

# 3CENERGY LIMITED

(Company Registration No.: 197300314D)  
(Incorporated in the Republic of Singapore)

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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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### 1. INTRODUCTION

The board of 3Cnergy Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue of up to 383,381,747 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.067 for each Rights Share, with up to 766,763,494 free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at an exercise price of S\$0.10 for each New Share, on the basis of one (1) Rights Share for every three (3) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a date and time to be determined by the directors of the Company (the “**Board**” or “**Directors**”) for the purpose of determining the Shareholders’ entitlement, fractional entitlements to be disregarded, with two (2) Warrants for every one (1) Rights Share subscribed by the Shareholder (the “**Rights cum Warrants Issue**”).

The Company has appointed CIMB Bank Berhad, Singapore Branch as the manager for the Rights cum Warrants Issue. The Company will be seeking specific approval from the Shareholders at an extraordinary general meeting of the Company (the “**EGM**”) to be convened to approve the Rights cum Warrants Issue.

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

#### 2.1 Basis of Provisional Allotment

The Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Shareholders (as defined below), on the basis of one (1) Rights Share for every three (3) existing Shares held by the Shareholders as at the books closure date, fractional entitlements to be disregarded, with two (2) Warrants for every one (1) Rights Share subscribed.

Based on the Company’s issued and paid-up share capital of 1,150,145,242 Shares as at the date of this announcement, the Company will issue up to 383,381,747 Rights Shares with 766,763,494 free Warrants.

#### 2.2 Issue Price and Exercise Price

The issue price of S\$0.067 and the exercise price of S\$0.10 represent premiums of approximately 34.0 % and 100%, respectively, to the last traded price of S\$0.05 for Shares traded on the SGX-ST on 13 March 2017 (being the market day the Shares were last transacted prior to the release of this announcement).

#### 2.3 Status of the Rights Shares

The Rights Shares are payable in full upon acceptance or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Rights Shares.

## 2.4 Form and Subscription Rights of the Warrants

Up to 766,763,494 Warrants, to be issued free with the Rights Shares subscribed for, will be in registered form and constituted by a deed poll setting out the terms and conditions of the Warrants (the “**Deed Poll**”). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) New Share at the exercise price during the exercise period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3<sup>rd</sup>) anniversary of the date of issue of the Warrants unless such date is a date on which the register of members and/or register of warrant holders of the Company is/are closed or is not a market day, in which event the Warrants shall expire on the date prior to the closure of the register of members and/or register of warrant holders of the Company or on the immediately preceding market day, as the case may be (but excluding such period(s) during which the register of members and/or the register of warrant holders of the Company may be closed) (the “**Exercise Period**”). Any Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist Board of the SGX-ST under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings for the Warrants to provide an orderly market for the Warrants.

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

The exercise price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

## 2.5 Non-Underwritten Basis

In view of the Irrevocable Undertakings (as defined below) and taking into consideration the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

## 3. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

### 3.1 Entitled Shareholders

The Company proposes to provisionally allot Rights Shares with Warrant to all Shareholders who are eligible to participate in the Rights cum Warrants Issue (the “**Entitled Shareholders**”), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

### 3.2 Entitled Depositors

Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited (the “**CDP**”) and whose securities accounts with CDP (the “**Securities Accounts**”) are credited with Shares as at 5.00 p.m. (Singapore time) on the books closure date (the “**Depositors**”) will be provisionally allotted their entitlements 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 books closure date.

To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as the books closure date or if they have registered addresses outside Singapore, must provide CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being at least three (3) market

days prior to the books closure date, in order to receive their provisional allotments of Rights Shares with Warrants.

### **3.3 Entitled Scripholders**

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to 5.00 p.m. (Singapore time) on the books closure date by the Company's share registrar, Tricor Barbinder Share Registration Services (the "**Share Registrar**") at 80 Robinson Road #02-00, Singapore 068898 will be registered to determine the provisional entitlements of the transferee (such transferee, the "**Scripholder**", which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights cum Warrants Issue.

To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore with the Company as at the books closure date or who if they have registered addresses outside Singapore, must provide the Share at Registrar 80 Robinson Road #02-00, Singapore 068898 at with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being at least three (3) market days prior to the books closure date, in order to receive their provisional allotments of Rights Shares with Warrants.

