SIM SIANG CHOON LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

PROPOSED ACQUISITION OF 47.9% OF INTERLINK PETROLEUM LIMITED AND CONCURRENT SUBSCRIPTION OF SHARES IN SIM SIANG CHOON LTD

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Sim Siang Choon Ltd (the "**Company**") is pleased to announce that the Company has entered into a share purchase agreement dated 28 April 2010 ("**Share Purchase Agreement**") with Jit Sun Investments Pte Ltd ("**Jit Sun**") and Mr. Kenneth Gerard Pereira ("**Mr. Pereira**"), in relation to a proposed acquisition by the Company of an aggregate of 11,934,000 shares (the "**Sale Shares**") constituting approximately 47.9% of Interlink Petroleum Limited ("**Interlink**", and the transaction, the "**Proposed Acquisition**").

2. ABOUT INTERLINK

Interlink is a public limited company incorporated in 1993 under the laws of India. Since 1995, Interlink has been engaged in the exploration and production of oil and gas. As at the date of this announcement, Interlink has an authorised share capital of Rs. 300,000,000 consisting of 30,000,000 equity shares of Rs. 10 each, of which 24,921,200 shares have been issued, are fully paid-up and are listed on the Bombay Stock Exchange.

Interlink is currently the operator of two small onshore oil and gas assets located in the state of Gujarat in India, with a 100% participating interest in both these assets. As of the date of this announcement, although both fields are not producing, they have been previously drilled and are designated as discoveries. The production of gas from these fields is expected to commence over the next two financial years.

The net tangible asset values of Interlink (based on the relevant audited financial statements) as at 31 March 2007, 31 March 2008 and 31 March 2009 are Rs. 27,718,131, Rs. 13,908,766 and Rs. 166,658,073 (equivalent to S$967,434, S$476,968 and S$5,002,539[1]) respectively. The net tangible asset value of Interlink as at 31 March 2010 is estimated to be Rs. 382,668,073 (equivalent to S$11,918,191[2]) after taking into account the unaudited net profit after tax of Rs. 850,000 and the placement by Interlink in March 2010 of 6,520,000 shares at Rs. 33 each.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 The Sale Shares

3.1.1 As at the date of the Share Purchase Agreement, Jit Sun is the beneficial owner of 10,310,000 Sale Shares, representing approximately 41.4% of the issued share capital of Interlink (the "**JS Sale Shares**"), which are held through Jit Sun's wholly-owned subsidiary, Loyz Oil Pte Ltd ("**Loyz**"). Mr. Pereira is the legal and

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[1] Based on the exchange rates of S$1.00 : Rs.28.6512, S$1.00 : Rs.29.1608 and S$1.00 : Rs. 33.3147 (being the closing rates as quoted by Bloomberg for 30 March 2007, 31 March 2008 and 31 March 2009) respectively.

beneficial owner of 1,624,000 Sale Shares, representing approximately 6.5% of the issued share capital of Interlink (the "**KP Sale Shares**").

3.1.2 The Company will be acquiring the Sale Shares from Jit Sun and Mr. Pereira (collectively, the "**Vendors**") through:

(a) the transfer by Jit Sun of the entire issued and paid up share capital of Loyz to the Company; and

(b) the transfer by Mr. Pereira of the KP Sale Shares to the Company.

3.2 Consideration

3.2.1 Pursuant to the Share Purchase Agreement, the consideration for the Sale Shares shall be the sum equivalent to S$1.00 for each Sale Share, amounting to an aggregate sum of S$11,934,000 for all the Sale Shares (the "**Consideration**") payable to the Vendors. The Consideration was derived on a willing-buyer-willing-seller basis.

3.2.2 The Consideration shall be satisfied by way of the allotment and issuance of an aggregate of 108,490,910 new ordinary shares in the share capital of the Company ("**SSC Shares**") at S$0.11 per share (the "**Consideration Shares**"), (being a premium of 39.8% to the Company's latest announced net tangible asset value of S$0.0787 as at 31 December 2009) and be apportioned among the Vendors as set out below:

Vendor	Number of Sale Shares to be sold	Consideration	Number of Consideration Shares to be allotted
Jit Sun	10,310,000	S$10,310,000	93,727,273
Mr. Pereira	1,624,000	S$1,624,000	14,763,637
Total	**11,934,000**	**S$11,934,000**	**108,490,910**

3.2.3 The Consideration Shares shall rank *pari passu* in all respects with and carry all rights similar to existing SSC Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date of which falls on or before the completion of the Proposed Acquisition. The Consideration Shares shall not be entitled to any dividends which are declared, made or paid by the Company out of its retained earnings or profits for the period commencing 1 January 2010 to 30 June 2010.

