

**GLOBAL DRAGON LIMITED**

(formerly known as TMC Education Corporation Ltd.)

Company Registration No.: 198102945K

(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 175,435,935 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A RIGHTS ISSUE PRICE OF S\$0.0675 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY EACH SHAREHOLDER OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Global Dragon 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 issue (the "**Proposed Rights Issue**") of up to 175,435,935 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at a rights issue price of S\$0.0675 for each Rights Share (the "**Rights Issue Price**"), on the basis of one (1) Rights Share for every three (3) ordinary shares in the capital of the Company (the "**Shares**") held by Eligible Shareholders (as defined herein) as at the books closure date to be determined (the "**Books Closure Date**"), fractional entitlements to be disregarded.

2. PROPOSED RIGHTS ISSUE

Terms of the Proposed Rights Issue

- 2.1. The Company is proposing to undertake the Proposed Rights Issue to be made on a renounceable non-underwritten basis of one (1) Rights Share for every three (3) ordinary shares held by Eligible Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the issued share capital of the Company of 526,307,806 Shares as of the date of this announcement, the Company is proposing to issue up to 175,435,935 Rights Shares in the share capital of the Company.
- 2.2. The Proposed Rights Issue will be undertaken pursuant to the share issue mandate approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on 26 October 2018 (the "**General Mandate**"). As the maximum number of Rights Shares (being 175,435,935 Rights Shares) to be issued pursuant to the Proposed Rights Issue is within the number of Shares that can be issued on a *pro rata* basis pursuant to the General Mandate, the Company will not be seeking specific approval from the Shareholders for the Proposed Rights Issue.
- 2.3. The Rights Shares will be issued at S\$0.0675 for each Rights Share.
- 2.4. The Rights Issue Price represents:
- (a) a premium of approximately 12.5% to the closing price of S\$0.06 per Share (the "**Closing Price**") for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 21 December 2018, being the last full market day on which the Shares were traded on the SGX-ST prior to the release of this announcement; and

- (b) a premium of approximately 9.1% to the theoretical ex-rights price¹ of S\$0.0619 per Share.
- 2.5. The Rights Shares are payable in full upon acceptance and 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 that may be declared or paid, the record date for which falls on or before the date of issue of the Rights Shares.
- 2.6. The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement (the "**Offer Information Statement**") to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the "**Authority**"), and to be despatched by the Company to Eligible Shareholders in due course.

Rationale For The Proposed Rights Issue and Use Of Proceeds

- 2.7. The Company is undertaking the Proposed Rights Issue to finance the Company's core business of property development and property investment, which involves real estate development, investment and related activities undertaken by the Group (the "**Property Business**") and to strengthen the financial position of the Group. The Proposed Rights Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company. The Net Proceeds (as defined herein) arising from the allotment and issuance of the Rights Shares will be used towards expanding/growing the Property Business of the Company, and for general working capital purposes.
- 2.8. There is no minimum amount to be raised from the Proposed Rights Issue. For the purposes of Rule 814(1)(e) of the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the "**Catalist Rules**"), (i) the Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and the Proposed Rights Issue is being undertaken for the reason 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 Proposed Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.
- 2.9. Assuming that the Proposed Rights Issue is fully subscribed by all Shareholders (i.e. the Maximum Subscription Scenario), based on the issued and paid-up share capital of the Company comprising of 526,307,806 Shares as at the date of this announcement (the "**Existing Share Capital**"), up to 175,435,935 Rights Shares may be issued pursuant to the Proposed Rights Issue.
- 2.10. Assuming that none of the Shareholders other than the Undertaking Shareholder (as defined in Section 2.17) subscribes for its entitlement to the Rights Shares pursuant to the Irrevocable Undertakings (as defined herein) (i.e. the Minimum Subscription Scenario), a minimum of 99,735,000 Rights Shares may be issued pursuant to the Proposed Rights Issue.
- 2.11. In the event of the Maximum Subscription Scenario, the Proposed Rights Issue, based on the Existing Share Capital and the Rights Issue Price, will raise approximately S\$11.84 million and the estimated net proceeds, after deducting estimated costs and expenses of S\$0.10 million relating to the Proposed Rights Issue (the "**Net Proceeds**"), is approximately S\$11.74 million.
- 2.12. In the event of the Minimum Subscription Scenario, the Proposed Rights Issue, based on the Existing Share Capital and the Rights Issue Price, will raise approximately S\$6.73 million and the estimated Net Proceeds, after deducting estimated costs and expenses of S\$0.10 million relating to the Proposed Rights Issue, is approximately S\$6.63 million.