### **3.4 Provisional Allotments and Excess Applications**

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or trade 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 Rights cum Warrants Issue. Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

### **3.5 CPF Investment Scheme**

Persons who bought their Shares previously using their Central Provident Fund account savings (the "**CPF Funds**") may use the same for the payment of the issue price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the offer information statement to be issued by the Company for the Rights cum Warrants Issue (the "**Offer Information Statement**"). CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

### **3.6 Foreign Shareholders**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights cum Warrants Issue is only made in Singapore and the Rights Shares with Warrants will NOT be offered to Shareholders with registered addresses outside Singapore as at the books closure date and who have not, at least three (3) market days prior to the books closure date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**"). The Offer Information Statement and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

Entitlements to Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on the Catalist Board of the SGX-ST or be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants commence.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the Catalist Board of the SGX-ST, they will 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 Share Registrar, CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares and the Warrants represented by such provisional allotments.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares with Warrants and for excess application for the Rights Shares with Warrants pursuant to the Rights cum Warrants Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

#### **4. THE IRREVOCABLE UNDERTAKING AND WHITEWASH RESOLUTION**

##### **4.1 Irrevocable Undertakings**

As at the date of this announcement:

- (a) Phileo Capital Limited (“**Phileo Capital**”) holds directly 65,368,500 Shares representing approximately 5.68% of the issued and paid-up share capital of the Company. Phileo Capital also holds an interest, through its wholly-owned subsidiary Icon Ventures Group Inc. (“**Icon Ventures**”), in 477,611,940 Shares representing approximately 41.53% of the Company. Phileo Capital is in turn wholly owned by TMF Trustees Singapore Limited, the trustee of a family trust of which Datuk Tong Kooi Ong is the sole beneficiary. Datuk Tong Kooi Ong is the non-executive chairman of the Company. Accordingly, Phileo Capital, Icon Ventures, TMF Trustees Singapore Limited and Datuk Tong Kooi Ong are presumed to be acting in concert as set out in the Singapore Code on Take-overs and Mergers (the “**Code**”);
- (b) Casi Management Sdn Bhd holds 119,402,985 Shares representing approximately 10.38% of the issued and paid-up share capital of the Company through its nominee, Metra Nominees Sdn Bhd; and
- (c) Champion Brave Sdn Bhd holds directly 238,805,970 Shares representing approximately 20.76% of the issued and paid-up share capital of the Company.

To show their support for the Rights cum Warrants Issue and to demonstrate their commitment to the Company, Casi Management Sdn Bhd, Champion Brave Sdn Bhd (Casi Management Sdn Bhd and Champion Brave Sdn Bhd collectively, the “**Other Undertaking Shareholders**”) and Phileo Capital and Icon Ventures has each furnished an irrevocable undertaking (collectively, the “**Irrevocable Undertakings**”) to the Company, *inter alia*, that:

- (a) it will not sell, transfer or otherwise deal with any of the Shares that it owns or controls prior to the books closure date of the Rights cum Warrants Issue;
- (b) it will subscribe or procure the subscription in full its entitlement of Rights Shares based on the Shares that it owns as of the books closure date of the Rights cum Warrants Issue; and

- (c) it will vote in favour of the Rights cum Warrants Issue.

The Irrevocable Undertakings given by Phileo Capital and Icon Ventures are subject to and conditional upon:

- (a) the grant of a waiver by the Securities Industry Council to Phileo Capital, Icon Ventures and persons acting in concert with them (collectively, the “Offeror”) from making a mandatory take-over offer pursuant to Rule 14 of the Code in the event the Offeror’s shareholdings in the Company increases by more than 1% in any 6-month period based on the Company’s enlarged issued capital as a result of the allotment and issue of the Offeror’s pro-rata entitlement of the Rights Shares to the Offeror and/or as a result of the exercise of the corresponding Warrants, and such approval not having been withdrawn or revoked prior to the completion of the Rights cum Warrants Issue;
- (b) approval in-principle having been granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Catalist Board of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted to such conditions, such conditions being acceptable to the Company;
- (c) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened;
- (d) the approval of the Shareholders who are independent of the Offeror to waive their rights to receive the mandatory offer from the Offeror for Shares not owned or controlled by the Offeror being obtained at the EGM to be convened; and
- (e) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the Monetary Authority of Singapore.

The Irrevocable Undertakings given by the Other Undertaking Shareholders are subject to and conditional upon:

- (a) approval in-principle having been granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Catalist Board of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted to such conditions, such conditions being acceptable to the Company;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened; and
- (c) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the Monetary Authority of Singapore.