3.2.4 The weighted average price of the shares and the market capitalization of Interlink on 28 April 2010, being the full market day on which the Share Purchase Agreement was signed, was Rs. 46.4225 and Rs. 1,156,904,407 (equivalent to S$1.43 and S$35,668,505[2]) respectively. The unaudited net profit before tax attributable to Interlink for the financial year ended 31 March 2010 is Rs. 850,000 (equivalent to S$26,473[3]).

[2] Based on the exchange rates of S$1.00 : Rs. 32.4349 (being the closing rates as quoted by Bloomberg for 28 April 2010) .
[3] Based on the exchange rates of S$1.00 : Rs. 32.1079 (being the closing rates as quoted by Bloomberg for 31 March 2010).

3.2.5 As the Consideration will be satisfied by way of issuance of the Consideration Shares, there will be no funding required.

3.3 Conditions precedent

The completion of the Share Purchase Agreement shall be conditional upon, among others:

(a) the entering into of a subscription agreement between Mr. Pereira and the Company for the subscription of 22,250,000 new SSC Shares (the "**KP Subscription Shares**"), in such form and substance as is satisfactory to the Company (the "**Subscription Agreement**");

(b) the approval of the shareholders of the Company being obtained at an extraordinary general meeting for the Share Purchase Agreement and all transactions contemplated under the Share Purchase Agreement (including but not limited to the Subscription Agreement and the allotment and issuance of the Consideration Shares);

(c) the approval of the board of directors of Interlink being obtained for the Share Purchase Agreement and all transactions contemplated under the Share Purchase Agreement (including but not limited to the transfer of the legal and beneficial ownership of the JS Sale Shares to Loyz and the KP Sale Shares to the Company);

(d) all necessary approvals, consents and waivers of the Continuing Sponsor of the Company (the "**Sponsor**") and/or the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") required to complete the Share Purchase Agreement and all transactions contemplated under the Share Purchase Agreement, including the in-principle approval of the SGX-ST for the listing and quotation of the Consideration Shares and the approval of the Sponsor and/or SGX-ST (if necessary), being obtained; and

(e) all other necessary consents, approvals and waivers being granted for all transactions contemplated under the Share Purchase Agreement, not being withdrawn or revoked by third parties.

3.4 Covenants and undertakings

3.4.1 Each of the Vendors has covenanted and undertaken to waive its/his right to receive dividends in respect of the Consideration Shares in relation to dividends which are declared, made or paid by the Company out of its retained earnings or profits for the period commencing 1 January 2010 to 30 June 2010.

3.4.2 Jit Sun has covenanted and undertaken:

(a) upon completion of the Proposed Acquisition and pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers, to make a mandatory general cash offer for all the shares of the Company other than those already owned, controlled or agreed to be acquired by Jit Sun and its concert parties, which shall include Mr. Pereira (the "**Mandatory General Offer**"); and

(b) to, jointly with the Company, obtain all necessary financing for the Open Offer (as defined in Section 3.4.31.1(a)(i)(c)**Error! Reference source not found.** below).

3.4.3 The Company has covenanted and undertaken:

(a) that Jit Sun shall have the right to nominate a director to the Board;

(b) to procure a written undertaking (in form and substance satisfactory to Jit Sun) from its controlling shareholder, Mr. Sim Siang Choon, not to accept the Mandatory General Offer in respect of the shares in the Company owned by him;

(c) upon completion of the Proposed Acquisition and if required pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations of India or such other relevant Indian laws and regulations, to make an open offer for the shares of Interlink not already owned by the Company (the "**Open Offer**"); and

(d) to, jointly with Jit Sun, obtain all necessary financing for the Open Offer.

In the event a service contract is entered between the director nominated to the Board (pursuant to paragraph 3.4.3(a) above) and the Company, the Company will make an announcement on the details of the service contract.

The Company has also entered into a loan agreement with Mr. Sim Siang Choon dated 28 April 2010 for the provision of an interest-free loan by Mr. Sim Siang Choon to the Company, the proceeds of which shall be used to satisfy the requirements of the Open Offer.

