

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

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1. **PROPOSED PLACEMENT OF 24,000,000 NEW ORDINARY SHARES TO MR MAH BOW TAN**
  2. **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 62,272,760 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.20 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
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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**”) refers to the Company’s announcements dated 14 September 2017 (“**Acquisition Announcement**”), 13 October 2017 and 12 February 2018. Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the meanings ascribed to them in the Acquisition Announcement.

The Company wishes to further announce the following:

- (a) the Company has today entered into a placement agreement (“**Placement Agreement**”) with Mr Mah Bow Tan (“**Mr Mah**” or the “**Placee**”), pursuant to which the Company has agreed to allot and issue to Mr Mah 24,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”) and Mr Mah has agreed to subscribe for the Placement Shares, at an issue price of S\$0.20 per Placement Share (“**Placement Price**”), amounting to an aggregate consideration of S\$4,800,000, and on the terms and conditions of the Placement Agreement (the “**Proposed Placement**”); and
- (b) the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 62,272,760 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.20 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every five (5) existing ordinary shares in the capital of the Company (“**Shares**”) held by the Shareholders at a time and date to be determined by the Directors for the purpose of determining the entitlements of the Entitled Shareholders (as defined below) under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded. The Rights Issue cannot be withdrawn after the commencement of ex-rights trading.

The Proposed Placement is subject to, *inter alia*, the approval of the Shareholders, which will be sought at an extraordinary general meeting (“**EGM**”) to be convened. A circular to Shareholders containing information on the Proposed Placement, together with the notice of the EGM, will be despatched to Shareholders in due course.

The Rights Issue will be made pursuant to the share issue mandate approved by Shareholders at the annual general meeting of the Company held on 26 October 2017 (“**2017 AGM**”) (the “**Share Issue Mandate**”), which authorises the Directors to issue (a) up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings)

("General Limit"), and (b) in addition to the General Limit, up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) by way of renounceable rights issues on a *pro rata* basis (the "Enhanced Rights Issue Limit").

As the Company will be utilising the Enhanced Rights Issue Limit to issue the Rights Shares, the Company will not be seeking specific approval from Shareholders for the Rights Issue. Please also refer to paragraph 4.8 below for more information.

Notwithstanding, the Company will be seeking the approval of Shareholders for the Potential Transfer of Controlling Interest (as defined in paragraph 4.3 below) at an EGM to be convened. Please refer to paragraph 4.3 below for more details. A circular to Shareholders containing information on the Potential Transfer of Controlling Interest, together with the notice of the EGM, will be despatched to Shareholders in due course.

## 2. UPDATE ON SOURCES OF FUNDS FOR THE PROPOSED ACQUISITION

The Company wishes to update Shareholders that the Company intends to finance the Proposed Acquisition using the net proceeds from the Proposed Placement and the Rights Issue (if any), and a combination of internal cash and external sources of funding to make up for the balance of the Consideration.

## 3. THE PROPOSED PLACEMENT

### 3.1 Information on the Placee

Mr Mah is currently the Non-Executive Chairman and Independent Director of the Company.

As at the date of this announcement, Mr Mah does not directly hold any Shares in the Company, but is deemed interested in the 500,000 Shares held by his spouse, by virtue of Section 164 of the Companies Act (Cap. 50) of Singapore.

There is no placement agent appointed for the Proposed Placement.

No commission is payable in connection with the Proposed Placement, and no share borrowing arrangement has been entered into to facilitate the Proposed Placement.

Under the Placement Agreement, Mr Mah has warranted to the Company, *inter alia*, that he is acquiring the Placement Shares as principal and not as nominee or agent, and save as disclosed in this paragraph 3.1 and paragraphs 3.5 and 3.6, he has no connection (including business relationships) with the Company, its Directors and substantial Shareholders.

The Board (excluding Mr Mah who has abstained from the Board's deliberations on this matter) has deliberated and is unanimously of the view that the Proposed Placement will not give rise to any material conflict of interest with Mr Mah for the following reasons:

- (a) the interests of both Mr Mah and the Company will be even more aligned after the Proposed Placement, given that Mr Mah will following completion of the Proposed Placement have a significant stake in the Company;
- (b) Mr Mah has recused and will recuse himself from all of the Board's deliberations and decision-making processes relating to any matter concerning the Proposed Placement; and
- (c) Mr Mah and his associates will abstain from voting on the ordinary resolution relating to the Proposed Placement at the EGM to be convened.

The Board notes the Code of Corporate Governance 2012 provides as a guide that a director who is a 10% Shareholder or an immediate family member of a 10% Shareholder will generally be deemed not independent. Assuming the Existing Warrants (as defined below) are not exercised, Mr Mah's (direct and deemed) shareholding in the Company after completion of the Proposed Placement (but without taking into account any Rights Shares issued pursuant to the Rights Issue<sup>(1)</sup>) will be approximately 10.51%, slightly above the 10% threshold. However, taking into account any Rights Shares issued pursuant to the Rights Issue, Mr Mah's (direct and deemed) shareholding in the Company after completion of both the Proposed Placement and the Rights Issue may be below 10%. The Board will review Mr Mah's independence after completion of the Proposed Placement and Rights Issue and will make the relevant disclosures in due course.

