the increase in LCCE's issued and paid-up share capital by S\$15 million ("**Share Capital Increase**") via the issuance of 15,000,000 new ordinary shares ("**LC Shares**") by way of capitalisation of LCCE's reserves. LCCE's enlarged issued and paid-up share capital will be S\$30 million comprising 30,000,000 LC Shares immediately after the completion of the Share Capital Increase. The Company confirmed that the Share Capital Increase shall not be deemed as a breach of a warranty of the Amended SPA;
 - (b) it was agreed that the Vendors' shareholding in LCCE after the Share Capital Increase is as follows:

Name of Vendor	Number of LC Shares immediately after the completion of the Share Capital Increase
Toh Choo Huat	8,106,284
Toh Chew Leong	8,106,284
Toh Chew Chai	4,451,716
Toh Swee Kim	4,451,716
Koh Tiam Teng	2,400,000
Tan Teck Wei	1,242,000
Liang Say Juan	1,242,000

- (c) it was agreed that following the completion of the Share Capital Increase, the number of Sale Shares be increased to 30,000,000 LC Shares and Schedule 1 of the Amended SPA be amended such that the number of Sale Shares held by each Vendor be that as set out in paragraph 3(b) above;
- (d) the Company and the Vendors (collectively referred to herein as the "**Parties**") acknowledged that as at the date of the Second Supplemental Agreement, LCCE has

been registered with the Building and Construction Authority as a contractor with a financial grading of L6 under the workhead category of Electrical & Electronic Materials, Products & Components (SY05) ("**BCA Upgrading**"). The Company confirmed that the BCA Upgrading will not be deemed as a breach of Warranty or misrepresentation by the Vendors to the Company;

- (e) it was agreed that for the Proposed Disposal, the Company shall dispose of all its existing businesses and assets other than the following:
 - i. a net cash reserve of approximately S\$1.8 million, comprises of:
 - (aa) a margin money deposit of S\$2.4 million placed by the Company as required by its bankers for the provision of a banker's guarantee on the Lease Agreement (as defined below) and which will be released to the Company after the Lease Agreement (as defined below) expires; and
 - (bb) a liability of S\$600,000 which relates to the security deposit paid by the sub-tenants of the Ulro Building (as defined below) and which will be refunded to these sub-tenants when their respective leases expire.

In the event prior to the Completion any part of the security deposit has been refunded to any sub-tenant of the Ulro Building (as defined below) when the sub-tenant's lease expires, an equivalent amount will be adjusted from the margin money deposit so as to maintain the net cash reserve of S\$1.8 million by the Company and as at Completion, the net cash reserve to be retained by the Company shall be S\$1.8 million. For avoidance of doubt, if the actual cash reserve as at Completion exceeds the net cash reserve of S\$1.8 million, the excess amount shall be placed in the Special Account;

 - ii. the entire issued and paid-up share capital of its wholly-owned subsidiary, Ranoda, provided that Ranoda has no other existing businesses and assets other than the Property; and
 - iii. any other cash which is held by the Company as at Completion and such cash shall be placed in the Special Account;
- (f) the Parties acknowledged that the Company intends to terminate the lease agreement dated 30 October 2003 entered into between the Company and Bermuda Trust (Singapore) Limited (as trustee of Ascendas Real Estate Investment Trust) ("**Lease Agreement**") in relation to the property located at 1 Changi Business Park Avenue 1, Singapore 486058 ("**Ulro Building**"). The Parties agreed that in the event that the Lease Agreement is terminated and the Ulro Building surrendered to the Bermuda Trust (Singapore) Limited (as trustee of Ascendas Real Estate Investment Trust) before Completion, the Company will dispose of all its existing businesses and assets other than the following for the Proposed Disposal:
 - i. the entire issued and paid-up share capital of its wholly-owned subsidiary, Ranoda, provided that Ranoda has no other existing businesses and assets other than the Property; and
 - ii. any other cash which is held by the Company as at Completion and such cash shall be placed in the Special Account;
- (g) the Parties agreed that the Proposed Capital Reductions and Proposed Cash Distributions to be undertaken by the Company under the Amended SPA be amended further such that the Company will undergo two capital reductions as follows:

- i. the first capital reduction will be S\$2 million (henceforth be referred to as the “**Proposed First Capital Reduction**”) and the amount arising from this cancellation of the Company’s issued and paid-up share capital shall be applied to a proposed cash distribution exercise of S\$2 million to the Entitled Shareholders (henceforth be referred to as the “**Proposed Cash Distribution**”); and
- ii. the second capital reduction will be for an amount equal to the Company’s audited accumulated losses as at 31 December 2011 (henceforth be referred to as the “**Proposed Second Capital Reduction**”) and the amount arising from the aforementioned cancellation of the Company’s issued and paid-up share capital shall be applied to zero-rise the Company’s audited accumulated losses as at 31 December 2011,

after obtaining approval from, *inter alia*, the Company’s shareholders, the Singapore Accounting & Corporate Regulatory Authority, SGX-ST and the Central Depository (Pte) Limited. The Proposed First Capital Reduction and the Proposed Second Capital Reduction shall henceforth be collectively referred to as the “**Proposed Capital Reductions**”.

