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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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### 1. BACKGROUND

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of GDS Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue (the “**Proposed Rights Cum Warrants Issue**”) of up to 112,000,000 new ordinary shares (the “**Shares**”) in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.02 (the “**Issue Price**”) per Rights Share, with up to 224,000,000 free detachable unlisted warrants (the “**Warrants**”), on the basis of one (1) Rights Share for every one (1) existing Share held by all Shareholders who are eligible to participate in the Proposed Rights Cum Warrants Issue (the “**Entitled Shareholders**”) as at a record date to be determined by the Directors (the “**Record Date**”), fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share validly subscribed. Each Warrant shall carry the right to subscribe for one (1) new Share (the “**Warrant Share**”) at the exercise price of S\$0.06 for each Warrant Share (the “**Exercise Price**”).
- 1.2. The Proposed Rights Cum Warrants Issue is subject to, among others, the approval of shareholders of the Company (the “**Shareholders**”), which will be sought at the extraordinary general meeting of the Company (the “**EGM**”) to be convened. A circular to Shareholders containing further information on the Proposed Rights Cum Warrants Issue, together with the notice of the EGM, will be issued by the Company in due course.

### 2. PROPOSED PRINCIPAL TERMS OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE

- 2.1. The principal terms of the Proposed Rights Cum Warrants Issue are summarised below:

<b>Issue Price of each Rights Share and Exercise Price of each Warrant Share</b>	:	The Issue Price of each Rights Share will be S\$0.02, payable in full upon acceptance and/or application.  The Exercise Price of each Warrant will be S\$0.06, payable in full upon the exercise of the Warrant.
<b>Discount (specifying benchmarks and periods)</b>	:	The Issue Price of S\$0.02 for each Rights Share represents a discount of approximately:  (a) 74.0% to the volume weighted average price (the “ <b>VWAP</b> ”) of S\$0.077 per Share and 74.0% to the closing price (“ <b>Closing Price</b> ”) of S\$0.077 per Share for Shares traded on 30 May 2024, being the last full Market Day (“ <b>Market Day</b> ” being a day on which the Singapore Exchange Securities Trading Limited (the “ <b>SGX-ST</b> ”) is open for securities trading) immediately preceding the date of this announcement on which Shares were traded on the Catalist Board (the “ <b>Catalist</b> ”) of the SGX-ST; and  (b) 58.8% to the theoretical ex-rights price of S\$0.049 <sup>1</sup> (the “ <b>TERP</b> ”) per Share.

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<sup>1</sup> The TERP is the theoretical market price of each Share assuming the completion of the Proposed Rights Cum Warrants Issue, and is computed based on the Closing Price of S\$0.077 per Share for Shares traded on the Catalist on 30 May 2024, being the last full market day on which the Shares were traded immediately preceding this announcement, and assuming that the maximum of 112,000,000 Rights Shares are issued pursuant to the Proposed Rights Cum Warrants Issue. For the

The Exercise Price of S\$0.06 for each Warrant Share represents a:

- (i) discount of approximately 22.1% to the VWAP of S\$0.077 per Share and 22.1% to the Closing Price of S\$0.077 per Share for Shares traded on 30 May 2024, being the last full Market Day immediately preceding the date of this announcement on which Shares were traded on the Catalist; and
- (ii) premium of approximately 23.7% to the TERP of S\$0.049 per Share.

<b>Allotment ratio</b>	:	One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share validly subscribed.
<b>Maximum Number of New Shares to be Issued</b>	:	Up to 112,000,000 Rights Shares and 224,000,000 Warrant Shares are to be issued in the Maximum Subscription Scenario. Please refer to paragraph 3.2 ( <i>Size of the Proposed Rights Cum Warrants Issue</i> ) of this announcement for the definition of Maximum Subscription Scenario.
<b>Rationale for the Proposed Rights Cum Warrants Issue</b>	:	Please refer to paragraph 4 ( <i>Rationale for the Proposed Rights Cum Warrants Issue</i> ) of this announcement for the rationale for the Proposed Rights Cum Warrants Issue.
<b>Use of Proceeds</b>	:	Please refer to paragraph 5 ( <i>Use of Proceeds</i> ) of this announcement for the proposed use of proceeds for the Proposed Rights Cum Warrants Issue.

