



(Incorporated in the Republic of Singapore)

(Company Registration No. 200009059G)

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- (A) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**
- (B) **PROPOSED DIVERSIFICATION OF THE GROUP'S CORE BUSINESSES TO INCLUDE THE NEW BUSINESSES (AS DEFINED BELOW)**
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**1. Introduction**

- 1.1 The board of directors (the "**Board**") of mDR Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing a renounceable non-underwritten rights cum warrants issue of up to 100,225,928,672 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.001 for each Rights Share (the "**Issue Price**"), with up to 300,677,786,016 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 "**Warrant Share**") at the Exercise Price (as defined below) for each Warrant Share, on the basis of eight (8) Rights Shares for every one (1) ordinary share in the capital of the Company ("**Share**") held by the shareholders of the Company ("**Shareholders**") (the "**Rights Issue**") and three (3) Warrants (comprising one (1) Tranche 1 Warrant, one (1) Tranche 2 Warrant and one (1) Tranche 3 Warrant (all as defined below)) for every one (1) Rights Share validly subscribed (the "**Warrants Issue**") as at a books closure date to be determined, at and on which the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares with Warrants of the Entitled Shareholders (as defined below) (the "**Books Closure Date**"), fractional entitlements to be disregarded.
- 1.2 The Rights Issue and the Warrants Issue shall be referred to as the "**Rights cum Warrants Issue**".
- 1.3 The Company will be seeking approval from the Shareholders for, *inter alia*, the allotment and issue of the Rights Shares, the Warrants and the Warrant Shares at an extraordinary general meeting of the Company to be convened ("**EGM**") as the allotment and issue of the Rights Shares, the Warrants and the Warrant Shares pursuant to the Rights cum Warrants Issue exceeds the limits set under the current general share issue mandate of the Company approved by the Shareholders in the annual general meeting of the Company held earlier on 28 April 2017.
- 1.4 The Company will also be seeking the approval of the Shareholders for the Proposed Diversification (as defined below) of the Group's current core businesses to include the New Businesses (as defined below) at the EGM.

## 2. Proposed Principal Terms of the Rights cum Warrants Issue

### 2.1 Pursuant to the Rights cum Warrants Issue:

- (a) up to 100,225,928,672 Rights Shares will be offered at the Issue Price, on the basis of eight (8) Rights Shares for every one (1) Share held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded; and
- (b) three (3) Warrants (comprising one (1) Tranche 1 Warrant, one (1) Tranche 2 Warrant and one (1) Tranche 3 Warrant) for every one (1) Rights Share subscribed. Each Warrant carries the right to subscribe for one (1) Warrant Share.

### 2.2 Based on the Company's issued and paid-up share capital of 12,528,241,084 Shares as at the date of this announcement and assuming no new Shares are issued on or prior to the Books Closure Date and all Entitled Shareholders (as defined below) subscribe in full and pay for their *pro rata* entitlements of Rights Shares with Warrants and subsequently exercise all the Warrants, the Company will issue 100,225,928,672 Rights Shares with 300,677,786,016 Warrants and 300,677,786,016 Warrant Shares under the Rights cum Warrants Issue. The Rights cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

### 2.3 The Rights Issue

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or (in the case of Entitled Depositors (as defined below)) trade their provisional allotments of Rights Shares with Warrants on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") during the provisional allotment trading period prescribed by the SGX-ST 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' provisional allotments of Rights Shares with Warrants and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

In the allotment of excess Rights Shares with Warrants not subscribed for in the Rights cum Warrants Issue ("**Excess Rights Shares with Warrants**"), preference will be given to Shareholders for the rounding of odd lots, whereas directors of the Company ("**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 a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will not make any allotment and issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

The Rights Shares with Warrants will be payable in full upon acceptance and/or application. The Rights Shares with Warrants, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares or Warrant Shares (as the case may be). For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

The Issue Price is proposed to be S\$0.001 for each Rights Share. The Issue Price represents a discount of approximately:

- (a) 83.33% to the last transaction price of S\$0.006 per Share on the Mainboard of the SGX-ST on 10 August 2017, being the last full trading day of the Shares immediately preceding this announcement; and
- (b) 35.71% to the theoretical ex-rights price<sup>(1)</sup> of S\$0.0015555 per Share.