Phileo Capital, Icon Ventures and the Other Undertaking Shareholders will each furnish a confirmation of its financial resources from a financial institution to the Company pursuant to the Irrevocable Undertakings.

#### **4.2 Illustrative shareholding effects of the Rights cum Warrants Issue**

For illustrative purposes only, depending on the level of subscription of the Rights cum Warrants Issue, the shareholdings of Phileo Capital, Icon Ventures and the Other Undertaking Shareholders after the completion of the Rights cum Warrants Issue is set out below:

- (a) Assuming that only Phileo Capital and its concert parties and the Other Undertaking Shareholders subscribe for their *pro-rata* entitlement of the Rights Shares cum Warrants, and no other person subscribes for the Rights Shares with Warrants (the “**Minimum Subscription Scenario**”):
- (i) Phileo Capital will have an interest in approximately 49.91% of the enlarged issued share capital of the Company immediately upon the issue of the Rights Shares to Phileo Capital and its concert parties and the Other Undertaking Shareholders;
  - (ii) upon completion of the Rights cum Warrants Issue, further assuming that Phileo Capital and its concert parties and the Other Undertaking Shareholders exercise all their Warrants, Phileo Capital will have a shareholding interest in approximately 52.94% of the enlarged issued share capital of the Company upon such exercise of Warrants; and/or
  - (iii) upon completion of the Rights cum Warrants Issue, further assuming that only Phileo Capital and its concert parties exercise their Warrants, Phileo Capital will have an interest in approximately 59.91% of the enlarged issued share capital of the Company upon such exercise of Warrants.
- (b) Assuming that the Rights Shares cum Warrants Issue is fully subscribed (the “**Maximum Subscription Scenario**”):
- (i) there will be no change in the percentage of shareholding interest in Phileo Capital and its concert parties upon (i) the issue of the Rights Shares and (ii) upon completion of the Rights cum Warrants Issue further assuming that all persons who subscribe for the Rights cum Warrants Issue fully exercise the Warrants issued to them; and/or
  - (ii) upon completion of the Rights cum Warrants Issue, further assuming that only Phileo Capital and its concert parties exercise their Warrants, Phileo Capital and its concert parties will have an interest in approximately 57.29% of the enlarged issued share capital of the Company upon the exercise of such Warrants.

Please refer to **Appendix 1** to this announcement for further details on the shareholding effects of the Rights cum Warrants Issue.

#### 4.3 Whitewash Resolution

Based on the scenarios set out in paragraph 4.2 above, the aggregate shareholding interests of Phileo Capital and its concert parties in the Company may increase by more than 1% or more within a period of 6 months. Accordingly, Phileo Capital and its concert parties may incur an obligation to make a mandatory offer for the Company pursuant to Rule 14.1 of the Code.

As there is no intention to trigger a mandatory take-over obligation under the Code arising from the proposed Rights cum Warrants Issue, the Company intends to obtain the approval of Shareholders independent of Phileo Capital and its concert parties (the “**Independent Shareholders**”) for the waiver of their right to receive a mandatory offer from Phileo Capital and its concert parties (the “**Whitewash Resolution**”) pursuant to Rule 14 of the Code.

Accordingly, the Company applied, on behalf of Phileo Capital and its concert parties, to the Securities Industry Council (the “**SIC**”) on 12 January 2017 for a waiver (the “**Whitewash Waiver**”) of the obligation of Phileo Capital and its concert parties to make a mandatory offer under Rule 14 of the Code arising from (i) the subscription by Phileo Capital and its concert parties for their pro-

rata entitlement of Rights Shares cum Warrants; and/or (ii) the exercise by Phileo Capital and its concert parties of their Warrants.

On 7 February 2017, the SIC granted the Whitewash Waiver subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights cum Warrants Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from Phileo Capital and its concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) Phileo Capital and its concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) Phileo Capital and its concert parties did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the circular):
  - (i) during the period between the announcement of the Rights cum Warrants Issue and the date Shareholders' approval is obtained for the Whitewash Resolution; and
  - (ii) in the 6 months prior to the first announcement of the Rights cum Warrants Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its circular to its shareholders:
  - (i) details of the Rights cum Warrants Issue including the Irrevocable Undertakings;
  - (ii) the dilution effect to existing holders of voting rights upon the issue to Phileo Capital and Icon Ventures of (A) the Rights Shares and (B) the New Shares upon the exercise of the Warrants;
  - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by Phileo Capital and its concert parties as at the latest practicable date;
  - (iv) the number and percentage of voting rights to be acquired by Phileo Capital and its concert parties as a result of their acquisition of (A) the Rights Shares and (B) the New Shares upon the exercise of the Warrants;
  - (v) specific and prominent reference to the fact that the acquisition of the Rights Shares and the New Shares upon the exercise of the Warrants could result in Phileo Capital and its concert parties holding shares carrying over 49% of the voting rights of the Company and to the fact that Phileo Capital and its concert parties will be free to acquire further shares without incurring any obligation under Rule 14 of the Code to make a general offer;
  - (vi) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from Phileo