- 2.2. The Company has appointed SAC Capital Private Limited as the manager of the Proposed Rights Cum Warrants Issue (the “**Manager**”). For the avoidance of doubt, the Proposed Rights Cum Warrants Issue will not be underwritten by the Manager.
- 2.3. The final terms and conditions of the Proposed Rights Cum Warrants Issue, including the procedures for acceptances and applications for the Rights Shares with Warrants, will be contained in an offer information statement (the “**Offer Information Statement**”) and its accompanying documents in connection with the Proposed Rights Cum Warrants Issue to be lodged with the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore (the “**MAS**”) and to be despatched or disseminated by the Company to Entitled Shareholders in due course, subject to the necessary approvals being obtained as listed in paragraph 3.10 (*Conditions for the Proposed Rights Cum Warrants Issue*) of this announcement. A further announcement on the lodgement and despatch or dissemination of the Offer Information Statement will be made by the Company at the appropriate time.
- 2.4. To demonstrate his commitment and vote of confidence in the Company and the Proposed Rights Cum Warrants Issue, Mr. Tang Hee Sung, the Non-Executive Non-Independent Chairman of the Board and controlling shareholder of the Company (the “**Undertaking Shareholder**”) has given an irrevocable undertaking (the “**Irrevocable Undertaking**”) to, among others, (a) subscribe and pay in full for his pro-rata entitlement of the Rights Shares with Warrants, being 23,500,000 Rights Shares; and (b) make an excess application and pay for up to 17,960,000 Excess Rights Shares with Warrants (as defined below) which are not subscribed or applied for by Shareholders other than himself at the closing date of the Proposed Rights Cum Warrants Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares, PROVIDED ALWAYS THAT if pursuant to the Irrevocable Undertaking, the Undertaking Shareholder and his concert parties (as defined in the Singapore Code on Take-overs and Mergers (the “**Code**”)) are placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Code, his subscription for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants shall be scaled down in such manner to be agreed at the discretion of the Company, the Manager and the Undertaking Shareholder so as to avoid placing him in such a position as a result of other Shareholders

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avoidance of doubt, the theoretical ex-rights price computation does not include the Warrants Shares to be issued from the exercise of the Warrants.

not taking up, whether partly or in full, their entitlements fully. Further details on the Irrevocable Undertaking are set out in paragraph 6 (*Irrevocable Undertaking*) of this announcement below.

- 2.5. Further details on the principal terms and conditions of the Proposed Rights Cum Warrants Issue are set out below in paragraph 3 (*The Proposed Rights Cum Warrants Issue*) of this announcement.

### 3. THE PROPOSED RIGHTS CUM WARRANTS ISSUE

#### 3.1. Basis of Provisional Allotment

The Proposed Rights Cum Warrants Issue will be made on a pro-rata, renounceable and non-underwritten basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Record Date, with two (2) Warrants for every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded.

#### 3.2. Size of the Proposed Rights Cum Warrants Issue

As at the date of this announcement, the issued and paid-up share capital of the Company comprises 112,000,000 Shares. The Company has no treasury shares, subsidiary holdings, existing warrants or other convertible securities as at the date of this announcement.