**Note:**

- (1) The theoretical ex-rights trading price is the theoretical market price of each Share (before the exercise of the Warrants) assuming the maximum 100,225,928,672 Rights Shares are issued pursuant to the Rights cum Warrants Issue, and is computed based on the last transacted price of S\$0.006 per Share on the Mainboard of the SGX-ST on 10 August 2017, being the last full trading day of the Shares immediately preceding this announcement.

## 2.4 The Warrants Issue

The Company also proposes to issue three (3) Warrants (comprising one (1) Tranche 1 Warrant, one (1) Tranche 2 Warrant and one (1) Tranche 3 Warrant) for every one (1) Rights Share validly subscribed for no consideration receivable by the Company.

The Warrants Issue will comprise three (3) tranches:

- (a) the first tranche comprises up to 100,225,928,672 free Warrants, on the basis of one (1) Warrant for every one (1) Rights Share validly subscribed (“**Tranche 1 Warrants**”);
- (b) the second tranche comprises up to 100,225,928,672 free Warrants, on the basis of one (1) Warrant for every one (1) Rights Share validly subscribed (“**Tranche 2 Warrants**”); and
- (c) the third tranche comprises up to 100,225,928,672 free Warrants, on the basis of one (1) Warrant for every one (1) Rights Share validly subscribed (“**Tranche 3 Warrants**”).

The respective exercise prices (“**Exercise Prices**”) of each tranche of the Warrants shall be at the following rates:

- (i) in respect of the Tranche 1 Warrants, S\$0.0005 per Warrant;
- (ii) in respect of the Tranche 2 Warrants, S\$0.0007 per Warrant; and
- (iii) in respect of the Tranche 3 Warrants, S\$0.0009 per Warrant.

The terms and conditions governing the Warrants will be set out in an instrument by way of a deed poll ("**Deed Poll**") and, subject to the terms therein, each Warrant will carry the right to subscribe for one (1) Warrant Share at the applicable Exercise Price during the exercise period, which shall commence from and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding:

- (1) in respect of the Tranche 1 Warrants, the first (1<sup>st</sup>) anniversary of the date of issue of the Warrants;
- (2) in respect of the Tranche 2 Warrants, the second (2<sup>nd</sup>) anniversary of the date of issue of the Warrants; and
- (3) in respect of the Tranche 3 Warrants, 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 Periods**"). The Warrants which have not been exercised at the end of the relevant Exercise Periods shall lapse and cease to be valid for any purpose.

An announcement on the expiry of the Warrants will be made and a notice will be sent to all holders of the Warrants at least one (1) month before the expiry of the relevant Exercise Period. After the issue of the Warrants, in the event of any material alteration to the terms of Warrants to the advantage of the holders of the Warrants, approval by Shareholders for such alteration(s), except where the alterations are made pursuant to the terms of the issue of the Warrants, shall be sought.

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form, subject to the terms and conditions to be set forth in the Deed Poll. The Warrants will be listed and traded separately on the SGX-ST under the book entry (scripless) settlement system. The listing of and quotation for the Warrants on the Main Board 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 Warrant 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 Exercise Prices and/or the number of Warrants to be held by each warrant holder will, after their issue, be subject to adjustments under certain circumstances (such circumstances will be set out in the Deed Poll) and appropriate announcements on the adjustments will be made by the Company.

Subject to the Deed Poll, the Exercise Prices as stated above for the Tranche 1 Warrants, the Tranche 2 Warrants and the Tranche 3 Warrants represent a discount of approximately 91.67%, 88.33% and 85.00% respectively to the last transacted price of S\$0.006 per Share on the Mainboard of the SGX-ST on 10 August 2017, being the last full trading day of the Shares immediately preceding this announcement.

