

## GRP LIMITED

(Company Registration No: 197701449C)  
(Incorporated in the Republic of Singapore)

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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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### 1. INTRODUCTION

- 1.1 The Board of the Company wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue of up to 69,760,022 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.25 for each Rights Share (the "**Issue Price**"), with up to 69,760,022 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\$0.25 for each New Share (the "**Exercise Price**"), on the basis of one (1) Rights Share for every two (2) 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 for the purpose of determining the Shareholders' entitlement (the "**Books Closure Date**"), fractional entitlements to be disregarded, with one (1) free Warrant for every one (1) Rights Share subscribed by the Shareholders (the "**Rights cum Warrants Issue**").
- 1.2 The Company will be seeking specific approval from the Shareholders at an extraordinary general meeting of the Company ("**EGM**") to be convened to approve the Rights cum Warrants Issue. A circular setting out, amongst other things, the details of, and other relevant information pertaining to the Rights cum Warrants Issue (the "**Circular**"), together with the notice of the EGM, will be despatched to the Shareholders in due course.

### 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 two (2) existing Shares held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, with one (1) Warrant for every one (1) Rights Share subscribed.

Based on the Company's issued and paid-up share capital of 139,520,044 Shares as at the date of this announcement, the Company will issue up to 69,760,022 Rights Shares with 69,760,022 free Warrants.

#### 2.2 Issue Price and Exercise Price

The Issue Price of S\$0.25 for each Rights Share and the Exercise Price of S\$0.25 for each New Share both represent a discount of: (i) approximately 21.88% to the closing price of S\$0.32 per Share on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 23 May 2016 (being the market day the Shares were last transacted prior to the release of this announcement); and (ii) approximately 15.82% to the theoretical ex-rights price of S\$0.297 per Share (before any exercise of the Warrants).

#### 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 69,760,022 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 first (1<sup>st</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 Official List of the SGX-ST under the book-entry (scripless) settlement system. The listing of and quotation for the Warrants on the Official List of the SGX-ST, if approved, is expected to be subject to there being a sufficient spread of holdings for the Warrants to provide an orderly market for the Warrants. Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.

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 Eligibility of Shareholders to Participate in the Rights cum Warrants Issue

### 2.5.1 Entitled Shareholders

The Company proposes to provisionally allot Rights Shares with Warrants 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).

### 2.5.2. Entitled Depositors

Shareholders whose Shares are registered in the name of The Central Depository (Pte) Limited (“**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. “**Entitled Depositors**” are Depositors whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

### 2.5.3. 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, Intertrust Singapore Corporate Services Pte. Ltd. (the "**Share Registrar**") at 3 Anson Road #27-01 Springleaf Tower Singapore 079909 will be registered to determine the provisional entitlements of the transferee (a "**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. "**Entitled Scripholders**" are Scripholders whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

#### 2.5.4 **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.

In the allotment of excess Rights Shares with Warrants, preference will be given to the 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 Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority.

#### 2.5.5 **CPF Investment Scheme**

Persons who bought their Shares previously using their Central Provident Fund account savings ("**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 (as defined below). CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

#### 2.5.6 **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 to be issued by the Company for the Rights cum Warrants Issue (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 Official List of the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants 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 (after deducting any applicable brokerage, commissions and expenses, including goods and services tax), will be aggregated and thereafter distributed to the Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the Official List 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.

### 3. THE IRREVOCABLE UNDERTAKING AND WHITEWASH RESOLUTION

#### 3.1 IRREVOCABLE UNDERTAKING

- 3.1.1 As at the date of this announcement, Mr Kwan Chee Seng (the “**Undertaking Shareholder**”) holds 40,715,960 Shares, representing approximately 29.18% of the issued share capital of the Company. The Undertaking Shareholder is an executive Director and the controlling shareholder of the Company.

To show his support for the Rights cum Warrants Issue and to demonstrate his commitment to the Company, the Undertaking Shareholder has furnished an irrevocable undertaking dated 24 May 2016 (the “**Irrevocable Undertaking**”) to the Company that, among others:

- (i) he will subscribe and pay for all his entitlement of 20,357,980 Rights Shares by the closing date of the Rights cum Warrants Issue (“**Closing Date**”);
- (ii) that he will not sell, transfer or otherwise deal with any of the 40,715,960 Shares that he owns or controls as at the date of the Irrevocable Undertaking, during the period between the date of the Irrevocable Undertaking and the date of issue of the Rights Shares; and
- (iii) he will vote in favour of the Rights cum Warrants Issue at the EGM.

