GLOBAL YELLOW PAGES LIMITED
(Company Registration No. 200304719G)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 300,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF GLOBAL YELLOW PAGES LIMITED

1. INTRODUCTION

1.1 The Board of Directors ("**Directors**") of Global Yellow Pages Limited ("**Company**" and together with its subsidiaries ("**Group**")) wishes to announce that the Company has on 5 March 2014 entered into a conditional subscription agreement (the "**Agreement**") with Goubuli International Investment Pte. Ltd. (the "**Subscriber**"), pursuant to which the Company has agreed subject to the Percentage Restriction (described below) to allot and issue 300,000,000 new ordinary shares in the capital of the Company ("**Shares**" and "**Placement Shares**" respectively) at the issue price of S$0.07 per Placement Share ("**Placement Price**") to the Subscriber.

The subscription of the Placement Shares by the Subscriber shall be referred to as the "**Proposed Placement**".

1.2 The Proposed Placement will be undertaken by way of private placement in accordance with section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.

2. DETAILS OF THE PROPOSED PLACEMENT

2.1 Placement Price and Placement Shares

The Placement Price of S$0.07 represents approximately:

(a) a discount of 23.7% to the volume-weighted average price of S$0.0917 for each Share, based on the trades done on the SGX-ST on 5 March 2014, being the full market day on which the Agreement was signed; and

(b) a premium of 6.7% to the theoretical ex-rights price[(1)] of S$0.0656 per Share.

As the Placement Price represents a discount of more than 10% to the volume-weighted average price of S$0.0917 for each Share, the Company will be seeking specific shareholders' approval of its shareholders for the issuance of the Placement Shares pursuant to Rule 811(3) of the Listing Manual.

Further, the number of Placement Shares to be subscribed by the Investor will be 300,000,000 and which will be reduced so that the aggregate shareholding in the Company after completion of the Proposed Placement ("**Placement Completion Date**") of the Subscriber and its concert parties which shall include the Subscriber's affiliates shall be less than the aggregate shareholding in the Company of Stanley Tan Poh Leng and his concert parties by 0.1% (based

[(1)] The "theoretical ex-rights price" per Share is disclosed in the Proposed Rights Issue announcement dated 19 December 2013 and is equal to (i) the sum of (a) the market capitalisation of the Company based on closing price of S$0.089 per Share on the SGX-ST on 18 December 2013; and (b) the gross proceeds of the Proposed Rights Issue, divided by (ii) the total number of Shares in issue following the completion of the Proposed Rights Issue.

on the enlarged share capital of the Company post-Proposed Placement completion); ("**Percentage Restriction**").

Hence, depending on the actual number of Placement Shares being allotted and issued to the Subscriber having regard to the Percentage Restriction, the shareholding percentage of the Subscriber on completion of the Proposed Placement may be more than 15%. As such, the Company will also be seeking Shareholders' approval pursuant to Rule 803 of the Listing Manual which provides that the Company must not issue securities to transfer a controlling interest without Shareholders approval.

The Placement Price was agreed upon based on arm's length negotiations between the Subscriber and the Company.

The Proposed Placement is separate from the Proposed Rights Issue (as defined below) and is not conditional upon the approval of Shareholders for the Proposed Rights Issue. The Proposed Placement is expected to complete post completion of the Proposed Rights Issue.

2.2 The Salient Terms of the Agreement

2.2.1 <u>Conditions Precedent</u>

The completion of the subscription of the Placement Shares shall be conditional upon, *inter alia*, the following being fulfilled:

(a) in-principle approval for the listing and quotation of the Placement Shares on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") being obtained ("**Listing Approval**") and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent they are required to be fulfilled on or before the Placement Completion Date, they are so fulfilled and in respect of non-customary conditions, such conditions being acceptable to the Subscriber and the Company in their respective sole and absolute discretions;

(b) the approval of the shareholders of the Company ("**Shareholders**") being obtained at a general meeting;

(c) all representations, undertakings and warranties of the Company and the Subscriber under the Placement Agreement being complied with, and are true, accurate and correct in all material respect as at the date of the Placement Agreement and as at the date of Placement Completion Date; and

(d) completion of the proposed partially underwritten rights cum warrants issue announced by the Company on 19 December 2013 ("**Proposed Rights Issue**") prior to the Placement Completion Date, so that consequently the Placement Shares shall not be entitled to the associated rights and warrants. Provided that if the Proposed Rights Issue is not proceeded with or is terminated for any reason, then this condition (d) shall not apply.

In relation to the Placement Agreement, if any of the conditions precedent are not fulfilled or waived on or before 30 September 2014 or on such other date as the Company and the Subscriber may mutually agree in writing, then the Placement Agreement shall *ipso facto* cease and determine whereupon all obligations and liabilities of the Company and the Subscriber shall cease (save for the confidentiality clause) and no party shall have any claim against the other party for costs, damages, compensation or otherwise, save for any antecedent breach.