Assuming no new Shares are issued on or prior to the Record Date and on the assumption that:

- (a) all of the Entitled Shareholders subscribe and pay for their respective pro-rata entitlements of the Rights Shares with Warrants, the Company will allot and issue 112,000,000 Rights Shares with 224,000,000 Warrants (exercisable into 224,000,000 Warrants Shares) under the Proposed Rights Cum Warrants Issue (the "**Maximum Subscription Scenario**"). The resultant enlarged share capital in the Maximum Subscription Scenario would be comprise 224,000,000 Shares, with the 112,000,000 Rights Shares representing 50.0% of the enlarged share capital; or
- (b) (i) none of the Shareholders except for the Undertaking Shareholder subscribes for their respective pro-rata entitlements to the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue; and
- (ii) only the Undertaking Shareholder subscribes for his pro-rata entitlement to the Rights Shares with Warrants (being 23,500,000 Rights Shares with Warrants) under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Record Date and makes an excess application and pays for up to 17,960,000 Excess Rights Shares with Warrants (as defined below) which are not subscribed or applied for by Shareholders other than himself at the closing date of the Proposed Rights Cum Warrants Issue,

issuing such number of Rights Shares and Excess Rights Shares to the Undertaking Shareholder will result in the Undertaking Shareholder incurring a mandatory general offer obligation under Rule 14 of the Code for all the Shares of the Company. Accordingly, pursuant to the Irrevocable Undertaking, his subscription for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants shall be scaled down in such manner so as to avoid placing him in such a position. Accordingly, under the Minimum Subscription Scenario, the number of Rights Shares with Warrants to be issued to the Undertaking Shareholder shall be scaled down to 14,248,216 Rights Shares with Warrants, resulting in the Undertaking Shareholder holding 37,748,216 Shares upon completion of the Proposed Rights Cum Warrants Issue, representing approximately 29.90%<sup>2</sup> of the enlarged issued and paid-up share capital of the Company (assuming that none of the Warrants are exercised). As a result, the Company will allot and issue 14,248,216 Rights Shares with 28,496,432 Warrants (exercisable into 28,496,432 Warrant Shares) under the Proposed Rights Cum Warrants Issue in the minimum subscription scenario (the "**Minimum Subscription Scenario**") and the resultant enlarged share capital in the Minimum Subscription Scenario would comprise 126,248,216 Shares, with the 14,248,216 Rights Shares representing approximately 11.29% of the enlarged share capital.

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<sup>2</sup> The extent of the scaling down of the subscription of pro-rata entitlement and/or excess application by the Undertaking Shareholder shall be in such manner to be agreed at the discretion of the Company, the Manager and the Undertaking Shareholder depending on the level of subscription for the Rights Shares with Warrants. Please refer to terms of the Irrevocable Undertaking as set out in paragraph 6.2(b) (*Irrevocable Undertaking*) of this announcement.

Shareholders should note that under the Minimum Subscription Scenario, the collective shareholding interests of Shareholders (other than the Undertaking Shareholder) will be diluted from 79.02% to 70.10%, assuming that no new Shares are issued on or prior to the Record Date.

The Proposed Rights Cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

### 3.3. Issue Price of each Rights Share and Exercise Price of each Warrant Share

The Issue Price of S\$0.02 for each Rights Share and Exercise Price of S\$0.06 for each Warrant Share represents a discount of approximately 74.0% and 22.1% respectively to the VWAP and Closing Price of S\$0.077 per Share for Shares traded on the Catalist on 30 May 2024, being the last full Market Day immediately preceding the date of this announcement.

As further described in paragraph 4 (*Rationale for the Proposed Rights Cum Warrants Issue*) of this announcement, there remain challenges to the Group's businesses. While the Group, under a new leadership structure from November 2023, is cautiously optimistic of some recovery in the near term in light of local public project opportunities in the building and construction sector and the Group's own strategic initiatives, the Company recognises that Shareholders and the investing public may need to adopt a longer term view over the Group's businesses, and may thus be hesitant to invest further in the Company in the near term. As such, the Company is proposing to attract subscription interest by bundling together an issue of Rights Shares and Warrants. By undertaking the Proposed Rights Cum Warrants Issue on the basis of one (1) Rights Share for every one (1) existing Share held, and two (2) Warrants for every one (1) Rights Share subscribed, the Company believes that Shareholders will recognise the value proposition of the same.