¹ The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Closing Price, and the number of Shares following completion of the Rights Issue.

- 2.13. The Company intends to use the Net Proceeds as set out below, based on two different assumptions: (1) Maximum Subscription Scenario and (2) Minimum Subscription Scenario:

Use of Net Proceeds	Maximum Subscription Scenario		Minimum Subscription Scenario	
	Amount (S\$'million)	Percentage of Net Proceeds (%)	Amount (S\$'million)	Percentage of Net Proceeds (%)
Expansion/Growth of the Property Business	10.74	91.5	5.63	84.9
General working capital purposes	1.00	8.5	1.00	15.1
Total	11.74	100.0	6.63	100.0

- 2.14. Pending the deployment of the Net Proceeds raised from the Proposed Rights Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.
- 2.15. The Company will make periodic announcements on the use of the proceeds from the Proposed Rights Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Proposed Rights Issue and where such proceeds have been used for working capital, a breakdown with specific details on how the proceeds have been applied from the Proposed Rights Issue in the interim and full year financial statements issued pursuant to Rule 705 of the Catalist Rules and in the annual report(s) of the Company, until such time the proceeds have been fully utilised. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

Irrevocable Undertakings

- 2.16. As at the date of this announcement, the Company's controlling shareholder, JK Global Assets Pte. Ltd., has a direct interest in 374,003,000 Shares, equivalent to 71.06% of the Existing Share Capital of the Company.
- 2.17. To demonstrate its commitment to the Company and its support for the Proposed Rights Issue, JK Global Assets Pte. Ltd. (the "**Undertaking Shareholder**") had, by the Letter of Undertakings dated 28 December 2018, irrevocably undertaken, *inter alia*, to:
- (a) subscribe and/or procure the subscription and payment for not less than 80% of its entitlement under the Proposed Rights Issue of a minimum of 99,735,000 Rights Shares at the Rights Issue Price; and
 - (b) ensure that none of the 374,003,000 Shares that it owns or controls as at the date of the Letter of Undertakings are disposed of during the period between the date of the Letter of Undertakings and the date of issue of the Rights Shares.

(the "**Irrevocable Undertakings**").

- 2.18. The Irrevocable Undertakings are subject to:
- (a) the lodgment of the Offer Information Statement relating to the Proposed Rights Issue with the SGX-ST acting as agent on behalf of the Authority; and
 - (b) the listing and quotation notice for, among others, the Rights Shares being obtained from the SGX-ST and not withdrawn or revoked on or prior to the completion of the

Proposed Rights Issue, and if such approval is subject to conditions, such conditions being acceptable to the Company.

- 2.19. In view of the Irrevocable Undertakings provided, cost savings in respect of underwriting fees and the amount to be raised from the Proposed Rights Issue under the Minimum Subscription Scenario, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis.

Applications and Approvals

- 2.20. The Proposed Rights Issue is subject to, among others, the following conditions:
- (a) the receipt of the listing and quotation notice of the SGX-ST for the dealing in, listing of and quotation of the Rights Shares on the SGX-ST, and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Proposed Rights Issue;
 - (b) the lodgment of the Offer Information Statement relating to the Proposed Rights Issue with the SGX-ST acting as agent on behalf of the Authority; and
 - (c) all other necessary consents, approvals and waivers required from any person, government whether Singapore or foreign, any department, ministry or agency of any government, financial institution and any other governmental, regulatory, administrative, fiscal, monetary or judicial body and all agreements applicable to the Company, its subsidiaries or associated company and/or applicable laws, rules and regulations for the Proposed Rights Issue and are necessary to implement the transactions contemplated pursuant to the Proposed Rights Issue having been obtained either unconditionally or on conditions satisfactory to the Company acting in the best interests of the Shareholders and not having been withdrawn or revoked.
- 2.21. The Company has yet to make an application for the admission to and the listing and quotation of the Rights Shares on the sponsor-supervised listing platform of the SGX-ST. SAC Capital Private Limited, as the sponsor of the Company, will be making an application on behalf of the Company to obtain the approval of the SGX-ST for the admission to and the listing and quotation of the Rights Shares.