The Undertaking Shareholder will furnish a confirmation of his financial resources from a financial institution to the Company pursuant to the Irrevocable Undertaking.

- 3.1.2 For illustrative purposes only, depending on the level of subscription of the Rights cum Warrants Issue, the shareholding of the Undertaking Shareholder after the completion of the Rights cum Warrants Issue is set out below:

- (a) Based on the issued and paid-up share capital of the Company as at the date of this announcement comprising 139,520,044 Shares (“**Existing Share Capital**”), and assuming that all Entitled Shareholders subscribe in full for their entitlements, the Company will issue 69,760,022 Rights Shares and 69,760,022 Warrants (the “**Maximum Subscription Scenario**”) as follows:

	Number of Shares held as at the date of this announcement	Shareholding (%)	Rights entitlement to be subscribed	Assuming none of the Warrants are exercised		Assuming all of the Warrants are exercised		Assuming only Mr Kwan exercised the Warrants	
				Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Kwan Chee Seng	40,715,960	29.18	20,357,980	61,073,940	29.18	81,431,920	29.18	81,431,920	35.46
Other Shareholders	98,804,084	70.82	49,402,042	148,206,126	70.82	197,608,168	70.82	148,206,126	64.54
<b>Total</b>	<b>139,520,044</b>	<b>100.00</b>	<b>69,760,022</b>	<b>209,280,066</b>	<b>100.00</b>	<b>279,040,088</b>	<b>100.0</b>	<b>229,638,046</b>	<b>100.0</b>

- (b) Based on the Existing Share Capital, and assuming only the Undertaking Shareholder subscribes for his entitlement under the Irrevocable Undertaking, the Company will issue approximately 20,357,980 Rights Shares and 20,357,980 Warrants (the “**Minimum Subscription Scenario**”) as follows:

	Number of Shares held as at the date of this announcement	Shareholding (%)	Rights entitlement to be subscribed	Assuming none of the Warrants are exercised		Assuming all of the Warrants are exercised	
				Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Kwan Chee Seng	40,715,960	29.18	20,357,980	61,073,940	38.20	81,431,920	45.18
Other Shareholders	98,804,084	70.82	0	98,804,084	61.80	98,804,084	54.82
<b>Total</b>	<b>139,520,044</b>	<b>100.00</b>	<b>20,357,980</b>	<b>159,878,024</b>	<b>100.00</b>	<b>180,236,004</b>	<b>100.0</b>

3.1.3 The Irrevocable Undertaking is subject to and conditional upon, *inter alia*:

- (a) the grant of the Whitewash Waiver (as defined below) by the Securities Industry Council (“**SIC**”) and such approval not having been withdrawn or revoked on or prior to the Closing Date;
- (b) the receipt of in-principle approval from the SGX-ST and such approval not having been withdrawn or revoked on or prior to the Closing Date for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Official List 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 (as defined below) for the Whitewash Resolution (as defined below) being obtained at the EGM to be convened;
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights cum Warrants Issue, with the Monetary Authority of Singapore; and
- (a) 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 Closing Date.

### 3.2 WHITEWASH RESOLUTION

As at the date of this announcement, the Undertaking Shareholder, who is an executive director and the controlling shareholder of the Company, holds 40,715,960 Shares, representing approximately 29.18% of the issued share capital of the Company. Under the Minimum Subscription Scenario, the shareholding interest of the Undertaking Shareholder would be approximately 38.20% following his subscription of the Rights Shares and approximately 45.18% following his exercise of the Warrants. Accordingly, the subscription of the Rights Shares and New Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue will result in the Undertaking Shareholder carrying 30% or more of the voting rights of the Company and thereby incurring an obligation on his part to make a mandatory general offer for the remaining Shares not already owned by him and parties acting in concert with him pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the **"Mandatory Take-over Offer"**).