Taking into account, among others, the rationale for the Proposed Rights Cum Warrants Issue, the Group's current financial circumstances, recent precedent transactions, the transaction size and discussions with the Manager, the Company is of the opinion that the Proposed Rights Cum Warrants Issue have been appropriately priced to (a) attract subscription interest from Entitled Shareholders and the investing public; (b) reward its supporting Shareholders who may need to adopt a longer term view over the Group's businesses; and (c) allow the Company to raise sufficient proceeds for its intended uses as further described in paragraph 5 (*Use of Proceeds*) of this announcement. In the event that the Company's future plans are successful and its Share price increases, Shareholders will be able to exercise their Warrants to the benefit of both the Company and themselves and/or transfer their Warrants for profit. It is the Company's intention to provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to further participate in the equity of the Company and to reward its supporting Shareholders in such manner.

### 3.4. Terms of Warrants

The Warrants are immediately detachable from the Rights Shares upon issue, will be issued in registered form and shall be freely transferable but shall not be listed on the Catalist or any other stock exchange.

Subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the "**Deed Poll**"), each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the day immediately preceding the 5th anniversary of the date of issue of the Warrants (the "**Exercise Period**"). The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"). In addition, appropriate announcements on the adjustments will be made by the Company. Any material amendment to the terms of the Warrants after issue to the advantage of the holders of such Warrants shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the Warrants. In the event that additional Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST through its continuing sponsor, SAC Capital Private Limited (the "**Sponsor**"), for the dealing in, listing and quotation of the additional Shares on the Catalist. The Company

will make the necessary announcement upon the receipt of the relevant listing and quotation notice from the SGX-ST.

The Company shall, not later than one (1) month before the expiry of the Exercise Period (the “**Expiry Date**”), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

### 3.5. **Ranking of the Rights Shares with Warrants and Warrant Shares**

The Rights Shares with Warrants will be payable in full upon acceptance and/or application and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares with Warrants.

The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Warrant Shares, save as may be otherwise provided in the Deed Poll.

For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company, the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., (the “**Share Registrar**”) or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

### 3.6. **Provisional Allotments and Excess Applications**

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or, in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Proposed Rights Cum Warrants Issue (the “**Excess Rights Shares with Warrants**”).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at Entitled Shareholders’ (as defined below) provisional allotments of Rights Shares with Warrants and will, together with such Rights Shares with Warrants that are not validly taken up by Entitled Shareholders, the original allottees or their respective renouncee(s) or the purchasers of such provisional allotment of Rights Shares with Warrants, any unsold “nil-paid” provisional allotments of Rights Shares with Warrants of Foreign Shareholders (as defined below) and any Rights Shares with Warrants which are not validly taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company, subject to applicable laws and the Catalyst Rules.

In the allotment of Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and substantial Entitled Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

### 3.7. **Scaling Down of Subscriptions**

The Code regulates the acquisition of ordinary shares of, among others, corporations with a primary listing on the SGX-ST, including the Company. Under Rule 14 of the Code, except with the consent of the Securities Industry Council, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds,

either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a mandatory general offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Depending on the level of subscription for the Rights Shares with Warrants, the Company may, if necessary, scale down the subscription for the Rights Shares with Warrants and/or excess applications for the Excess Rights Shares with Warrants by any of the Entitled Shareholders to:

- (a) avoid placing the relevant Entitled Shareholder and parties acting in concert (as defined under the Code) with him/her/it in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up not, whether partly or in full, their provisional allotments of the Rights Shares with Warrants; and/or
- (b) to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

### 3.8. Trading of Odd Lots

For the purposes of trading on the Catalist, each board lot of Rights Shares will comprise 100 Shares. Following the Proposed Rights Cum Warrants Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the Catalist are able to trade odd lots of Shares in board lots of one (1) Share on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

### 3.9. Non-underwritten basis of the Proposed Rights Cum Warrants Issue

The Proposed Rights Cum Warrants Issue will not be underwritten. In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Proposed Rights Cum Warrants Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not necessary nor cost effective for the Proposed Rights Cum Warrants Issue to be underwritten by a financial institution.