4. THE PROPOSED ACQUISITION AND THE OPEN OFFER AS A MAJOR TRANSACTION

4.1 The Open Offer

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations of India, the Company is required to make the Open Offer for 20% of the issued capital of Interlink. That is, based on 24,921,200 shares of Interlink in issue as at the date of this announcement, the Company is required to make the Open Offer for 4,984,240 shares of Interlink (the "**Maximum Open Offer Shares**"). **For illustrative purposes only**, based on a notional minimum offer price of Rs. 42.14 (equivalent to S$1.30 calculated at an exchange rate of S$1.00 : Rs. 32.4747 (being the closing rate as quoted by Bloomberg for 26 April 2010)) per Maximum Open Offer Share, the aggregate consideration payable by the Company for the Open Offer is S$6,468,613 (the "**Notional Open Offer Consideration**").

4.2 Relative figures of the Proposed Acquisition and the Open Offer

The relative figures of the Proposed Acquisition and the Open Offer, taken together, computed on the relevant bases set out in Rule 1006(a) to (d) of the Listing Manual (Section B : Rules of Catalist) of the SGX-ST (the "**Catalist Rules**") are set out below.

4.2.1 Rule 1006(a)

This is not applicable to the Proposed Acquisition.

4.2.2 Rule 1006(b)

Net profits attributable to the Sale Shares and the Maximum Open Offer Shares	S$17,802(1)
Net profits of the Company and its subsidiaries (the "**Group**")	S$1,045,336(2)
Net profits attributable to the Sale Shares and the Maximum Open Offer Shares compared with the Group's net profits	1.7%

Notes:

(1) The net profits attributable to the Sale Shares and the Maximum Open Offer Shares amounted to Rs.577,044, equivalent to S$17,802 calculated at an exchange rate of S$1.00 : Rs.32.4154 (being the closing rate as quoted by Bloomberg for 31 March 2010).

(2) This refers to the profit before tax for the six months ended 31 December 2009, being the latest announced consolidated financial results of the Group.

4.2.3 Rule 1006(c)

Aggregate value of the Consideration Shares and the Notional Open Offer Consideration	S$18,402,613
Market capitalization of the Company	S$29,537,435(3)
Aggregate value of the Consideration Shares and the Notional Open Offer Consideration compared with the market capitalization of the Company	62.3%

Note:

(3) Based on 135,555,000 issued shares (excluding treasury shares) in the capital of the Company multiplied by the weighted average price of the shares of S$0.2179 on 28 April 2010, being the full market day on which the Share Purchase Agreement was signed.

4.2.4 Rule 1006(d)

Number of Consideration Shares	108,490,910(4)
Number of shares of the Company previously in issue	135,555,000
Number of Consideration Shares compared with the number of shares of the Company previously in issue	80.0%

Note:

(4) The consideration for the Maximum Open Offer Shares will be satisfied in cash. Accordingly, there will be no issuance of any shares of the Company.

As the relative figure under Rule 1006(d) above exceeds 75%, the Proposed Acquisition, when aggregated with the Open Offer, constitutes a major transaction as defined in Chapter 10 of the Catalist Rules.

5. RATIONALE FOR THE PROPOSED ACQUISITION

The main rationale for the Proposed Acquisition is to diversify the principal activities of the Company into the oil and gas sector. The Proposed Acquisition is also likely to be beneficial to the Company as it is able to:

(a) diversify the earnings base of the Company;

(b) enhance shareholder value by way of growing revenues and profits for the Group; and

(c) provide opportunities to invest in other related activities as part of the Company's expansion into the oil and gas industry.

6. THE SUBSCRIPTION AGREEMENT

6.1 The Subscription

6.1.1 Pursuant to the Subscription Agreement to be entered into between the Company and Mr. Pereira, it is proposed that Mr. Pereira subscribes for the 22,250,000 KP Subscription Shares at an issue price of S$0.11 per KP Subscription Share (being a premium of 39.8% to the Company's latest announced NTA value of S$0.0787 as at 31 December 2009) (the "**Issue Price**"), for an aggregate consideration of S$2,447,500.00 (the "**Subscription**"). The KP Subscription Shares will amount to approximately 8.4% of the total issued share capital of the Company on an enlarged and fully diluted basis pursuant to completion of both the Proposed Acquisition and the Subscription.

6.1.2 The KP Subscription Shares shall rank *pari passu* in all respects with and carry all rights similar to existing SSC Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date of which falls on or before the completion of the Subscription. The KP Subscription Shares shall not be entitled to any dividends which are declared, made or paid by the Company out of its retained earnings or profits for the period commencing 1 January 2010 to 30 June 2010.