**Note:**

(1) *As the Rights Issue is non-underwritten, the Company will not be able to determine the exact number of Rights Shares that will be issued pursuant to the Rights Issue until the completion of the Rights Issue.*

### 3.2 Principal Terms of the Proposed Placement

(a) Placement Price

The Placement Price represents a premium of approximately 25% to the volume weighted average price of the Shares of S\$0.16 based on trades done on the SGX-ST on 14 February 2018, being the date the Placement Agreement is signed.

(b) Placement Shares

The Proposed Placement is to be undertaken by way of a private placement pursuant to Section 272B of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"). As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issuance of the Placement Shares.

The Placement Shares represent approximately 11.48% of the Existing Share Capital (as defined in paragraph 4.1(b) below) of the Company. Assuming completion of the Proposed Placement and the issuance of 24,000,000 Placement Shares (but without taking into account any Rights Shares issued pursuant to the Rights Issue<sup>(1)</sup>), the Placement Shares will represent 10.30% of the enlarged share capital of the Company of 233,100,682 Shares.

Shareholders should note that as at the date of this announcement, there are 102,263,118 outstanding unexercised warrants<sup>(2)</sup> issued by the Company, with each warrant carrying the right to subscribe for one Share ("**Existing Warrants**").

The Placement Shares will be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

**Note:**

(1) *As the Rights Issue is non-underwritten, the Company will not be able to determine the exact number of Rights Shares that will be issued pursuant to the Rights Issue until the completion of the Rights Issue.*

(2) *The Existing Warrants are exercisable at the exercise price of S\$0.70 per Existing Warrant. The market price of the Shares at the close of trading on 14 February 2018 is S\$0.16.*

(c) Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- (i) the passing at the EGM of the requisite resolutions to approve the Proposed Placement (including the allotment and issuance of the Placement Shares);
- (ii) the approval in principle for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company, and to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (iii) the subscription, issue and allotment and offering (if any) of the Placement Shares being in compliance with the SFA in connection with offers of securities and not being prohibited by any statute, order, rule or regulation by any legislative, executive or regulatory body or authority of Singapore; and
- (iv) there having been, as at the Completion Date (as defined below), no occurrence of any event nor the discovery of any fact rendering untrue in any respect or any breach of any of the warranties and undertakings of the Company or Placee if they were repeated on and as of the Completion Date (as defined below).

If any of the conditions precedent is not satisfied or waived by a relevant party (where applicable) by 14 June 2018 or such other date as the Placee and the Company may agree (“**Long Stop Date**”), the Proposed Placement will not proceed.

(d) Completion

Completion of the Proposed Placement (“**Completion Date**”) shall take place on the date notified by the Company to the Placee being a market day falling on or after the date all the conditions precedent described in paragraph 3.2(c) above have been satisfied and/or waived, and if the Rights Issue is not terminated at the relevant time, the Completion Date shall be a date which falls after the Books Closure Date, Provided that in any event, Completion Date shall be a date no later than 14 June 2018<sup>(1)</sup>, or Completion Date may be such other date as the parties may agree.

**Note:**

- (1) *The Company and Mr Mah had agreed to the date for the purposes of enabling the proceeds of the Proposed Placement to be used to fund the Proposed Acquisition. Under the Agreement, it is provided that the Settlement Date for the Proposed Acquisition will take place on the later of 30 June 2018 and the date which is ten (10) working days following the date that the Vendor is advised by Land Information New Zealand that new titles for the Land have been issued.*

*For more information on the use of proceeds from the Proposed Placement, please refer to paragraph 3.4 below.*

(e) Termination

Prior to the Completion Date, the Placement Agreement may be terminated:

- (i) by the Company by notice to the Placee in the event of:

- a. any breach of the warranties and undertakings by the Placee which is not remedied (to the satisfaction of the Company) within seven (7) days of receipt of a written notice from the Company notifying of such breach;
  - b. in any relevant jurisdiction, any introduction of or change in law or regulation or the interpretation thereof by any court or authority which limits the ability of the Company or the Placee to perform its obligations under the Placement Agreement;
  - c. a suspension by the SGX-ST of the trading of the Shares on the SGX-ST (other than in relation to any pending announcements of the Company) or a delisting of the Shares from the SGX-ST;
  - d. any ruling by the SGX-ST (or revocation of any previous ruling) which would restrict or impede the listing and quotation of the Placement Shares; or
  - e. the issuance and subscription of the Placement Shares being prohibited by any law or regulation or objected to by any authority of Singapore or elsewhere; or
- (ii) by the Placee by notice to the Company in the event of any breach of the warranties and undertakings by the Company which is not remedied (to the satisfaction of the Placee) within seven (7) days of receipt of a written notice from the Placee notifying of such breach.

### 3.3 **Additional Listing Application**

The Company will be submitting an application to the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST. The Company will make the necessary announcement(s) once the approval in-principle by the SGX-ST for the listing of and quotation for Placement Shares on the SGX-ST has been obtained.

### 3.4 **Rationale and Use of Proceeds**

The Company is proposing to undertake the Proposed Placement to raise funds for the Proposed Acquisition.

The net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of approximately S\$12,000 to be incurred in connection with the Proposed Placement) are approximately S\$4.79 million (the "**Net Placement Proceeds**").

The Company intends to use 100% of the Net Placement Proceeds to fund the Proposed Acquisition. If the Proposed Acquisition does not complete for any reason, then 100% of the Net Placement Proceeds will be used for general working capital purposes or any future investments and/or acquisitions by the Group.

While the Company was deliberating on fund raising options for the Proposed Acquisition which included a possibility of a placement, