

SAPPHIRE CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198502465W)

PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. Introduction

- 1.1 The board of directors (the “**Board**”) of Sapphire Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue of up to 81,517,978 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.128 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by the shareholders of the Company (“**Shareholders**”) (the “**Rights Issue**”) as at a books closure date to be determined by the Board, 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 of the Entitled Shareholders (as defined below) (the “**Books Closure Date**”), fractional entitlements to be disregarded. In accordance with Rule 821 of the listing manual of the Mainboard (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Books Closure Date shall only be determined after the Rights Issue has been approved by the SGX-ST.
- 1.2 The issue of the Rights Shares will not be made pursuant to the authority granted by the Shareholders under the general share issue mandate (the “**General Mandate**”) at the annual general meeting of the Company held earlier on 26 April 2018, as the Company intends to seek specific approval from the Shareholders for *inter alia*, the allotment and issue of the Rights Shares at an extraordinary general meeting of the Company to be convened (“**EGM**”). A circular (“**Circular**”) to the Shareholders containing further information on, among others, the Rights Issue, together with the notice of EGM, will be despatched to the Shareholders in due course.
- 1.3 As an indication of its support and commitment to the Company and the Rights Issue, Best Feast Limited (“**Undertaking Shareholder**”), a controlling shareholder (as defined in the Listing Manual) of the Company who directly holds 27.96% of the total number of issued Shares of the Company, has undertaken to, amongst others as contained in the Irrevocable Undertaking (as defined below), subscribe for and pay in full for and/or procure the subscription of and payment in full for, its *pro rata* entitlement to the Rights Shares in relation to Shares held by it as at the Books Closure Date, subject to the Whitewash Waiver (as defined below) being granted by the SIC (as defined below) and the approval of the Independent Shareholders (as defined below) of the Whitewash Resolution (as defined below) at the EGM (collectively, the “**Whitewash Approvals**”). Please refer to paragraph 6 of this announcement for further details
- 1.4 The Undertaking Shareholder has also indicated to the Company that further to the Irrevocable Undertaking, it may, at its sole discretion and option and subject to availability of financial resources and the receipt of the Whitewash Approvals, make applications in excess of its *pro rata* entitlements to the Rights Shares in relation to Shares held by it as at the Books Closure Date, for the provisional allotments of all excess Rights Shares not otherwise subscribed for by Entitled Shareholders (as defined below) (“**Excess Rights Shares**”). For the avoidance of any doubt, such intention of the Undertaking Shareholder is not included as part of the Irrevocable Undertaking provided to the Company.

2. Proposed Principal Terms of the Rights Issue

- 2.1 Pursuant to the Rights Issue, up to 81,517,978 Rights Shares will be offered at the Issue Price, on the basis of one (1) Rights Share for every four (4) Shares held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 Based on the Company's issued and paid-up share capital comprising 326,071,915 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, the Company will issue up to 81,517,978 Rights Shares under the Rights Issue and the share capital of the Company will increase to comprise 407,589,893 Shares. The Rights Issue cannot be withdrawn after the commencement of ex-rights trading. The Company has no outstanding convertible securities as at the date of this announcement.

2.3 The Rights Issue

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), or decline their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares, or otherwise dealt with in such manner as the directors of the Company ("**Directors**") may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Listing Manual.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas 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 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. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, 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. 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\$0.128 for each Rights Share. The Issue Price represents a discount of approximately:

- (a) 11.11% to the last transaction price of S\$0.144 per Share on the Mainboard of the SGX-ST on 24 December 2018, being the last trading day⁽¹⁾ on which the Shares were traded immediately preceding this announcement; and
- (b) 9.09% to the theoretical ex-rights price⁽²⁾ of S\$0.1408 per Share.