6.1.3 The Company will release a further announcement via SGXNET upon signing of the Subscription Agreement.

6.2 Conditions precedent

Completion of the Subscription is conditional upon:-

(a) the completion of the Proposed Acquisition;

(b) the specific shareholder approval from the shareholders of the Company for the Subscription being obtained during the extraordinary meeting of shareholders of the Company to be convened; and

(c) the Subscriber being reasonably satisfied on the completion date that the KP Subscription Shares will be admitted to and listed for quotation on Catalist without undue delay after the completion date.

6.3 Use of proceeds

The net proceeds from the Subscription will wholly be used for the Open Offer.

6.4 Confirmations pursuant to Rule 810(5) of the Catalist Rules

Pursuant to Rule 810(5) of the Catalist Rules, the Board is of the opinion that, after taking into consideration:

(a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The Subscription is undertaken to raise funds for the Open Offer;

(b) the present bank facilities and net proceeds of the Subscription, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION, THE OPEN OFFER AND THE SUBSCRIPTION

For illustrative purposes only, the financial effects of the Proposed Acquisition, the Open Offer and the Subscription on the Group's consolidated net tangible assets and earnings per share for the financial year ended 30 June FY2009 ("**FY2009**") are set out below.

7.1 Net tangible assets ("**NTA**")

The effects of the Proposed Acquisition, the Open Offer and the Subscription on the consolidated NTA per share of the Group for FY2009, assuming that the Proposed Acquisition, the Open Offer and the Subscription had been effected on 30 June 2009, are summarized below:

	Before the Proposed Acquisition, the Open Offer and the Subscription	**After the Proposed Acquisition, the Open Offer and the Subscription**
Consolidated NTA attributable to the Shareholders of the Group (S$'000)	10,397	13,794
Number of shares ('000)	135,555	266,296
Consolidated NTA per share attributable to the Shareholders of the Group (Singapore cents)	7.67	5.18

7.2 Earnings per share (“**EPS**”)

The effects of the Proposed Acquisition, the Open Offer and the Subscription on the consolidated EPS of the Group for FY2009, assuming that the Proposed Acquisition, the Open Offer and the Subscription had been effected on 1 July 2008 and using the profit after tax of Interlink for the year ended 31 March 2010 ignoring the effects of the different financial year end, are summarized below:

	Before the Proposed Acquisition, the Open Offer and the Subscription	**After the Proposed Acquisition, the Open Offer and the Subscription**
Consolidated profit after taxation and minority interests (S$'000)	242	260
Weighted average number of shares (‘000)	135,555	266,296
Consolidated EPS (Singapore cents)	0.18	0.10

8. LISTING OF THE CONSIDERATION SHARES AND THE KP SUBSCRIPTION SHARES

The Company will apply to the SGX-ST, through the Sponsor, for the admission of the Consideration Shares and the KP Subscription Shares to the Official List of the SGX-ST and for the listing and quotation of the Consideration Shares and the KP Subscription Shares on Catalist.

9. FURTHER INFORMATION AND ACTION BY SHAREHOLDERS

A circular containing information in connection with the Proposed Acquisition, the Open Offer and the Subscription will be dispatched to shareholders of the Company in due course. The Company will make further announcements relating to the Open Offer, the Mandatory General Offer, the Proposed Acquisition and/or the Subscription as and when necessary. As there is no assurance that the aforementioned transactions will be completed, shareholders of the Company are advised to refrain from taking any action which may be prejudicial to their interests before seeking advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers (as appropriate).

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the loan agreement between the Company and Mr. Sim Siang Choon dated 28 April 2010 for the provision of an interest-free loan by Mr Sim Siang Choon to the Company as noted in Section 3.4.3 above, none of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Acquisition or the Subscription other than through their respective shareholding interests, if any, in the Company.

11. DISCLAIMER

Where information relating to Interlink, Loyz, Jit Sun and Mr. Pereira has been extracted from published or otherwise available sources, or is otherwise obtained from Interlink, Loyz, Jit Sun and/or Mr. Pereira, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources or, as the case may be, reflected or reproduced in this announcement.

12. DOCUMENT FOR INSPECTION

A copy of the Share Purchase Agreement will be available for inspection during normal business hours at the registered office of the Company at 21 Changi South Avenue 2, Sim Siang Choon Building, Singapore 486630 for a period of three months from the date of this announcement.

By Order of the Board

Kwan Weng Kwong
Director
29 April 2010

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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