Capital and its concert parties at the highest price paid by any of them for the Company's shares in the past 6 months preceding the commencement of the offer; and

- (vii) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants subscribed by Phileo Capital and Icon Ventures;
- (g) the circular by the Company to its Shareholders states that the waiver granted by SIC to Phileo Capital and its concert parties from the requirements to make a general offer under Rule 14 is subject to the conditions stated at paragraphs 4.3(a) to (f) above;
- (h) the Company obtains SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the acquisition of Rights Shares and Warrants by Phileo Capital and Icon Ventures under the Rights cum Warrants Issue must be completed within 3 months of the date of the approval of the Whitewash Resolution, and the acquisition of New Shares upon exercise of the Warrants must be completed within 5 years of the date of issue of the Warrants.

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Directors who are deemed independent for the purpose of making the recommendation to Independent Shareholders in relation to the Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular.

## 5. RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE AND USE OF PROCEEDS

As set out in the Company's circular dated 28 June 2016, the Company and its subsidiaries (the "**Group**") intends to carry out the development of the undeveloped lands (the "**Lands**") held by 3C Marina Park Sdn Bhd (formerly known as Liberty Bridge Sdn Bhd) ("**3CMP**") which the Company acquired in August 2016, into a mixed-use development featuring the largest tropical "Rambla" in Nusajaya, Malaysia (the "**Land Development**"). The Land Development will consist of, *inter alia*, a mixed development with predominantly residential components and complemented with retail and commercial developments. The Land Development is a capital intensive long term business proposition for the Group and the Group expects the Land Development to take place in several phases over a period of more than ten years. The Company intends to finance phase one of the Land Development using bank borrowings, progress payments from buyers of units in the Land Development and equity. In this connection, the Company intends to use part of the proceeds from the Rights cum Warrants Issue for the development of phase one of the Land Development.

In connection with the acquisition of 3CMP in 2016, the Group had assumed term loans taken by 3CMP (the "**Term Loans**") from a financial institution. The Term Loans are repayable in 2019. However, the Company is currently in discussions with the financial institution with a view to the earlier partial repayment of the Term Loans in 2017 (the "**Earlier Repayment**") in order to reduce the Group's financing costs. Such discussions are preliminary and there is no assurance that such Earlier Repayment will materialise.

In the event that the Earlier Repayment materialises, the Company shall utilise part of the proceeds from the Rights cum Warrants Issue to partially repay the Term Loans while using the remainder for phase one of the Land Development and repayment of the shareholder's loan which will be due at the latest on 31 December 2017.



In the event that the Earlier Repayment does not materialise, the Company shall utilise the proceeds from the Rights cum Warrants Issue for phase one of the Land Development and repayment of the said shareholder's loan.

For the purposes of Rule 814(1)(e) of the SGX-ST Listing Manual Section B: Rules of Catalyst, (i) the Directors are of the opinion that, after taking into consideration the present bank facilities and the shareholder's loan, the working capital available to the Group is sufficient to meet its present requirements and the Rights cum Warrants Issue is being undertaken for the reasons stated in the previous paragraph, and (ii) consequently, they are of the opinion that, after taking into consideration the present bank facilities and the net proceeds of the Rights cum Warrants Issue (assuming the Minimum Subscription Scenario), the working capital available to the Group is sufficient to meet its present requirements.