Note:

- (1) Please note that 24 December 2018 was a half-day trading day, being the eve of Christmas Day.
- (2) The theoretical ex-rights trading price is the theoretical market price of each Share assuming the maximum 81,517,978 Rights Shares are issued pursuant to the Rights Issue, and is computed based on the last transacted price of S\$0.144 per Share on the Mainboard of the SGX-ST on 24 December 2018, being the last trading day on which the Shares were traded immediately preceding this announcement.

- 2.4 The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue including procedures for acceptances and applications for the Rights Shares will be contained in an instructions booklet to be despatched by the Company to Entitled Shareholders (as defined below) in due course (the “**Instructions Booklet**”). A further announcement on the despatch of the Instructions Booklet will be made by the Company at the appropriate time.
- 2.5 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 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 not feasible nor practical for the Rights Issue to be underwritten by a financial institution.
- 2.6 **AS THE RIGHTS ISSUE IS MADE ON A NON-RENOUNCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES CANNOT BE RENOUNCED IN PART OR IN WHOLE IN FAVOUR OF A THIRD PARTY, OR TRADED ON THE SGX-ST.**

3. Rationale

- 3.1 Whilst the Company has been exploring various means of fundraising including external borrowings and debt instruments, the rising interest rate environment has the Company favouring an equity fundraising and undertaking the proposed Rights Issue to strengthen the financial position and capital base of the Group. In view of the current financial circumstances, the Company believes that the proposed Rights Issue will strengthen the Company's balance sheet, for which a stronger financial position will provide financial flexibility for the Group and also allow the Group to seize opportunities for business growth and expansion in a timely manner and as and when the opportunities arise.
- 3.2 In addition, the Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to invest in new equity in the Company at a discount to market valuation.

4. Use of Proceeds

- 4.1 On the assumption that:
- (a) (i) none of the Shareholders except for the Undertaking Shareholder (as defined below) subscribes for their respective *pro rata* entitlements to Rights Shares under the Rights Issue; and (ii) the Undertaking Shareholder subscribes for its *pro rata* entitlement to the Rights Shares only and not any of the Excess Rights Shares pursuant to the Irrevocable Undertaking, (the "**Minimum Subscription Scenario**"), the Company expects to receive net proceeds of approximately S\$2.46 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.46 million;
 - (b) (i) none of the Shareholders except for the Undertaking Shareholder subscribes for their respective *pro rata* entitlements to Rights Shares or any Excess Rights Shares not otherwise subscribed for by the Entitled Shareholders under the Rights Issue; and (ii) the Undertaking Shareholder subscribes for its *pro rata* entitlement to the Rights Shares pursuant to the Irrevocable Undertaking and all Excess Rights Shares not otherwise subscribed for by the Entitled Shareholders under the Rights Issue (the "**First Maximum Subscription Scenario**"), the Company expects to receive net proceeds of approximately S\$9.98 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.46 million;
 - (c) all Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares under the Rights Issue (the "**Second Maximum Subscription Scenario**"), the Company expects to receive net proceeds of approximately S\$9.98 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.46 million; and

- (d) the Undertaking Shareholder, whether solely or along with other Shareholders, subscribes for all Excess Rights Shares not otherwise subscribed by Entitled Shareholders (the “**Third Maximum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$9.98 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.46 million.
- 4.2 In all the scenarios mentioned in paragraph 4.1 above, the Company intends to use the net proceeds from the Rights Issue (“**Net Proceeds**”) in the following manner:
- (a) approximately 50.0% for making strategic investments into and the development of water and environmental management projects (“**WEM Projects**”). Such WEM Projects include public-private partnership (“**PPP**”) projects such as the “Liveable River Bank” project in Chengdu, Sichuan Province, the details of which were disclosed in the Company’s announcement dated 19 November 2018 and 30 December 2018. The Company is exploring further opportunities in such WEM Projects and the Net Proceeds will be crucial in allowing it to respond in a timely manner to opportunities as and when such opportunities present themselves through strategic investments into and the development of such projects; and
- (b) approximately 50.0% for general corporate purposes, including general corporate and/or working capital requirements of the Group.
- 4.3 As and when there is any significant utilisation and/or disbursement of the proceeds raised from the Rights 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 specific details on how the proceeds have been applied in the Company’s announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4 Pending the deployment of the proceeds raised from the Rights Issue 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, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