### 3.10. Conditions for the Proposed Rights Cum Warrants Issue

The Proposed Rights Cum Warrants Issue is subject to, among others, the following:

- (a) the execution of the Deed Poll;
- (b) the receipt of the listing and quotation notice ("LQN") from the SGX-ST for the listing of, and quotation for, the Rights Shares and the Warrant Shares on the Catalist (and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company and having been complied with;
- (c) the issue and allotment of the Rights Shares, the Warrants and the Warrant Shares having been approved by the Shareholders at the EGM;
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents with the SGX-ST, acting as agent on behalf of the MAS;
- (e) the subscription for, and the allotment and issue of, the Rights Shares, the Warrants and the Warrant Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and
- (f) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the

Company and/or applicable laws for the Proposed Rights Cum Warrants Issue and to give effect to the Proposed Rights Cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Cum Warrants Issue.

The Company will be making an application to the SGX-ST through the Sponsor for permission to deal in and for the listing and quotation of the Rights Shares and the Warrants Shares on the Catalist. An appropriate announcement on the outcome of such application will be made in due course.

In addition, the Record Date will be fixed in due course after obtaining the LQN from the SGX-ST, following which an announcement on the Record Date will be separately made by the Company.

### 3.11. Previous Equity Fund Raising in the Past 12 Months

The Company has not undertaken any equity fundraising in the past twelve (12) months prior to the date of this announcement.

## 4. RATIONALE FOR THE PROPOSED RIGHTS CUM WARRANTS ISSUE

While the construction industry is gradually recovering from the economic downturn during the COVID-19 pandemic, progress on work sites have remained slower than expected and the doors and shutters industry is expected to remain challenging and competitive. In particular, the pace of recovery has not kept up with that of the overall cost increases in labour costs, raw materials, freight and energy costs arising from heightened tensions in the Middle East and the Russia-Ukraine conflict and other geopolitical and supply chain issues. In this regard, cost pressures will remain a challenging factor for the Group's businesses. There are also additional concerns about the inflationary cost pressures remaining higher for longer globally.

Under a new leadership structure from November 2023, the Group had recently intensified its sales and marketing efforts to increase local and overseas sales and market shares and to improving its products offering, service and maintenance resources and operational efficiencies. In this regard, the Company is undertaking the Proposed Rights Cum Warrants Issue to strengthen the financial position and capital base of the Group. In view of the current financial circumstances, the Company believes that the Proposed Rights Cum Warrants Issue will strengthen the Company's balance sheet, for which a stronger financial position will provide financial flexibility for the Group for its working capital needs (which includes administrative expenses, manpower costs, compliance costs, continuing listing expenses and professional fees of the Group).

In addition to the proceeds to be received from the completion of the Proposed Rights Cum Warrants Issue, the Company will also receive further proceeds as and when the Warrants are exercised, particularly as the market price of the Shares exceeds the Exercise Price.

## 5. USE OF PROCEEDS

- 5.1. The estimated proceeds that will be raised from the Proposed Rights Cum Warrants Issue are as follows:
- (a) under the Minimum Subscription Scenario and subject to the Company scaling down the number of Rights Shares with Warrants to be subscribed for by the Undertaking Shareholder (as further described in paragraph 3.2 (*Size of the Proposed Rights Cum Warrants Issue*) of this announcement), the Company expects to receive net proceeds of approximately S\$0.01 million from the Proposed Rights Cum Warrants Issue, after deducting estimated expenses of approximately S\$0.28 million; and
  - (b) under the Maximum Subscription Scenario, the Company expects to receive net proceeds of approximately S\$1.96 million from the Proposed Rights Cum Warrants Issue, after deducting estimated expenses of approximately S\$0.28 million.
- 5.2. In both the Minimum Subscription Scenario and the Maximum Subscription Scenario, the Company intends to use 100.0% of the net proceeds (the "**Net Proceeds**") from the Proposed Rights Cum Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) for general working capital requirements of the Group (which includes administrative expenses, manpower costs, compliance costs, continuing listing expenses and professional fees of the Group).

