

## LCD Global Investments Ltd

Company Registration No. 197301118N  
(Incorporated in the Republic of Singapore)

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### PROPOSED RENOUNCEABLE RIGHTS ISSUE OF REDEEMABLE CONVERTIBLE BONDS

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#### 1. INTRODUCTION

The Board of Directors of LCD Global Investments Ltd (the “**Company**”) wishes to announce that the Company is proposing to carry out a renounceable rights issue (the “**Rights Issue**”) of up to S\$105,366,446 in aggregate principal amount of convertible bonds due 2020 (the “**RCB**”), on the basis of one hundred (100) RCB for every one thousand (1,000) existing ordinary shares (the “**Shares**”) in the capital of the Company held by shareholders of the Company (“**Shareholders**”) as at a time and date to be determined and announced by the Company for the purpose of determining Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Company has appointed HL Bank Singapore (“**HL Bank**”), as the manager for the Rights Issue, on the terms of and subject to the conditions contained in a management agreement entered into between the Company and HL Bank.

#### 2. THE RIGHTS ISSUE

##### 2.1 Principal Terms

Subject to the relevant approvals being obtained for the Rights Issue, the principal indicative terms of the Rights Issue, the RCB and the Conversion Shares (as defined below) are summarised below:

##### The Rights Issue

**Basis of Provisional Allotment** : The Rights Issue will be made on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one hundred (100) RCB for every one thousand (1,000) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

**Eligibility to Participate** : Please refer to paragraph 4 of this Announcement.

**Acceptance, Excess Application and Payment Procedures** : Entitled Shareholders will be at liberty to accept, decline or transfer their provisional allotments of RCB and are eligible to apply for additional RCB in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the RCB will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with such RCB that are otherwise not validly taken up by Entitled Shareholders or their respective renounee(s) or purchasers of the “nil-paid” provisional allotments of RCB, any unsold “nil-paid” provisional allotments of RCB of Foreign Shareholders (as defined below) and any RCB that are otherwise not allotted for whatever reason, in accordance with the terms and conditions contained in the Offer Information Statement (as defined below), the application forms, and (if applicable) the Memorandum and Articles of Association of the Company, be

aggregated and used to satisfy excess RCB 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 RCB, (i) preference will be given to the rounding of odd lots and (ii) 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 Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority.

The procedures for acceptance, excess application and payment by Entitled Shareholders will be set out in the Offer Information Statement.

### **The RCB and the Conversion Shares**

**Issue Size** : Up to S\$105,366,446 in aggregate principal amount of RCB due 2020 (assuming there is no change in the outstanding issued share capital of the Company as at the Books Closure Date).

As at the date of the Announcement, there are (i) 1,053,414,464 issued Shares (excluding treasury shares) and (ii) 250,000 outstanding options granted under the LCD Share Option Scheme exercisable before the Books Closure Date into new Shares (the “**Exercisable Share Options**”).

Assuming that (i) the Exercisable Share Options have been exercised in full and all new Shares are issued pursuant to such exercise and upon issue converted into 250,000 Shares by the Books Closure Date and (ii) there is no further change in the outstanding issued share capital of the Company as at the Books Closure Date, S\$105,366,446 in aggregate principal amount of RCB will be issued pursuant to the Rights Issue (the “**Maximum Issue Size**”).

Assuming that (i) none of the Exercisable Share Options are exercised before the Books Closure Date and (ii) there is no further change in the outstanding issued share capital of the Company as at the Books Closure Date, S\$105,341,446 in aggregate principal amount of RCB will be issued pursuant to the Rights Issue (the “**Minimum Issue Size**”).

**Issue Price** : 100 per cent. of the principal amount of the RCB of S\$1.00 for each RCB.

**Interest** : The RCB will bear interest at the rate of 2.50 per cent. per annum, payable semi-annually in arrear.

**Maturity Date** : The fifth anniversary of the date of issue of the RCB (the “**Maturity Date**”).

**Form and Denomination** : The RCB will be issued in registered form and in the denomination of S\$1.00 each or integral multiples thereof and will be represented by a global bond certificate registered in the name of The Central Depository (Pte) Limited (“**CDP**”), and deposited with CDP. The RCB will be subject to certain transfer restrictions set out in the Offer Information Statement and the trust deed constituting the RCB. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in the RCB represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of RCB. RCB which are represented by the global bond certificate will be transferable only in accordance with the rules and procedures for the time being of CDP and the applicable transfer restrictions.

- Conversion Terms** : Holders of RCB (“**Bondholders**”) have the right to convert any RCB into validly issued, fully-paid and unencumbered new Shares (the “**Conversion Shares**”) at any time after the date of issue of the RCB in accordance with the terms and conditions of the RCB and the requirements set forth in the trust deed constituting the RCB.
- The number of Conversion Shares to be issued on the conversion of each RCB will be determined by dividing the principal amount of each RCB by the Conversion Price (as defined below).
- Fractions of a Share will not be issued on conversion and no adjustment or cash payment will be made in respect of such fractions of Shares.
- Conversion Price** : S\$0.25, subject to adjustments under certain circumstances provided for in the terms and conditions of the RCB (the “**Conversion Price**”). This represents a discount of 3.85% over the last transacted price of the Shares on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 December 2014, being the last trading day on which trades were done on the Shares prior to the date of this Announcement.
- Conversion Shares** : Based on the Maximum Issue Size and a Conversion Price of S\$0.25, the number of Conversion Shares which may be allotted and issued by the Company pursuant to the full conversion of the RCB will be 421,465,784 Conversion Shares.
- Conversion Period** : The RCB may be converted at the prevailing Conversion Price into Conversion Shares, at the option of the Bondholder, at any time after the date of issue of the RCB up to the Maturity Date, in accordance with the terms and conditions of the RCB.
- Status of the RCB** : The RCB constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the RCB shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
- Status of the Conversion Shares** : The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which precedes the date of issue of the Conversion Shares.
- Redemption at Maturity** : Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the RCB, the Company will redeem each RCB at 100 per cent. of its principal amount on the Maturity Date.
- Delisting Put Right** : In the event the Shares cease to be listed or cease to be admitted to trading on the Main Board of the SGX-ST (a “**Delisting**”), each Bondholder shall have the right, at such Bondholder’s option, to require the Company to redeem all (but not less than all) of such Bondholder’s RCB on the 20<sup>th</sup> market day after notice has been given to Bondholders regarding the Delisting at 100 per cent. of its principal amount.
- Company Call Right** : Subject to the terms and conditions of the RCB, the RCB will be redeemable at the option of the Company in whole (but not in part) at 102.5 per cent. of its principal amount, together with any accrued interest, if at any time (i) the aggregate principal amount of the RCB

outstanding is less than 10 per cent. of the aggregate principal amount originally issued; or (ii) after the second anniversary of the date of issue of the RCB but before the Maturity Date.

**Listing of the RCB and the Conversion Shares** : An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation for the RCB and the Conversion Shares. An announcement on the outcome of the application will be made in due course.

For the avoidance of doubt, the listing of the RCB is subject to there being a sufficient spread of holdings to provide for an orderly market in the RCB. The Rights Issue is conditional upon the approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST having been granted and not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company but the Rights Issue is not conditional upon the SGX-ST's approval for the listing of the RCB having been granted (provided that if approval in-principle of the SGX-ST for the listing and quotation of the RCB is granted subject to conditions, the Rights Issue is further conditional upon such conditions being acceptable to the Company).

**Trading of the RCB and the Conversion Shares** : Upon the listing and quotation for the RCB and Conversion Shares on the Main Board of the SGX-ST, the RCB and Conversion Shares, when issued, will be traded on the Main Board of the SGX-ST under the book entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of RCB will comprise 1,000 RCB with a face value of S\$1,000 and each board lot of Conversion Shares will comprise 1,000 Shares, save that, if a smaller board lot is permitted by the SGX-ST, each board lot will comprise such smaller number of RCB with a correspondingly smaller face value and each board lot of Conversion Shares will comprise a correspondingly smaller number of Shares.

**Governing law** : Laws of Singapore.

The terms and conditions of the Rights Issue, the RCB and the Conversion Shares may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue, the RCB and the Conversion Shares will be contained in the offer information statement and its accompanying documents (if applicable) (the "**Offer Information Statement**") to be lodged with the Monetary Authority of Singapore ("**MAS**") and despatched by the Company to Entitled Shareholders in due course.

## **2.2 Approvals**

The Rights Issue is subject to the following:

- (i) the approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST having been granted and not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company but the Rights Issue is not conditional upon the SGX-ST's approval for the listing of the RCB having been granted (provided that if approval in-principle of the SGX-ST for the listing and quotation of the RCB is granted subject to conditions, the Rights Issue is further conditional upon such conditions being acceptable to the Company); and
- (ii) the lodgement of the Offer Information Statement with the MAS.

### 3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

Based on the Minimum Issue Size, the gross proceeds from the Rights Issue will be approximately S\$105.34 million. Based on the Maximum Issue Size, the gross proceeds from the Rights Issue will be approximately S\$105.37 million. The Company estimates, after deducting estimated costs and expenses associated with the Rights Issue, the net proceeds from the Rights Issue (the “**Net Proceeds**”) to be between approximately S\$104.44 million (based on the Minimum Issue Size) and approximately S\$104.47 million (based on the Maximum Issue Size).

The Company intends to use the majority of the Net Proceeds to enhance its existing assets, particularly those in its hotels and resorts and serviced residences businesses and/or for business acquisitions as and when suitable opportunities arise. The remainder of the Net Proceeds is intended to be applied towards general working capital purposes.

Accordingly, the Net Proceeds will be applied as follows:

Intended Use of Net Proceeds	Percentage Allocation
Enhancement of assets and/or business acquisitions	80%
Working capital	20%

In the opinion of the Directors, notwithstanding the Irrevocable Undertaking (as defined below), there is no minimum amount that needs to be raised from the Rights Issue taking into consideration the intended use of proceeds.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of such proceeds in the Company’s annual report.

### 4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

#### 4.1 Entitled Shareholders

The Company proposes to provisionally allot the RCB to all Shareholders who are eligible to participate in the Rights Issue (the “**Entitled Shareholders**”), comprising Entitled Depositors and Entitled Scripholders (both terms as defined below).

##### Entitled Depositors

Shareholders whose Securities Accounts with CDP are credited with Shares as at the Books Closure Date (the “**Entitled Depositors**”) will be provisionally allotted the RCB 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 “Entitled Depositors”, depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with addresses in Singapore for the service of notices and documents, 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 RCB entitlements.

##### Entitled Scripholders

Shareholders whose Share certificates have not been deposited in the name of CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Share Registrar**”) valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose 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 in respect of the Rights Issue (the “**Entitled Scripholders**”) will be provisionally allotted RCB on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be “Entitled Scripholders”, Shareholders whose Share certificates have not been deposited in the name of CDP 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 Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 with addresses in Singapore for the service of notices and documents, 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 RCB entitlements.

All dealings in and transactions of the “nil-paid” provisional allotments of the RCB through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters to be issued to Entitled Scripholders setting out their provisional allotments of RCB under the Rights Issue (“**PALS**”) will not be valid for delivery pursuant to trades done on the SGX-ST.

The RCB will be represented by a global bond certificate registered in the name of, and deposited with CDP and, except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in RCB represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of RCB. Accordingly, Entitled Scripholders who wish to accept their provisional allotments of RCB and apply for excess RCB must open Securities Accounts if they have not already done so, and provide their Securities Account numbers in the forms comprised in their PALS. Entitled Scripholders who fail to provide their Securities Account numbers in the forms comprised in their PALS or who have given incorrect or invalid Securities Account numbers or whose Securities Account numbers provided are not otherwise accepted by CDP for the credit of their RCB or whose particulars as provided in the forms comprised in the PALS differ from those given to CDP for the opening of their Securities Accounts will have their acceptances of their provisional allotments of RCB and applications for excess RCB rejected.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their Share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of RCB. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12<sup>th</sup> market day from the date of lodgement of the Share certificates with CDP or such later date as CDP may determine.

The Company has not applied for inclusion of the RCB under the Central Provident Fund (“**CPF**”) Investment Scheme – Ordinary Account. Accordingly, CPF members under the CPF Investment Scheme – Ordinary Account CANNOT use their CPF funds for the payment of the Issue Price to accept their provisional allotments of RCB and (if applicable) apply for excess RCB. CPF members are NOT permitted to use their CPF funds to (a) purchase the “nil-paid” provisional allotments of RCB traded on the SGX-ST; (b) pay the Issue Price to accept their provisional allotments of RCB and (if applicable) apply for excess RCB, or (c) purchase the RCB traded on the SGX-ST (the listing thereof subject to there being a sufficient spread of holdings).

Such CPF members who have previously bought their Shares using CPF funds and wish to accept their provisional allotments of RCB and (if applicable) apply for excess RCB will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the RCB on their behalf using cash and in accordance with the Offer Information Statement. Any acceptance of the RCB and (if applicable) application for excess RCB made directly to CDP or through electronic applications by such CPF members who have previously bought their Shares using CPF funds, will be rejected. The RCB and, upon conversion of the RCB, the Conversion Shares arising therefrom, will not be held through the CPF Investment Accounts.

## **4.2 Foreign Shareholders and Foreign Purchasers**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the RCB and the Conversion 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 Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”), and the Offer Information Statement will not be despatched to

Foreign Shareholders. Accordingly, no provisional allotments of the RCB will be made to Foreign Shareholders and no purported acceptance thereof of application therefor by Foreign Shareholders will be valid.

The Offer Information Statement will also not be despatched to persons purchasing the “nil-paid” provisional allotments of RCB through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the RCB credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company further reserves the right to reject any acceptances of the RCB and/or applications for excess RCB where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

To the extent it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the provisional allotments of RCB 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 RCB 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 expenses to be incurred.

The net proceeds from such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and thereafter distributed to 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, save that no payment will be made of amounts of less than S\$10.00 to a single or joint Foreign Shareholder which will ultimately accrue to the benefit of the Company and no Foreign Shareholder shall have any claim whatsoever.

Where such provisional allotments of RCB are sold “nil-paid” on 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, CDP or the Share Registrar in respect of such sales or proceeds thereof, the provisional allotments of RCB or the RCB represented by such provisional allotments.

If such “nil-paid” provisional allotments cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the “nil-paid” provisional allotments of the RCB, the RCB represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith. The special arrangements described above will apply only to Foreign Shareholders.

## 5. IRREVOCABLE UNDERTAKING

As at the date of this Announcement, JTrust Asia Pte. Ltd. (the “**Undertaking Shareholder**”) holds an aggregate of 310,475,205 Shares, representing approximately 29.5% of the total Shares of the Company.

To demonstrate its commitment to the Company, the Undertaking Shareholder has irrevocably undertaken to, *inter alia*:

- (i) subscribe or procure subscription(s) in full for its *pro rata* entitlement to the RCB under the Rights Issue; and
- (ii) in the event there are RCB not subscribed for, to subscribe for all of such unsubscribed RCB

(the “**Irrevocable Undertaking**”).

The Irrevocable Undertaking is subject to and conditional upon the following:

- (i) the approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST having been granted and not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company but the Irrevocable Undertaking is not conditional upon the SGX-ST's approval for the listing of the RCB having been granted (provided that if approval in-principle of the SGX-ST for the listing and quotation of the RCB is granted subject to conditions, the Irrevocable Undertaking is further conditional upon such conditions being acceptable to the Company); and
- (ii) the lodgement of the Offer Information Statement with MAS.

In light of the Irrevocable Undertaking, the Company has not entered into any underwriting arrangement or agreement with any person.

## **6. TAKEOVER IMPLICATIONS**

The Singapore Code on Takeovers and Mergers (the "**Code**") regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the company; or
- (ii) any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the company and such person, or any party acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstance of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of and conversion of the RCB into Conversion Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers.

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

**Iris Wu Hwee Tan**  
**Company Secretary**

5 December 2014