5. Eligibility to Participate in the Rights Issue

- 5.1 The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights 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 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, 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 Tricor Barbinder Share Registration Services (**“Share Registrar”**) at 80 Robinson Road #02-00, Singapore 068898 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 80 Robinson Road #02-00, Singapore 068898 with a registered address in Singapore, 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 Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares 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 and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet.

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 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 Instructions Booklets and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

6. Irrevocable Undertaking

- 6.1 As at the date of this announcement, Best Feast Limited, a controlling shareholder of the Company and the Undertaking Shareholder, directly holds 91,171,293 Shares, representing 27.96% of the total number of issued Shares of the Company.
- 6.2 As an indication of its support and commitment to the Company and the Rights Issue, the Undertaking Shareholder will be providing an irrevocable undertaking in favour of the Company ("**Irrevocable Undertaking**"), pursuant to which the Undertaking Shareholder will, 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 the Undertaking Shareholder will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
 - (b) it will vote in favour of the Rights Issue and the issue of the Rights Shares at the EGM (including any adjournment thereof); and
 - (c) it will, not later than the last day for acceptance and payment of the Rights Shares and subject to the approval of the Shareholders 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 its pro rata entitlement to the Rights Shares in relation to Shares held by it as at the Books Closure Date, in accordance with the terms and conditions of the Rights Issue.
- 6.3 The Undertaking Shareholder has also indicated to the Company that further to the Irrevocable Undertaking, it may, at its sole discretion and option and subject to availability of financial resources and the receipt of the Whitewash Approvals, make applications in excess of its *pro rata* entitlements to the Rights Shares in relation to Shares held by it as at the Books Closure Date, for the provisional allotments of all Excess Rights Shares. For the avoidance of any doubt, such intention of the Undertaking Shareholder is not included as part of the Irrevocable Undertaking provided to the Company.
- 6.4 The Undertaking Shareholder shall procure confirmations from financial institutions that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.

6.5 The Irrevocable Undertaking will be 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 on the Mainboard of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) the Whitewash Waiver (as defined below) being granted by the SIC (as defined below) and not having been withdrawn or revoked as at the date of completion of the Rights Issue;
- (c) the Rights Issue and the issue of the Rights Shares being approved by Shareholders at the EGM; and
- (d) the Whitewash Resolution (as defined below) being approved by the Independent Shareholders (as defined below) at the EGM.

Resultant Shareholdings based on the Minimum Subscription Scenario, First Maximum Subscription Scenario and Second Maximum Subscription Scenario