The Company will make immediate announcement(s) of the fulfilment or non-fulfilment of any of the conditions precedent.

2.2.2 Status of Placement Shares

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Placement Completion Date (as defined below). For the purposes of the Placement Agreement, "record date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of shares. For the avoidance of doubt, the Subscriber shall not be entitled to any rights nor participate in the Proposed Rights Issue.

2.2.3 Warranties of the Subscriber

The Subscriber has warranted, *inter alia*, to the Company that, its shareholder, Goubuli Group Co. Ltd (“**Subscriber Shareholder**”), and any nominee nominated by it to hold the Placement Shares (“**Subscriber Nominee**”) are independent, are not a restricted person specified in Rule 812(1) of the listing manual of the SGX-ST (“**Listing Manual**”) and do not have any connections (including any business relationship) with the Company, its Directors and Substantial Shareholders.

2.3 Listing and Quotation

The Company will make an application to the SGX-ST for the Listing Approval. The Company will make the necessary announcement once the Listing Approval has been obtained from the SGX-ST.

3. DETAILS OF THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in Singapore. The Subscriber is wholly owned by Goubuli Group Co. Ltd (i.e. the Subscriber Shareholder), a company incorporated in the People's Republic of China ("**PRC**"). The Subscriber Shareholder is controlled by a PRC family. The Subscriber Shareholder who is based in Tianjin, PRC owns a chain of well-known fine dining restaurants in the PRC selling Chinese steamed buns under the brand name 狗不理, which has a history of over 150 years.

The Subscriber was referred to the Company by business associates of the Company as an investor who is willing to support the Company by participating in the Proposed Placement. The Subscriber, the Subscriber Shareholder and the Subscriber Nominee are each independent from the Company, the Directors and Substantial Shareholders. The Subscriber, the Subscriber Shareholder and the Subscriber Nominee and their respective directors and shareholders do not have any interest (direct or indirect) in any Shares in the Company as at the date of this announcement.

4. RATIONALE

The Company had on 19 December 2013 announced ("**Proposed Acquisition Announcement**"), the proposed acquisition of the global intellectual property rights for Gloria Jean's Coffees Brand and It's A Grind Brand, the related master franchisor rights and the related supply chain business ("**Proposed Acquisition**"). Shareholders should refer to the Proposed Acquisition Announcement for more information. In that same announcement, the Company also announced the Proposed Rights Issue to fund the Proposed Acquisition. The Proposed Rights Issue is partially underwritten by UOB Kay Hian Private Limited ("**Underwriter**") up to 392,555,835 rights shares subject to the terms and conditions of the Underwriting Agreement dated 19 December 2013 at the rights issue price of S$0.07. The Underwriter has secured irrevocable undertakings from Sam Goi Seng Hui ("**Sam Goi**") (to undertake to subscribe up to 249,177,330 rights shares) and Stanley Tan Poh Leng ("**Stanley**

Tan") (to undertake to subscribe up to 162, 743, 505 rights shares). As stated in the Proposed Acquisition Announcement, both Sam Goi and Stanley Tan, subject to Shareholders' approval will each be paid a sub-underwriting fee by the Underwriter. However, Sam Goi's obligation to subscribe for the 249,177,330 rights shares undertaken by him is conditional upon him receiving the sub-underwriting commission. Hence if Shareholders do not vote in favour of the sub-underwriting commission to be paid to Sam Goi, Sam Goi will not be obligated to subscribe for the rights shares undertaken by him. The irrevocable undertaking by Stanley Tan is not conditional upon the payment of a sub-underwriting fee to him by the Underwriter. As such even if Shareholders do not approve the payment of the said sub underwriting fee, Stanley Tan remains bound to subscribe for the undertaken rights shares. Shareholders should refer to the Proposed Acquisition Announcement for the details of the irrevocable undertakings (which include limits placed on the number of rights shares that are to be subscribed by Sam Goi and Stanley Tan under the said irrevocable undertakings) and the payment of the sub-underwriting fees.

It is also stated in the Proposed Acquisition Announcement there is a risk that the Company may not be able to obtain gross proceeds of S$20.6 million and the relevant condition precedent of the Proposed Acquisition which requires such proceeds of at least S$20.6 million to be raised will not be fulfilled. In such an event, the Proposed Acquisition will not be able to proceed.

In view of the aforesaid, the Company has decided to undertake the Proposed Placement to obtain further funding of the Proposed Acquisition as well as provide the Company with additional working capital for the continuous development and expansion of the existing and acquired businesses of the Group. If the Proposed Acquisition does not complete for any reason, the net proceeds of the Proposed Placement will be used to for general working capital requirements and to fund business expansion of the Group.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets 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 in the interests of the Company.