- 5.3. The additional proceeds arising from the exercise of all the Warrants in the Maximum Subscription Scenario is approximately S\$13.44 million. As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards the general working capital requirements of the Group, and expanding the business of the Group, including expansion of product ranges and associated patents and/or potential strategic partnerships and acquisitions.
- 5.4. The Company will make periodic announcements on the utilisation of the Net Proceeds (including the proceeds arising from the exercise of any Warrants) as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds, and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 5.5. Pending the deployment of the proceeds raised from the Proposed Rights Cum Warrants Issue for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions, or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

## 6. IRREVOCABLE UNDERTAKING

- 6.1. As at the date of this announcement, the Undertaking Shareholder, Mr. Tang Hee Sung, directly holds 23,500,000 Shares, representing 20.98% of the total number of issued Shares.
- 6.2. As an indication of its support and commitment to the Company and the Proposed Rights Cum Warrants Issue, the Undertaking Shareholder has provided the Irrevocable Undertaking in favour of the Company, pursuant to which the Undertaking Shareholder will, subject to certain conditions, irrevocably undertaken to the Company that, among others:
- (a) as at the Record Date, the number of Shares held by the Undertaking Shareholder will not be less than the number of Shares held by him as at the date of the Irrevocable Undertaking; and
  - (b) in accordance with the terms and conditions of the Proposed Rights Cum Warrants and in any case not later than the last day for acceptance of and/or excess application and payment for the Rights Shares with Warrants, he shall (i) subscribe for and pay in full for his pro-rata entitlement to the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Record Date, being 23,500,000 Rights Shares with Warrants; and (ii) make an excess application and pay for up to 17,960,000 Excess Rights Shares with Warrants which are not subscribed or applied for by Shareholders other than himself at the closing date of the Proposed Rights Cum Warrants Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares (collectively, the "**Undertaken Rights Shares**"), PROVIDED ALWAYS THAT if pursuant to the Irrevocable Undertaking, the Undertaking Shareholder and his concert parties (as defined in the Code) are placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Code, his subscription for the Rights Shares with Warrants and/or Excess Rights Shares shall be scaled down in such manner to be agreed at the discretion of the Company, the Manager and the Undertaking Shareholder, so as to avoid placing him in such a position.
- 6.3. For the avoidance of doubt, the Irrevocable Undertaking is only in respect of the acceptance of and/or excess application and payment for the Rights Shares with Warrants, and not the exercise of the Warrants. In view of the scaling down provisions as described in paragraphs 3.2 (*Size of the Proposed Rights Cum Warrants Issue*) and 3.7 (*Scaling Down of Subscriptions*) of this announcement, the Undertaking Shareholder will not be obliged to make a mandatory general offer for all the Shares pursuant to Rule 14 of the Code by reason of his acceptance of and/or excess application and payment for the Rights Shares with Warrants pursuant to the Irrevocable Undertaking.
- 6.4. The Irrevocable Undertaking will be conditional upon, among others, the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares and the Warrant Shares on the Catalist, such approval not having been withdrawn or revoked as at the date of completion of the Proposed Rights Cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company and having been complied with, and approval of the Shareholders for the Proposed Rights Cum Warrants Issue being obtained at the EGM.