The Rights cum Warrants Issue is expected to raise net proceeds of up to approximately S\$25.39 million from the Rights Shares under the Maximum Subscription Scenario, after deducting estimated expenses of approximately S\$0.30 million. The Company intends to use the net proceeds from the Rights Shares (assuming the Maximum Subscription Scenario if there is Earlier Repayment) in the following proportion:

<b>Use of Proceeds</b>	<b>Amount (S\$' million)</b>	<b>Percentage Allocation</b>
To carry out the first phase of the Land Development	14.00	55.14
Partial repayment of Term Loans	7.5	29.54
Repayment of shareholder's loan	3.89	15.32

The Rights cum Warrants Issue is expected to raise net proceeds of up to approximately S\$19.83 million from the Rights Shares under the Minimum Subscription Scenario, after deducting estimated expenses of approximately S\$0.30 million. The Company intends to use the net proceeds from the Rights Shares (assuming the Minimum Subscription Scenario if there is Earlier Repayment) in the following proportion:

<b>Use of Proceeds</b>	<b>Amount (S\$' million)</b>	<b>Percentage Allocation</b>
To carry out the first phase of the Land Development	12.33	62.18
Partial repayment of Term Loans	7.5	37.82

In the event that the Earlier Repayment does not materialise, the amounts earmarked in the above scenarios for the partial repayment of the Term Loans will be applied towards the first phase of the Land Development.

Should the amounts raised fall below the Maximum Subscription Scenario (if there is Earlier Repayment), the proceeds will be applied in the following sequence: (i) partial repayment of the Term Loans; (ii) to carry out the first phase of the Land Development and (iii) repayment of shareholder's loan. If there is no Earlier Repayment, the proceeds will be applied in the following sequence: (i) to carry out the first phase of the Land Development and (ii) repayment of shareholder's loan.

Assuming all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S\$76.68 million under the Maximum Subscription Scenario (“**Exercise Proceeds**”). As and when the Warrants are exercised, the Exercise Proceeds raised may, at the discretion of the Directors, be applied towards the subsequent phases of the Land Development, general working capital of the Group, and repayment of borrowings.

The Company will make periodic announcements on the utilisation of the net proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company’s annual report.

Pending the deployment of the net proceeds and/or Exercise Proceeds, such proceeds may be placed as deposits with financial institutions and/or invested in short-term money market or debt instruments and/or for any such other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit.

## **6. APPROVALS**

The Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (a) the Whitewash Waiver granted by the SIC not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue;
- (b) approval in-principle having been granted by the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Catalist Board of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the approval of the Shareholders for the Rights cum Warrants Issue and the approval of the independent Shareholders for the Whitewash Resolution being obtained at the EGM to be convened;
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue, with the Monetary Authority of Singapore; and
- (e) all other necessary consents, approvals and waivers required 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 Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.

An application to the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the Catalist Board of the SGX-ST will be made. Appropriate announcement(s) in relation to the application will be made in due course.

## **7. OFFER INFORMATION STATEMENT**

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The Offer Information Statement containing the final terms and conditions of the Rights cum Warrants Issue will be lodged with the Monetary Authority of the Singapore and despatched to Entitled Shareholders together with the appropriate application forms and accompanying documents in due course following the EGM, if the Rights cum Warrants Issue is approved at the EGM.

## **8. CIRCULAR AND EGM**

The Company intends to convene the EGM to seek Shareholders' approval for the Rights cum Warrants Issue. A circular setting out, *inter alia*, the details of, and other relevant information pertaining to the Rights cum Warrants Issue (the "**Circular**"), together with the notice of EGM, will be dispatched to the Shareholders in due course.

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

Save as disclosed above in this announcement and in respect of Ms Anne Tong Kooi Lian, who is the sister of Datuk Tong Kooi Ong, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue (other than in his capacity as Director or Shareholder).

## **10. 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 Rights cum Warrants Issue, 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 the 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.

## **11. FURTHER ANNOUNCEMENTS**

Further announcements will be made by the Company in relation to the Rights cum Warrants Issue and when appropriate.

### **By Order of the Board**

Anne Tong Kooi Lian  
Managing Director and Chief Executive Officer  
13 March 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "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 and Sponsor assume 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 Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.*

## APPENDIX 1

For illustrative purposes only, depending on the level of subscription of the Rights cum Warrants Issue, the shareholdings of Phileo Capital and its concert parties after the completion of the Rights cum Warrants Issue is set out below:

- (i) Based on the issued and paid-up share capital of the Company as at the date hereof comprising 1,150,145,242 Shares (the “**Existing Share Capital**”) and assuming that only Phileo Capital and its concert parties and the Other Undertaking Shareholders subscribe for their entitlements under their respective undertaking(s), the Company will issue 300,396,465 Rights Shares and 600,792,930 Warrants (the “**Minimum Subscription Scenario**”)