5. USE OF PROCEEDS AND ENGLARGED SHARE CAPITAL

For the purpose of determining the gross proceeds to be raised from the Proposed Placement and the shareholding percentage of the Subscriber on Placement Completion Date, the following assumptions are adopted by the Company:-

(a) completion of the Proposed Rights Issue;

(b) Shareholders did not vote in favour of the sub-underwriting fee proposed to be paid by the Underwriter to Sam Goi and accordingly Sam Goi did not subscribe for his undertaken rights shares;

(c) based on the assumptions in (a) and (b) above, the **Minimum Underwritten Rights Scenario** assumes that no rights shares are subscribed except by Stanley Tan pursuant to his irrevocable undertaking and on that basis, he subscribes for 56,461,025 rights shares and the **Maximum Fully Subscribed Rights Scenario** assumes that the Proposed Rights Issue is fully subscribed i.e. 1,022,632,230 rights shares are allotted and issued;

(d) as at the date of this announcement, the existing unexercised warrants of the Company are 156,700,223 and remains unexercised. This assumption is on the basis that the warrant exercise price is higher than the current market price of the Company's shares; and

(e) the warrants issued under the Proposed Rights Issue are not exercised.

In the Minimum Underwritten Rights Scenario, 219,652,300 Placement Shares will be subscribed by the Subscriber. As such, S$15,375,661 gross proceeds will be raised and after deducting expenses of approximately S$180,000, the net proceeds will be S$15,195,661. The Placement Shares will as at the Placement Completion Date constitute 20.45% of the enlarged share capital of the Company (i.e. post Proposed Rights Issue and post Proposed Placement).

In the Maximum Fully Subscribed Rights Scenario, 300,000,000 Placement Shares will be subscribed by the Subscriber. As such, S$21,000,000 gross proceeds will be raised and after deducting expenses of approximately S$180,000, the net proceeds will be S$20,820,000. The Placement Shares will as at the Placement Completion Date constitute 14.1% of the enlarged share capital of the Company (i.e. post Proposed Rights Issue and post Proposed Placement).

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The illustrative financial effects of the Proposed Placement on the net asset value and earnings of the Company are based on the audited consolidated financial statements of the Group for the period ended 31 March 2013.

Share Capital

As at the date of this announcement, the issued and paid-up share capital of the Company is S$78,621,028 divided into 681,754,820 (excluding 55,000,000 treasury shares) Shares.

Following completion of the Proposed Rights Issue and the Proposed Placement, in the Minimum Underwritten Rights Scenario, the issued and paid-up share capital of the Company will increase to S$95,439,741 divided into 1,074,229,287 (excluding 55,000,000 treasury shares) Shares.

Following completion of the Proposed Rights Issue and the Proposed Placement, in the Maximum Fully Subscribed Rights Scenario, the issued and paid-up share capital of the Company will increase to S$148,772,640 divided into 2,120,748,192 (excluding 55,000,000 treasury shares) Shares.

Net Asset Value

Assuming the Proposed Rights Issue and the Proposed Placement was completed on 31 March 2013, in the Minimum Underwritten Rights Scenario, the net asset value per Share of the Group would decrease from 12.28 S$cents to 8.76 S$cents.

Assuming the Proposed Rights Issue and the Proposed Placement was completed on 31 March 2013, in the Maximum Fully Subscribed Rights Scenario, the net asset value per Share of the Group would decrease from 12.28 S$cents to 6.78 S$cents.

Loss

Assuming the Proposed Rights Issue and the Proposed Placement was completed on 1 April 2012, in the Minimum Underwritten Rights Scenario, the effect of the Proposed Rights Issue and the Proposed Placement on the loss per share of the Group for the period ended 31 March 2013 would have decreased from 24.88 S$cents to 13.93 S$cents.

Assuming the Proposed Rights Issue and the Proposed Placement was completed on 1 April 2012, in the Maximum Fully Subscribed Rights Scenario, the effect of the Proposed Rights Issue and the Proposed Placement on the loss per share of the Group for the period ended 31 March 2013 would have decreased from 24.88 S$cents to 6.41 S$cents.

Shareholders should note that the illustrative financial effects should not be construed to mean that the Group's actual results, performance or achievements will be as expected, expressed or implied in such financial effects after completion of the Proposed Placement.

7. SHAREHOLDERS' APPROVAL

The Company will be seeking the specific approval of its Shareholders at an extraordinary general meeting to be convened (the "**EGM**") for *inter alia*, the Proposed Rights Issue, the Proposed Placement and the Proposed Acquisition. For more details, please refer to paragraph 2 of this Announcement.

A circular containing further information on *inter alia*, the Proposed Rights Issue, the Proposed Placement and the Proposed Acquisition, together with a notice of the EGM, will be despatched to Shareholders in due course.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and any Substantial Shareholder of the Company has any interest, whether direct or indirect, in the Proposed Placement (other than through their respective direct or indirect shareholdings in the Company).

By Order of the Board
Lee Wei Hsiung
Company Secretary

5 March 2014