- 2.5 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 including procedures, acceptances and renunciations of applications for the Rights Shares with Warrants will be contained in the offer information statement ("**OIS**") to be lodged with the Monetary Authority of Singapore ("**MAS**") and to be despatched by the Company to Entitled Shareholders in due course.
- 2.6 In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking (as defined below), there is no minimum amount which must be raised from the Rights cum Warrants Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is neither feasible nor practical for the Rights cum Warrants Issue to be underwritten by a financial institution.
- 2.7 The Undertaking Shareholder (as defined below) has undertaken to subscribe for and pay in full for and/or procure the subscription and payment in full for the Undertaking Shareholders' *pro rata* entitlements to the Rights Shares with Warrants under the Rights cum Warrants Issue in relation to Shares held by the Undertaking Shareholder as at the Books Closure Date subject to the approval of the Independent Shareholders (as defined below) of the Whitewash Resolution (as defined below) at the EGM. Please refer to paragraph 6 of this announcement for further details.

### **3. Rationale**

- 3.1 The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Group so as to pursue its growth strategy of diversification of its core businesses. In connection therewith, the Company will be seeking Shareholders' approval for the Proposed Diversification to include the New Businesses. In view of the current financial circumstances, the Company believes that the Proposed Rights cum Warrants Issue will strengthen the Company's balance sheet and a stronger financial position will also allow the Group to seize opportunities for business growth through acquisition opportunities and expansion into other business areas in a timely manner and as and when the opportunities arise, such as the New Businesses.
- 3.2 In addition, the Rights cum Warrants Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to subscribe for additional Shares.

#### 4. Use of Proceeds

##### 4.1 On the assumption that:

- (a) (i) none of the Shareholders except for the Undertaking Shareholder subscribe for their respective *pro rata* entitlements to Rights Shares with Warrants under the Rights cum Warrants Issue and (ii) the Undertaking Shareholder subscribes for the Rights Shares with Warrants under the Rights cum Warrants Issue pursuant to the Irrevocable Undertaking (as defined below) (the “**Minimum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$20.53 million in aggregate (if none of the Warrants are exercised) and approximately S\$64.26 million in aggregate (if all of the Warrants are exercised) from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.30 million; and
- (b) all Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares under the Rights cum Warrants Issue (the “**Maximum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$99.93 million in aggregate (if none of the Warrants are exercised) and approximately S\$310.40 million in aggregate (if all of the Warrants are exercised) from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.30 million.

##### 4.2 The Company intends to use the net proceeds from the Rights cum Warrants Issue (“**Net Proceeds**”) in the following manner:

- (a) approximately 80% to 100% to support the diversification of the Group’s business activities to include the New Businesses; and
- (b) up to 20% for general corporate purposes including general working capital, including but not limited to funding of new projects, capital improvements and repayment of loans, and making strategic investments and/or acquisitions.

##### 4.3 As and when there is any significant disbursement of the proceeds raised from the Rights cum Warrants Issue, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with details on how the proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason(s) for such deviation.

##### 4.4 Pending the deployment of the proceeds for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments, corporate financing or loans or for any other purposes on a short-term basis as the Directors may deem fit.

#### 5. Eligibility to Participate in the Rights cum Warrants Issue

##### 5.1 The Company proposes to provisionally allot Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights cum Warrants Issue on the basis of their shareholdings in the Company as at the Books Closure Date (“**Entitled Shareholders**”). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (both as defined below).

5.2 **“Entitled Depositors”** are Entitled Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided CDP, at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 139589, with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days (being a day on which the SGX-ST is open for trading in securities) prior to the Books Closure Date.

5.3 **“Entitled Scripholders”** are Entitled Shareholders whose share certificates are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd (**“Share Registrar”**) valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Share Registrar as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided the Share Registrar, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, with a registered address in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date.

#### 5.4 **CPF Investment Scheme**

Shareholders who have previously purchased Shares using their Central Provident Fund (**“CPF”**) account savings (**“CPF Funds”**) under the Central Provident Fund Investment Scheme (**“CPFIS”**) may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Rights Shares with Warrants and (if applicable) to apply for Excess Rights Shares with Warrants, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions in the OIS. CPF Funds may not be used to purchase provisional allotments of nil-paid Rights Shares with Warrants directly from the market.

#### 5.5 **Foreign Shareholders**

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the **“Foreign Shareholders”**) and the OIS and its accompanying documents will not be despatched to Foreign Shareholders. 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.

## 6. Irrevocable Undertaking

- 6.1 As at the date of this announcement, the number of Shares and the percentage proportion in the issued and paid-up share capital of the Company of Mr. Edward Lee Ewe Ming (“Undertaking Shareholder”) is as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Edward Lee Ewe Ming	100	N.M. <sup>(2)</sup>	2,603,371,720 <sup>(3)</sup>	20.78

**Note:**

- (1) Based on the existing issued and paid-up share capital of the Company as at the date of this announcement.
- (2) Not meaningful.
- (3) Mr Edward Lee Ewe Ming is deemed interested in 2,603,371,720 Shares held via nominee and financial institutions.

Mr. Edward Lee Ewe Ming is also the Executive Chairman and Non-Independent Executive Director of the Company.

- 6.2 As an indication of his support and commitment to the Company and the Rights cum Warrants Issue, the Undertaking Shareholder has given an undertaking (“Irrevocable Undertaking”) pursuant to which the Undertaking Shareholder shall, subject to certain conditions, irrevocably undertake to the Company that, among others:

- (a) as at the Books Closure Date, the number of Shares held by him will not be less than the number of Shares held by him on the date of the Irrevocable Undertaking;
- (b) he will vote in favour of the Rights cum Warrants Issue and the Proposed Diversification at the EGM (including an adjournment thereof) to approve, *inter alia*, the Rights cum Warrants Issue, the issue of the Rights Shares, the Warrants and the Warrant Shares and the Proposed Diversification; and
- (c) he will, not later than the last day for acceptance and payment of the Rights Shares with Warrants and subject to the approval of the Independent Shareholders (as defined below) of the Whitewash Resolution (as defined below), subscribe for and pay in full for and/or procure the subscription of and payment in full for his *pro rata* entitlement to the Rights Shares with Warrants under the Rights cum Warrants Issue in relation to the Shares held by him as at the Books Closure Date, in accordance with the terms and conditions of the Rights cum Warrants Issue.

- 6.3 The Undertaking Shareholder shall procure confirmations from financial institutions that he has sufficient financial resources to fulfil his obligations under the Irrevocable Undertaking.

- 6.4 The Irrevocable Undertaking is conditional upon, among others, the following:

- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST;



- (b) the Whitewash Waiver (as defined below) being granted by the SIC (as defined below);
- (c) the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrant Shares being approved by Shareholders at the EGM; and
- (d) the Whitewash Resolution being approved by the Independent Shareholders at the EGM.

*Resultant Shareholdings based on Maximum Subscription Scenario and Minimum Subscription Scenario*

- 6.5 Assuming the Maximum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights cum Warrants Issue will remain unchanged at approximately 20.78% of the Company's aggregate voting rights (based on the enlarged share capital of the Company after the Rights cum Warrants Issue).
- 6.6 However, assuming the Minimum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights cum Warrants Issue will increase from approximately 20.78% as at the date of this announcement to approximately 70.24% of the Company's aggregate voting rights (assuming that none of the Warrants are exercised) or approximately 89.64% (assuming that all of the Warrants are exercised) of the enlarged share capital of the Company after the Rights cum Warrants Issue.

## **7. Waiver of Mandatory Takeover**

- 7.1 Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (the "**Code**"), where (a) 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 persons acting in concert with him) carrying 30% or more of the voting rights in the Company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control ("**Mandatory Offer**").
- 7.2 Assuming the Minimum Subscription Scenario, pursuant to which the Undertaking Shareholder will subscribe to a maximum of 20,826,974,560 Rights Shares with Warrants, the aggregate shareholding interests of the Undertaking Shareholder will increase from approximately 20.78% to 70.24% immediately following the allotment and issue of such Rights Shares with Warrants or 89.64% upon the full exercise of all 62,480,923,680 Warrants by the Undertaking Shareholder.

- 7.3 Accordingly, the fulfilment by the Undertaking Shareholder of his obligations under the Irrevocable Undertaking and subscription for the Rights Shares with Warrants in connection with the Rights cum Warrants Issue may result in the Undertaking Shareholder acquiring 30.0% or more of the voting rights of the Company. In such event, the Undertaking Shareholder and parties acting in concert with him would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless the approval of a resolution ("**Whitewash Resolution**") for the waiver of the rights of the independent shareholders (being Shareholders other than the Undertaking Shareholder and parties acting in concert with him) ( "**Independent Shareholders**") to receive the Mandatory Offer for the Company from the Undertaking Shareholder and parties acting in concert with him is obtained from the Independent Shareholders.
- 7.4 In view of the above, an application has been made to the Securities Industry Council ("**SIC**") for, *inter alia*, a waiver of the obligations of the Undertaking Shareholder and the parties acting in concert with him to make the Mandatory Offer as a result of the subscription of Rights Shares with Warrants pursuant to the Rights cum Warrants Issue and the Irrevocable Undertaking (the "**Whitewash Waiver**").
- 7.5 The Company has appointed SAC Capital Private Limited as the independent financial adviser ("**IFA**") to advise the Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Whitewash Resolution for their approval at the EGM. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Shareholders' circular ("**Circular**") to be despatched to Shareholders in due course.
- 7.6 Upon receipt of the SIC's ruling on the Whitewash Waiver, the Company shall immediately make the relevant announcements.

## 8. Approvals

- 8.1 Shareholders should note that the Rights cum Warrants Issue is subject to, *inter alia*, the following conditions:
- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST and such approval not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
  - (b) the Whitewash Waiver being granted by the SIC (and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
  - (c) the Rights cum Warrants Issue, the issue of the Rights Shares with Warrants and the Warrant Shares and the Proposed Diversification being approved by Shareholders at the EGM;
  - (d) the Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
  - (e) the lodgement of the OIS with the MAS.

- 8.2 An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the approval in-principle for the Rights Shares, the Warrants and the Warrant Shares from the SGX-ST.

**9. Proposed Diversification of the Group's existing business to include the New Businesses**

- 9.1 Subject to the approval of Shareholders sought at the EGM, the Company proposes to diversify ("**Proposed Diversification**") the current core businesses of the Group, being that of:

- (a) retail and distribution of products and services of telecommunication service providers, Singtel and M1, in Singapore;
- (b) retail and distribution of mobile devices, gadgets and lifestyle accessories in Singapore;
- (c) after-market services for mobile devices and consumer electronic goods in Singapore; and
- (d) digital inkjet printing for Point-Of-Sale and Out-Of-Home advertising solutions in Malaysia,

(collectively, the "**Current Core Businesses**"), to include the following businesses:

- (i) the property business ("**Property Business**"), which includes the following activities:
  - (A) acquiring and holding investments in residential, hospitality, commercial (retail and office), industrial and any other suitable types of properties (including mixed development properties) (collectively, the "**Property Related Assets**"), and holding the Property Related Assets for long-term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities;
  - (B) trading in properties including but not limited to buying and selling of Property Related Assets with reasonable yield and/or capital growth potential;
  - (C) managing Property Related Assets by providing to property owners and/or tenants services such as regular building maintenance and repairs, facilities management and supervision of the performance of service providers and contractors; and
  - (D) any other activity related to or ancillary to the above-mentioned activities;
- (ii) the investment business ("**Investment Business**"), which includes the following activities:

- (A) investing in quoted and/or unquoted securities and various aspects of investment such as providing seed, mezzanine and other forms of capital to listed companies and/or private companies with potential of business growth and trade sales as an integral part of mergers and acquisitions, which may also include undertaking business incubation and angel investments as part of the corporate strategies and business development of the investee companies;
  - (B) trading in quoted securities (including equities trading), buying and selling of unquoted securities and/or other marketable securities;
  - (C) pre-initial public offer investments, which involve investing in shares of companies which may proceed to be listed on any internationally recognised stock exchange via initial public offerings or reverse takeovers (or similar process);
  - (D) trading and/or investing directly or indirectly in futures, commodities, bonds, notes, funds and other securities, derivatives and financial products (whether quoted on any stock exchange or unquoted);
  - (E) investing in real estate investment trusts (REITs);
  - (F) investing in private equity funds, hedge funds and funds of funds;
  - (G) providing financing and loans to corporate entities; and
  - (H) any other activity related to or ancillary to the above-mentioned activities,
- (together with the Property Business, the **"New Businesses"**).

9.2 The Proposed Diversification is part of the corporate strategy of the Company to provide Shareholders with diversified returns and long-term growth and build sustainable and scalable businesses in the respective industries and markets. The Directors believe that the Proposed Diversification will provide a more diversified business base for future growth by reducing reliance on the Group's Current Core Businesses, offer new business opportunities and place the Group in a better position to capitalise on growth prospects in both local and overseas markets, thereby enhancing Shareholders' value.

### 9.3 **Approval required from Shareholders for Major Transactions**

Pursuant to Rules 1013 and 1014 of the Listing Manual, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% (a **"Major Transaction"**). A Major Transaction must be made conditional upon approval by shareholders in general meeting.

A Major Transaction does not include an acquisition or disposal which is, or is in connection with, the ordinary course of an issuer's business or of a revenue nature. In addition, pursuant to Practice Note 10.1 of the Listing Manual, save where the acquisition changes the risk profile of the issuer, shareholders' approval is not required for a Major Transaction if the acquisition will result in an expansion of the issuer's existing core business. Practice Note 10.1 of the Listing Manual further states that the SGX-ST takes the view that it should not in normal circumstances require an issuer to seek shareholders' approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholders' approval.

With the Proposed Diversification of the Current Core Businesses to include the New Businesses, acquisitions which are in the same nature as the Company's Current Core Businesses and which will not change the risk profile of the Company, will not require the approval of the Shareholders and need not be made conditional upon the approval of the Shareholders. However, should an acquisition change the risk profile of the Company, Shareholders' approval would need to be sought and this would be notwithstanding that there is no change to the main business of the Company.

The Proposed Diversification of the Company will allow the Company, in its normal course of business, to enter into Major Transactions relating to the New Businesses and which will not change the risk profile of the Company in an efficient and timely manner, without the need for Shareholders' approval. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are Major Transactions relating to the New Businesses arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

As the Proposed Diversification is expected to change the risk profile of the Company, the Company will be seeking the approval of Shareholders in respect of the Proposed Diversification at the EGM. Further details on the Proposed Diversification will be provided in the Circular to be despatched to Shareholders in due course.

#### **10. Interests of Directors and Substantial Shareholders**

Mr. Edward Lee Ewe Ming, the Undertaking Shareholder, is the Executive Chairman and Non-Independent Executive Director of the Company. Ms. Zhang Yanmin is a substantial Shareholder of the Company and the spouse of Mr. Edward Lee Ewe Ming. Save as disclosed herein, none of the Directors nor any substantial Shareholder has any interest, whether direct or indirect, in the Rights cum Warrants Issue and/or the Proposed Diversification other than through his shareholdings in the Company (if any).

#### **11. Directors' 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 Proposed Diversification 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.

## **12. Cautionary Statement**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights cum Warrants Issue and the Proposed Diversification are subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights cum Warrants Issue or the Proposed Diversification will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

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

**Madan Mohan**  
*Company Secretary*

11 August 2017