

GLOBAL YELLOW PAGES LIMITED
(Company Registration No. 200304719G)
(Incorporated in the Republic of Singapore)

PROPOSED INVESTMENT IN FUNDPLACES PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Global Yellow Pages Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that FP Network Pte Ltd (“**Investor**” or “**FPN**”), an indirect wholly owned subsidiary of the Company, has entered into a conditional agreement (“**Subscription Agreement**”) for the subscription of ordinary shares representing in aggregate approximately 50.11% of FundPlaces Pte. Ltd. (“**FundPlaces**”) for an aggregate consideration of S\$2,003,850 (“**Subscription Consideration**”) (the “**Proposed Subscription**”).

FPN is newly incorporated in Singapore today for the purposes of the Proposed Subscription. The total issued and paid-up share capital of FPN is S\$100 comprising 100 ordinary shares, and the sole shareholder of FPN is Singapore Information Systems Pte Ltd, a wholly owned subsidiary of the Company.

It is the Company’s intention to seek additional investor(s) to invest alongside the Company for the Proposed Subscription through such additional investor(s) obtaining a stake in the Investor (“**Joint Investment in Investor**”), and if so, the Company’s financial commitment for the Proposed Subscription would be less than S\$2,003,850. As at the date of this announcement, the Company is in the process of finding such additional investor(s).

In the interests of time and to avail itself of this strategic opportunity to invest into FundPlaces for the rationale set out in paragraph 3 below, the Company has decided to first proceed with the Proposed Subscription through the Investor and to complete the First Tranche Subscription (as defined below) while sourcing for additional investor(s) to obtain a stake in the Investor before completion of the Second Tranche Subscription, Third Tranche Subscription and Fourth Tranche Subscription (as defined below). For the avoidance of doubt, even if the Company is unable to find such additional investor(s), the Investor will be obliged to complete the Proposed Subscription (after the fulfilment or waiver of the Condition Precedent (as defined below)) and the Company will after the completion of the Fourth Tranche Subscription own approximately 50.11% of FundPlaces through the Investor.

The Proposed Subscription and the Joint Investment in Investor (if applicable) is in the ordinary course of the Company’s business, and does not change the risk profile of the Group, thus it does not fall under Chapter 10 of the Listing Manual.

2. INFORMATION ON FUNDPLACES

FundPlaces is a company incorporated in Singapore on 10 February 2015 and has, at the date of this letter, an issued and paid-up capital of S\$1,090,000 comprising 1,090,000 ordinary shares.

FundPlaces leverages on blockchain technology to operate an online platform which allows investors to build a diversified real estate investment portfolio. Investors are able to participate in the development, financing or ownership of real estate projects across the world.

As at the date of this letter, the sole shareholder of FundPlaces is REMS Advisors Pte. Ltd. (“**REMS**”), a Singapore-incorporated company which engages in real estate research and consultancy services.

3. RATIONALE FOR THE PROPOSED SUBSCRIPTION

The Proposed Subscription is in the Company's ordinary course of business and part of the Company's strategy to further develop its core property business, which includes activities such as property-related investments, holding of investments in property-related assets, and property development and management ("**Property Business**"). The Company had obtained a diversification mandate from Shareholders to diversify into the Property Business at a general meeting of the Company held on 4 May 2015.

The Company completed the acquisitions of Pakuranga Plaza Limited on 4 May 2015 and a plot of freehold land at Queenstown, New Zealand ("**Queenstown Land**") on 16 November 2016. The Group had also on 23 December 2016 obtained a conditional resource consent from the Queenstown Lakes District Council to construct 225 residential dwellings and associated infrastructure and siteworks on the Queenstown Land. On 14 September 2017, the Company further announced that its wholly-owned subsidiary had entered into a conditional agreement for the proposed acquisition of a plot of land in Papakura, New Zealand, which if completed, would be the Group's third purchase of real estate.

Having a strategic stake in FundPlaces through the Proposed Subscription would allow the Group to continually leverage on the FundPlaces platform as an additional avenue for the Group to raise funds for its property development projects, which would synergistically benefit and complement the Group's Property Business.

The Group also sees significant potential in the FundPlaces platform in light of the shift of global business trends towards advancement and development in the technological and digital sphere. Through the Proposed Subscription, the Group will be able to benefit from the potential growth and success of the business of FundPlaces and further strengthen its Property Business in the interests of its shareholders ("**Shareholders**").