Eligibility To Participate In The Proposed Rights Issue

2.22. Eligible Depositors

Shareholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with Shares as at the Books Closure Date (the "**Depositors**") will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date. To be "**Eligible Depositors**", Depositors must have registered addresses in Singapore with CDP as at 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 three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

2.23. Eligible Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the "**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 Books Closure Date by the Company (at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962), in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

To be "**Eligible Scripholders**", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Company (at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962) with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

2.24. **Eligible Shareholders**

Eligible Depositors and Eligible Scripholders shall be collectively referred to as "**Eligible Shareholders**" in this announcement.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Proposed Rights Issue.

2.25. **Supplementary Retirement Scheme ("SRS")**

Members under the SRS (the "**SRS Members**") who bought their Shares previously using their account opened with the relevant approved bank (the "**SRS Account**") and who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such SRS Members who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares using SRS monies (if applicable), must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) on their behalf in accordance with the Offer Information Statement. **Any application made directly to CDP or through automated teller machines of any participating bank appointed and named in the Offer Information Statement by such Eligible Shareholders will be rejected.** For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Such Eligible Shareholders should refer to the Offer Information Statement to be lodged with the SGX-ST (acting as agent of the Authority) for important details relating to the offer procedure in connection with the Proposed Rights Issue.

2.26. **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Proposed Rights Issue is only made in Singapore and the Rights Shares 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 the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**"). The Offer Information Statement to be issued in relation to and for the purposes of the Proposed Rights Issue and the accompanying documents will not be mailed outside Singapore and accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue and no provisional allotment of Rights Shares will be made to Foreign Shareholders. No purported acceptance thereof or application for any excess Rights Shares therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers may not accept any “nil-paid” rights credited to their securities account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. 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 expenses expected to be incurred. The net proceeds from all such sales will be dealt with in accordance with the terms set out in the Offer Information Statement.

2.27. **Acceptance, Excess Application and Payment Procedures**

Eligible 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 on the SGX-ST during the “nil-paid” rights trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue. Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Eligible 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 otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will be given to Eligible Shareholders for rounding of odd lots, and Directors and substantial 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 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. The Company will also not make any allotment or issuance of any excess Rights Shares that will result in a transfer of controlling interest in the Company.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

Interests of Directors and Substantial Shareholders

- 2.28. Save as disclosed below, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Rights Issue (other than through their respective shareholdings in the Company, if any).
- 2.29. As at the date of this announcement, the interests of the Directors in the issued and paid-up capital of the Company as recorded in the Register of Directors’ Shareholdings maintained pursuant to Section 164 of the Companies Act, Chapter 50 of Singapore, (the “**Companies Act**”) and the interests of the substantial Shareholders in the issued and paid-up capital of the

Company as recorded in the Register of Substantial Shareholder(s) maintained pursuant to Section 88 of the Companies Act are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Koh Kian Soo ^{(1), (3)}	-	-	30,000,000	5.70
Tan Chee Wee (Chen Zhiwei)	-	-	-	-
Woo Peng Kong	-	-	-	-
Kwan Chee Wai	-	-	-	-
Pan Pei Say	-	-	-	-
Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Koh Kian Soo ^{(1), (3)}	-	-	30,000,000	5.70
JK Global Assets Pte. Ltd. ⁽²⁾	374,003,000	71.06	-	-
Koh Wee Meng ^{(2), (3)}	-	-	374,003,000	71.06
Ko Lee Meng ^{(1), (3)}	30,000,000	5.70	-	-

Notes:

- (1) Koh Kian Soo is deemed to be interested in the ordinary voting shares in the Company held by his spouse, Ko Lee Meng, by virtue of Section 7 of the Companies Act (Chapter 50 of Singapore).
- (2) Koh Wee Meng is deemed to be interested in the ordinary voting shares in the Company held by JK Global Assets Pte. Ltd. by virtue of him being the sole shareholder of JK Global Assets Pte. Ltd.
- (3) Koh Wee Meng is the brother of Ko Lee Meng and the brother-in-law of Koh Kian Soo.

3. 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 Issue and the Group, 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.

4. TRADING CAUTION

The Board would like to advise Shareholders that the completion of the Proposed Rights Issue is subject to certain conditions being fulfilled and there is no certainty or assurance as at the date of this announcement that the Proposed Rights Issue will be completed or that no changes will be made to the terms thereof. Accordingly, Shareholders are advised to exercise caution in dealings with the Shares. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company in connection with the Proposed Rights Issue carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Koh Kian Soo
Executive Chairman
31 December 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

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

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