Only the Entitled Shareholders shall be entitled to receive such amounts paid out under the Proposed Cash Distribution. The payment of such amounts to the Entitled Shareholders by the Company shall be made as soon as practicable after the completion of the Proposed Capital Reductions;

- (h) the Parties agreed that post-Completion, the Company shall declare and pay only to the Entitled Shareholders a special interim dividend, subject to the compliance with the relevant rules and regulations, including but not limited to the requirements of the SGX-ST’s Listing Manual (referred to herein as the “**Proposed Contingent Dividend**”).

The declaration and payment of the Proposed Contingent Dividend is subject to the following conditions:

- i. there being a minimum cash balance of S\$100,000 in the Special Account (as defined below) (“**Minimum Dividend Requirement**”); and
- ii. if necessary, after obtaining approval from *inter alia* SGX-ST and the Central Depository (Pte) Limited.

Provided always that the Minimum Dividend Requirement is met, the aggregate amount of the Proposed Contingent Dividend shall be at least an amount equivalent to any cash balance in the Special Account at the date which is 180 days after the Books Closure Date (as defined below) or the date on which all Balance Receivables (as defined below) are received, whichever is the earlier, less all costs and expenses which may be incurred for the Proposed Contingent Dividend which are to be deducted from the Special Account.

For avoidance of doubt, all or any part of the Balance Receivables (as defined below) received by the Company after 180 days from the Books Closure Date (as defined below) shall not be placed in the Special Account (as defined below) and shall not be used for the declaration and payment for the Proposed Contingent Dividend (if any); and

- (i) For avoidance of doubt, the definitions of the following terms shall be revised as follows:
 - i. “**Balance Receivables**” means the balance receivables due to the Company prior to the Completion;

- ii. **“Books Closure Date”** means the date on which the Share Transfer Books and the Register of Members of the Company are closed for the purposes of determining the Entitled Shareholders’ entitlement of the special dividends declared under the Proposed Cash Distribution and the special dividends declared under the Proposed Contingent Dividend (if any).

The Parties agreed that the Books Closure Date shall be determined by the Company, provided always that the Books Closure Date shall be before Completion but after the extraordinary general meeting to be held by the Company to seek the Shareholders’ approval for *inter alia* the Proposed Acquisition;

- iii. **“Entitled Shareholders”** means the Company’s shareholders as at the Books Closure Date who shall be entitled to receive such amounts paid out under the Proposed Cash Distribution and Proposed Contingent Dividend (if any); and

- iv. **“Special Account”** means an account will be set up with a Singapore-licensed bank nominated by the Company or one of the Company’s existing bank accounts for the sole purpose of:

- (aa) receiving cash, including cash held by the Company prior to the Completion, the consideration received by the Company for the Proposed Disposal, the Retention Fee and the Balance Receivables received by the Company within 180 days from the Books Closure Date; and

- (bb) maintaining monies from which all costs and expenses incurred for the Proposed Cash Distribution, the Proposed Contingent Dividend, the surrendering the Ultro Building to the Bermuda Trust (Singapore) Limited (as trustee of Ascendas Real Estate Investment Trust) (including but not limited to costs for reinstating the Ultro Building) and all other operating costs, including without limitation, moneys payable to employees, if any, upon termination of employment, will be deducted;

- (j) the Parties acknowledged that the following persons shall not be entitled to receive any payments under the Proposed Cash Distribution and the Proposed Contingent Dividend (if any):

- i. the Vendors and Intersino; and

- ii. any persons who become shareholders of the Company after the Books Closure Date;

- (k) references to “Proposed Cash Distributions” and “Proposed Capital Reductions” in the Amended SPA shall refer respectively to the “Proposed Cash Distribution” and “Proposed Capital Reductions” as defined above in the Second Supplemental Agreement (i.e. as set out in paragraph 3(g) above); and

- (l) other than expressly stated the Second Supplemental Agreement, all other terms and conditions of the Amended SPA shall remain.

- 4. Pursuant to Rule 1014 of the SGX-ST Listing Manual, the Company will be holding an extraordinary general meeting to seek the Shareholders’ approval for *inter alia* the Proposed Acquisition. A circular containing information required pursuant to the applicable listing rules will also be despatched to the Shareholders in due course.

5. In addition to the above, the Proposed Deed Poll Amendments are subject to the Company obtaining approval from *inter alia* the Warranholders. The Company will be holding a Meeting of Warranholders and a circular to Warranholders in relation to the Proposed Deed Poll Amendments will also be despatched to the Warranholders in due course.
6. **Shareholders, Warranholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

BY ORDER OF THE BOARD

Lim Ee Chuan
Executive Director and Chief Executive Officer

2 April 2012