Shareholders	Current Shareholding before Rights cum Warrants Issue		Rights Entitlements (1 for 3)	Shareholding after Rights cum Warrants Issue		Free Warrants (2 for 1)	Shareholding after Rights cum Warrants Issue (assuming all issued & allotted Warrants exercised)		Shareholding after Rights cum Warrants Issue (assuming only Phileo Capital and its concert parties exercise Warrants)	
	(No. of Shares)	%	(No. of Shares)	(No. of Shares)	%	(No. of Shares)	(No. of Shares)	%	(No. of Shares)	%
Phileo Capital and its concert parties	542,980,440	47.21	180,993,480	723,973,920	49.91	361,986,960	1,085,960,880	52.94	1,085,960,880	59.91
Other Undertaking Shareholders	358,208,955	31.14	119,402,985	477,611,940	32.93	238,805,970	716,417,910	34.92	477,611,940	26.35
Other Shareholders	248,955,847	21.65	-	248,955,847	17.16	-	248,955,847	12.14	248,955,847	13.74
<b>Total Shareholding</b>	<b>1,150,145,242</b>	<b>100.00</b>	<b>300,396,465</b>	<b>1,450,541,707</b>	<b>100.00</b>	<b>600,792,930</b>	<b>2,051,334,637</b>	<b>100.00</b>	<b>1,812,528,667</b>	<b>100.00</b>

In the Minimum Subscription Scenario,

1. Assuming that only Phileo Capital and its concert parties and the Other Undertaking Shareholders subscribe for their pro-rata entitlement of Rights Shares cum Warrants, and no other person subscribes for the Rights Shares with Warrants, Phileo Capital will have an interest in approximately 49.91% of the enlarged issued share capital of the Company immediately upon the issue of the Rights Shares to Phileo Capital and its concert parties and the Other Undertaking Shareholders.
2. Upon completion of the Rights cum Warrants Issue, assuming that all the Warrants are exercised by Phileo Capital and its concert parties and the Other Undertaking Shareholders, Phileo Capital will have an interest in approximately 52.94% of the enlarged issued share capital of the Company upon the completion of the entire exercise.
3. Upon completion of the Rights cum Warrants Issue, assuming that all the Warrants are exercised by only Phileo Capital and its concert parties, Phileo Capital will have an interest in approximately 59.91% of the enlarged issued share capital of the Company upon the completion of the entire exercise.

- (ii) Based on the Existing Share Capital and assuming that the Rights cum Warrants Issue is fully subscribed, the Company will issue 383,381,747 Rights Shares and up to 766,763,494 Warrants (the “**Maximum Subscription Scenario**”).

Shareholders	Current Shareholding before Rights cum Warrants Issue		Rights Entitlements (1 for 3)	Shareholding after Rights cum Warrants Issue		Free Warrants (2 for 1)	Shareholding after Rights cum Warrants Issue (assuming all Warrants exercised)		Shareholding after Rights cum Warrants Issue (assuming only Phileo Capital and its concert parties exercise Warrants)	
	(No. of Shares)	%	(No. of Shares)	(No. of Shares)	%	(No. of Shares)	(No. of Shares)	%	(No. of Shares)	%
Phileo Capital and its concert parties	542,980,440	47.21	180,993,480	723,973,920	47.21	361,986,960	1,085,960,880	47.21	1,085,960,880	57.29
Other Undertaking Shareholders	358,208,955	31.14	119,402,985	477,611,940	31.14	238,805,970	716,417,910	31.14	477,611,940	25.20
Other Shareholders	248,955,847	21.65	82,985,282	331,941,129	21.65	165,970,564	497,911,693	21.65	331,941,129	17.51
<b>Total Shareholding</b>	<b>1,150,145,242</b>	<b>100.00</b>	<b>383,381,747</b>	<b>1,533,526,989</b>	<b>100.00</b>	<b>766,763,494</b>	<b>2,300,290,483</b>	<b>100.00</b>	<b>1,895,513,949</b>	<b>100.00</b>

In the Maximum Subscription Scenario,

1. Assuming that all shareholders subscribe for their pro-rata entitlement of Rights Shares cum Warrants and subsequently fully exercise all the warrants, there is no change in the percentage of shareholding interest in Phileo Capital and its concert parties upon the completion of the entire exercise.
2. However, assuming that the Rights Shares cum Warrants Issue is fully subscribed by all shareholders, but only Phileo Capital and its concert parties exercise their Warrants, Phileo Capital will have a shareholding interest in approximately 57.29% of the enlarged issued share capital of the Company upon the completion of the entire exercise.