

ZHONGMIN BAIHUI RETAIL GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200411929C)
(the “**Company**”)

PROPOSED ISSUE OF NON-CONVERTIBLE BOND WITH AN AGGREGATE PRINCIPAL AMOUNT OF S\$8,000,000 DUE 2026 BY THE COMPANY TO THE SUBSCRIBER (AS DEFINED BELOW)

1. INTRODUCTION

The Board of Directors of Zhongmin Baihui Retail Group Ltd. (the “**Company**”, and together with its subsidiaries, collectively, the “**Group**”) wishes to announce that the Company has on 30 March 2023 entered into a bond subscription agreement (the “**Bond Subscription Agreement**”) with Dragon Elite Inc. (the “**Subscriber**”), details of which are set out in paragraph 2 below.

2. PROPOSED S\$8,000,000 BOND ISSUE

Pursuant to the Bond Subscription Agreement, the Company has agreed to issue and the Subscriber has agreed to subscribe for a non-convertible bond due in 2026 (the “**Bond**”) of an aggregate principal amount of S\$8,000,000 (the “**Proposed Bond Issue**”) on the terms and conditions of the Bond Subscription Agreement.

2.1. INTRODUCTION

The salient terms of the Proposed Bond Issue are summarised below:

Principal Amount	:	S\$8,000,000
Subscription Price	:	100% of the Principal Amount, i.e. S\$8,000,000
Maturity Date	:	The date falling three (3) years from the date of issue by the Company of, and the subscription by the Subscriber for, the Bond, unless extended pursuant to the terms of the Bond Subscription Agreement and conditions of the Bond.
Interest	:	The Bond shall bear interest from the Issue Date at the rate of 3.8% per annum, the whole amount of which shall be payable at the end of the period of the Bond on the Maturity Date.
Form and Denomination	:	The Bond shall be issued in registered form with a face value of S\$8,000,000.
Status of Bond	:	The Bond shall constitute the direct, irrevocable, unsubordinated, unsecured and unconditional obligations of the Company ranking <i>pari passu</i> with all the Company's other present and future unsecured and unsubordinated indebtedness (other than indebtedness preferred by mandatory provisions of law).
Early redemption at the option of the Company	:	The Company shall be entitled, at its absolute discretion, to redeem the Bond at any time prior to the Maturity Date in accordance with the terms of the Bond Subscription Agreement and conditions of the Bond. In each case of such early redemption, the Company shall also pay to the Bondholder an additional sum amounting to

interest accrued on the relevant Bond over three (3) months at the rate of 3.8% per annum.

- Redemption on Maturity : Subject to the terms and conditions of the Bond, unless previously redeemed, and in each case cancelled as provided in the terms and conditions of the Bond, the Subscriber will have the right to cause the Company to redeem the Bond only on the Maturity Date, and the Company shall repay to the Subscriber the Redemption Amount in accordance with the terms of the Bond Subscription Agreement and the conditions of the Bond.
- Transfer : The Bond may be transferable by the Subscriber in a minimum quantum of S\$8,000,000 at any time, to any third party, in accordance with the terms of the Bond Subscription Agreement and conditions of the Bond.
- Redemption Event : On the occurrence of a Redemption Event, the Subscriber shall have the right to forthwith require the Company to redeem the Bond forthwith, at the applicable redemption amount as calculated in accordance with the terms of the Bond Subscription Agreement and conditions of the Bond.

2.2. Conditions Precedent

The Proposed Bond Issue is conditional upon the following conditions having been fulfilled or (at the Subscriber's sole discretion) waived, as the case may be and to such extent allowed by law:

- (a) the Company having made offers for the Bond to no more than 50 offerees (including the Subscriber) within any period of 12 months as this Agreement is agreed between both the Company and the Bondholder to constitute a private placement offer under Section 272B of the Securities and Futures Act 2001 of Singapore;
- (b) all necessary approvals and consents (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under this Agreement (in particular, but without limitation, the issue by the Company and the subscription by the Subscriber of the Bond) having been obtained in the form and substance satisfactory to the Subscriber in his or her sole and absolute discretion and remain valid and subsisting as at the Completion Date (as defined in the Bond Subscription Agreement);
- (c) there having been no material adverse change to the Company's financial condition, existing operations, business and assets; and
- (d) all representations, warranties and undertakings of the Company under this Agreement being complied with and being true, accurate and correct as at the Completion Date.

2.3. Rationale

The Proposed Bond Issue is intended to raise additional funding to strengthen the financial position of the Group and to advance the Group's strategic plans. The proceeds from the Proposed Bond Issue (the "**Proceeds**") shall be used for such purposes as the Company deems fit, including, but not limited to, the following purposes:

- (a) to repay existing debt obligations;
- (b) for its working capital use; and

(c) investment purposes.

3. DIRECTORS' OPINION

The Directors are of the opinion that, barring any unforeseen circumstances:

(a) after taking into account the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and

(b) after taking into account the present bank facilities and Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Bonds Issue stated herein will enable the Group to improve its financial position by increasing the cash available for the repayment of its existing debt obligations and general corporate requirements.

4. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in relation to the Proposed Bond Issue as and when appropriate.

5. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcement by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interest, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Lee Swee Keng
Executive Chairman
30 March 2023