4. SALIENT TERMS OF THE PROPOSED SUBSCRIPTION

4.1 Subscription Consideration and Payment

The aggregate Subscription Consideration is S\$2,003,850. The Proposed Subscription will be completed over up to four (4) tranches as follows:

- (a) 273,224 Subscription Shares for a consideration of S\$499,999.92 ("**First Tranche Subscription**");
- (b) on a business day falling no later than six (6) months after the date of the First Tranche Subscription, the relevant number of Subscription Shares for a consideration of not less than S\$600,000.27. The Investor may at its sole discretion increase this amount up to the maximum amount requested by FundPlaces in a budget to be prepared by FundPlaces in respect of FundPlaces' estimated expenses and cash flow requirements at the relevant time ("**Subscription Amount Budget**"), provided that the aggregate Subscription Consideration does not exceed S\$2,003,850 ("**Second Tranche Subscription**");
- (c) on a business day falling no later than twelve (12) months after the date of the First Tranche Subscription, the relevant number of Subscription Shares for a consideration of not less than S\$499,999.92 ("**Minimum Amount**"), subject to the following principles: (i) the Investor may at its sole discretion increase this amount up to the maximum amount requested by FundPlaces in the Subscription Amount Budget, provided that the aggregate Subscription Consideration does not exceed S\$2,003,850; and (ii) the Minimum Amount will be adjusted downwards such that the aggregate Subscription Consideration does not exceed S\$2,003,850 ("**Third Tranche Subscription**"); and

- (d) on a business day falling no later than eighteen (18) months after the date of the First Tranche Subscription, the relevant number of Subscription Shares for a consideration of not less than S\$403,849.89 ("**Minimum Amount**"), provided that the Minimum Amount will be adjusted downwards such that the aggregate Subscription Consideration does not exceed S\$2,003,850 ("**Fourth Tranche Subscription**").

The Subscription Consideration was arrived at after arm's length negotiations between the Investor, FundPlaces and REMS, taking into consideration, *inter alia*, the financial position and business prospects of FundPlaces, the paid up capital of \$1,090,000, the unaudited book value and net tangible asset value of FundPlaces as at 30 November 2017 of negative S\$30,233, and the rationale for and benefits to the Group of the Proposed Subscription as set out in paragraph 3 above.

The Company intends to finance the Proposed Subscription using internal funds and/or bank borrowings.

4.2 Condition Precedent and Completion of First Tranche Subscription

Completion of the First Tranche Subscription will take place five (5) business days after the date when the following condition precedent ("**Condition Precedent**") is fulfilled or waived by the Investor, or such other date as the parties may agree:

Where the terms of any contracts contain any restriction or right to terminate as a result of the Proposed Subscription or appointment of new directors to FundPlaces, written confirmation having been obtained from the counterparties in a form and on terms (if any) satisfactory to the Investor, of the consent or waiver of such restrictions or right to terminate.

If the Condition Precedent is not fulfilled or waived by the Investor by 28 February 2018, the Subscription Agreement will be terminated.

4.3 Shareholders' Agreement

On the completion of the First Tranche Subscription, the Investor and REMS will also enter into a shareholders' agreement to regulate their relationship in and the conduct of the business of FundPlaces.

Key terms of the shareholders' agreement will include, *inter alia*, the following:

- (a) Each of the Investor and REMS will be entitled to appoint two (2) directors each to the board of FundPlaces. The Investor will be entitled to appoint the chairman of the board, whom shall have a casting vote at any board meeting in the event of an equality of votes, except for certain reserved matters.
- (b) REMS will not dispose of its shares in FundPlaces prior to an initial public offering of the shares in FundPlaces or unless certain other specified situations occur.
- (c) Subject to certain exceptions, each of REMS and the Investor will not (and will procure that their affiliates will not), without the other party's prior consent, compete with the business of FundPlaces for as long as each party remains a shareholder of FundPlaces and three (3) years thereafter.

4.4 Deeds of Covenant

On the completion of the First Tranche Subscription, Brian Wee ("**Brian**") and Tan Kok Keong ("**KK**"), Brian being the CEO of FundPlaces and both Brian and KK being shareholders of REMS and co-founders of FundPlaces, will also execute deeds of covenant in favour of the Investor

and FundPlaces, that they will not dispose of their shares in REMS prior to an initial public offering of the shares in FundPlaces or unless certain other specified situations occur.

Further, Brian and KK in their respective deeds of covenant will also undertake to the Investor and FundPlaces that subject to certain exceptions, they (and their respective affiliates) will not, without the prior consent of the Investor, compete with the business of FundPlaces for as long as REMS remains a shareholder of FundPlaces and three (3) years thereafter.

5. SERVICE CONTRACTS

No person will be appointed as a Director of the Company in connection with the Proposed Subscription and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Subscription, other than through their respective shareholdings (if any) in the Company.

Shareholders and potential investors should note that:

- (a) the Proposed Subscription is subject to, *inter alia*, the fulfilment or waiver of the Condition Precedent;
- (b) the Company is in the process of sourcing for additional investor(s) to undertake the Joint Investment in Investor. However, even if the Company is unable to find such additional investor(s), the Investor will be obliged to complete the Proposed Subscription (after the fulfilment or waiver of the Condition Precedent) and the Company will after the completion of the Fourth Tranche Subscription own approximately 50.11% of FundPlaces through the Investor,

and accordingly should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers. The Company will make further announcements on the Proposed Subscription and the Joint Investment in Investor (if applicable) as and when appropriate.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary

Dated: 29 December 2017