- 6.5. No commission or fee will be paid to the Undertaking Shareholder in connection with the provision or execution of the Irrevocable Undertaking.
- 6.6. The Undertaking Shareholder will be providing an advance deposit to the Company for his subscription of the Undertaken Rights Shares prior to the submission of the additional listing application to be made to the SGX-ST (the “**Advance Deposit**”), which shall only be utilised towards the satisfaction of the subscription amount for the Undertaken Rights Shares. In light of the Advance Deposit, the Undertaking Shareholder will not be providing a confirmation of financial resources in connection with his Irrevocable Undertaking to the Company.

## 7. ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE

### 7.1. Eligibility to Participate

The Company proposes to provisionally allot the Rights Shares with Warrants to all Entitled Shareholders, comprising Entitled Depositors and Entitled Scripholders (each as defined below), on the basis of their shareholdings as at the Record Date. Entitled Shareholders will be entitled to participate in the Proposed Rights Cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

### 7.2. Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts (the “**Securities Account**”) with CDP and (a) whose registered addresses with CDP are in Singapore as at the Record Date or (b) who have provided CDP with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Record Date (the “**Entitled Depositors**”).

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

### 7.3. Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the share certificates relating thereto for registration up to the Record Date and (a) whose registered addresses with the Company or the Share Registrar are in Singapore as at the Record Date or (b) who have provided the Company or the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Record Date (the “**Entitled Scripholders**”).

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares with Warrants.

### 7.4. Foreign Shareholders

For practicable reasons and to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, before 5.00 p.m. at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Proposed Rights Cum Warrants Issue is only made in Singapore and the Offer Information Statement and/or its accompanying documents will NOT be despatched to Foreign Shareholders or to any jurisdiction outside of Singapore. As such, no provisional allotments of the Rights Shares will be made to, and no purported acceptance thereof or application therefor by, Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights Shares with Warrants. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred relation thereto. In addition, such provisional allotments of Rights Shares with Warrants shall be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with, at the discretion of the Company, in accordance with the terms set out in the Offer Information Statement.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

## **8. OPINION OF DIRECTORS**

- 8.1. For the purposes of Rule 814(1)(f) of the Catalist Rules, the Directors are of the opinion that, after taking into consideration the Group’s present bank facilities and the Group’s internal resources, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Rights Cum Warrants Issue shall be undertaken for the reasons stated in paragraph 4 (*Rationale for the Proposed Rights Cum Warrants Issue*) of this announcement.
- 8.2. The Directors are of the opinion, after taking into consideration the factors in arriving at the discount for the Issue Price and the Exercise Price as set out in paragraph 3.3 (*Issue Price of each Rights Share and Exercise Price of each Warrant Share*) of this announcement and the rationale for the Proposed Rights Cum Warrants Issue as set out in paragraph 4 (*Rationale for the Proposed Rights Cum Warrants Issue*) of this announcement, that the Proposed Rights Cum Warrants Issue is in the interests of the Group.

## **9. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT**

The provisional allotments of Rights Shares with Warrants, the Rights Shares, the Warrants and the Warrant Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement (including in relation to the for the Irrevocable Undertaking) and save for their interests arising by way of their respective shareholding interests in the Company and/or directorships in the Group, as the case may be, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Rights Cum Warrants Issue.

## **11. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Rights Cum Warrants Issue, the Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that

such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **12. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Proposed Rights Cum Warrants Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately.

## **13. FORWARD LOOKING STATEMENTS**

Some of the statements in this announcement constitute “forward-looking statements” that do not directly or exclusively relate to historical facts. These forward-looking statements reflect the Group’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the Group’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions. Because actual results could differ materially from the Group’s intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group’s businesses, undue reliance must not be placed on these statements.

## **14. FURTHER ANNOUNCEMENTS**

The Company will make the necessary announcements as and when required and/or when there are material updates in relation to the Proposed Rights Cum Warrants Issue.

### **BY ORDER OF THE BOARD**

**Lee Pei Fang**  
**Executive Director**  
**31 May 2024**

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*This announcement has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.*

*The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*