- 6.6 Assuming the Minimum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights Issue will increase from approximately 27.96% as at the date of this announcement to approximately 32.67% of the Company's aggregate voting rights of the enlarged share capital of the Company after the Rights Issue.
- 6.7 Assuming the First Maximum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights Issue will increase from approximately 27.96% as at the date of this announcement to approximately 42.37% of the Company's aggregate voting rights of the enlarged share capital of the Company after the Rights Issue.
- 6.8 Assuming the Second Maximum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights Issue will remain unchanged at approximately 27.96% of the Company's aggregate voting rights (based on the enlarged share capital of the Company after the Rights 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) carry 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 Wang Heng, the Executive Director and Chief Executive Officer of the Company, is a director of the Undertaking Shareholder, and directly holds 500,000 Shares, representing approximately 0.15% of the total number of issued Shares of the Company. Pursuant to Rule 1 of the Code, the Undertaking Shareholder and Wang Heng are deemed to be acting in concert, and accordingly, as at the date of this announcement, the Undertaking Shareholder and Wang Heng are interested in an aggregate of 91,671,293 Shares representing approximately 28.11% of the total number of issued Shares of the Company.
- 7.3 Assuming the Minimum Subscription Scenario, pursuant to which the Undertaking Shareholder will subscribe for a maximum of 22,792,823 Rights Shares under the Rights Issue, the aggregate shareholding interests of the Undertaking Shareholder and Wang Heng will increase from approximately 28.11% to 32.81% immediately following the allotment and issue of such Rights Shares and Excess Rights Shares. 7.4 Assuming the First Maximum Subscription Scenario, pursuant to which the Undertaking Shareholder will subscribe for a maximum of 81,517,978 Rights Shares under the Rights Issue pursuant to the Irrevocable Undertaking, the aggregate shareholding interests of the Undertaking Shareholder and Wang Heng will increase from approximately 28.11% to 42.49% immediately following the allotment and issue of such Rights Shares.
- 7.5 Accordingly, (a) the fulfilment by the Undertaking Shareholder of its obligations under the Irrevocable Undertaking and subscription for the Rights Shares, or (b) its fulfilment of its obligations under the Irrevocable Undertaking and subscription of the Rights Shares as well as the Excess Rights Shares (if any) in connection with the Rights Issue may result in the Undertaking Shareholder and Wang Heng acquiring thirty per cent. (30%) or more of the voting rights of the Company. In such event, the Undertaking Shareholder and Wang Heng 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 Wang Heng) (“**Independent Shareholders**”) to receive the Mandatory Offer for the Company from the Undertaking Shareholder and Wang Heng is obtained from the Independent Shareholders.
- 7.6 In view of the above, an application will be made to the Securities Industry Council (“**SIC**”) for, *inter alia*, a waiver of the obligations of the Undertaking Shareholder and Wang Heng to make the Mandatory Offer as a result of the subscription of Rights Shares and the Excess Rights Shares (if any) pursuant to the Rights Issue and the Irrevocable Undertaking (the “**Whitewash Waiver**”).

- 7.7 The Company will be appointing an 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 Circular to be despatched to Shareholders in due course.

8. Approvals

- 8.1 Shareholders should note that the Rights 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 on the Mainboard of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (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 Issue;
- (c) the Rights Issue and the issue of the Rights Shares being approved by Shareholders at the EGM; and
- (d) the Whitewash Resolution being approved by the Independent Shareholders at the EGM.

- 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 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 from the SGX-ST.

- 8.3 The Books Closure Date will also be fixed in due course after obtaining the approval in-principle of the SGX-ST, for which an announcement on the Books Closure Date will be separately made by the Company in due course.

9. Interests of Directors and Substantial Shareholders

Wang Heng, the Executive Director and Chief Executive Officer of the Company, holds direct and indirect (through Chengdu Zhong Qian Zhi Heng Management Limited (“**Chengdu Zhong Qian**”)) interests comprising an aggregate 98.64% of the total shares of Cheng Du Wu Xing Ke Trading Limited (“**Chengdu Wuxingke**”). Chengdu Wuxingke in turn holds the entire issued and paid-up share capital of the Undertaking Shareholder. Wang Heng is also a director of the Undertaking Shareholder.

Cheung Wai Suen, the Executive Chairman of the Company, holds direct interests of less than 1% of the shares of Chengdu Wuxingke and direct interests of less than 5% of the shares of Chengdu Zhong Qian.

Oh Eng Bin, the Lead Independent Non-Executive Director of the Company, is a Senior Partner at the law firm of Dentons Rodyk & Davidson LLP. A legal team from Dentons Rodyk & Davidson led by another Senior Partner thereof is advising the Company as to Singapore law in relation to the Rights Issue.

Save as disclosed herein, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Rights Issue other than through their respective shareholdings in the Company (if any).

10. 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 Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. Cautionary Statement

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue 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

Cheung Wai Suen
Executive Chairman
30 December 2018