An application will be made to the SIC for the grant of a waiver to the Undertaking Shareholder and parties acting in concert with him from making a Mandatory Take-over Offer (the **"Whitewash Waiver"**). The Whitewash Waiver will be subject to the approval of the Shareholders who are deemed to be independent for the purpose of the resolution (the **"Independent Shareholders"**), by way of a poll to waive their rights to receive the Mandatory Take-over Offer from the Undertaking Shareholder and parties acting in concert with him (the **"Whitewash Resolution"**) at an EGM to be convened. An independent financial advisor will be appointed to advise the Directors who are deemed independent for the purpose of the Whitewash Resolution. The Company will make the necessary announcements upon receipt of the SIC's approval for the Whitewash Waiver and upon appointment of the independent financial advisor.

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

The Directors are proposing the Rights cum Warrants Issue as they believe that such issue will allow existing Shareholders to further participate in the expected future growth of the Group. In this regard, as stated in paragraph 2.2 of this announcement, the Company is offering each Rights Share at a discount of 21.88% to the closing price of S\$0.32 per Share on the SGX-ST on 23 May 2016 (being the market day the Shares were last transacted prior to the release of this announcement) to attract Shareholders to subscribe for their pro rata entitlements of Rights Shares with Warrants under the Rights cum Warrants Issue. The Rights cum Warrants Issue would also enable the Company to strengthen the financial position and capital base of the Group. The net proceeds arising from the Rights cum Warrants Issue will equip the Company with readily available cash resources to take advantage of opportunities that may arise and execute its business and expansion plans. With the available cash reserves, the Company will be able to participate in opportunities and business plans that require a larger cash outlay.

The Rights cum Warrants Issue is expected to raise net proceeds of up to approximately S\$17.09 million from the Rights Shares under the Maximum Subscription Scenario (the **"Net Proceeds"**), after deducting estimated expenses of approximately S\$0.35 million.

The Company intends to use the Net Proceeds from the Rights Shares (assuming the Maximum Subscription Scenario) in the following proportion:

<b>Use of Proceeds</b>	<b>Amount (S\$' million)</b>	<b>Percentage Allocation (%)</b>
To fund the purchase of lands, new investments and business expansion through acquisitions, joint ventures and/or strategic alliances	16.00	93.62
General working capital	1.09	6.38

Should the amounts raised fall below the Maximum Subscription Scenario, the use of proceeds would be reduced in proportion to the fixed percentage allocation.

Assuming all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S\$17.44 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 funding of purchase of lands and investments for property development business and/or working capital requirements.

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 other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit.

## 5. **NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**

The Rights cum Warrants Issue will not be underwritten. The Company believes that the Issue Price of S\$0.25 for each Rights Share, which represents a discount of approximately 21.88% to the closing price of S\$0.32 per Share on the Official List of the SGX-ST on 23 May 2016 (being the market day the Shares were last transacted prior to the release of this announcement) is attractive.

In addition to the above, the Directors are of the opinion that there is no minimum amount which must be raised from the Rights cum Warrants Issue. In view of the Irrevocable Undertaking as well as cost considerations, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

## 6. **APPROVALS**

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

- (a) the grant of the Whitewash Waiver by the SIC and such approval not having been withdrawn or revoked on or prior to the Closing Date;
- (b) the receipt of in-principle approval from the SGX-ST and such approval not having been withdrawn or revoked on or prior to the Closing Date for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Official List 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), to be issued by the Company 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 Closing Date.

An application will be made by the Company to the SGX-ST for the approval for listing of and quotation for the Rights Shares, the Warrants and the New Shares on the Official List of the SGX-ST and an appropriate announcement on the outcome of 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 final terms and conditions of the Rights cum Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course following the EGM, if the Rights cum Warrants Issue is approved at the EGM. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

**8. CIRCULAR AND EGM**

The Company intends to convene the EGM to seek Shareholders' approval for the Rights cum Warrants Issue. The Circular containing, *inter alia*, the notice of the EGM and details of the Rights cum Warrants Issue will be despatched to the Shareholders in due course.

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

Save as disclosed in this announcement, none of the Directors and substantial Shareholders of the Company has any interests, direct or indirect, in the Rights cum Warrants Issue (other than in his capacity as Director or Shareholder of the Company).

**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 the Circular 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 as and when appropriate.

**BY ORDER OF THE BOARD**

Kwan Chee Seng  
Executive Director  
24 May 2016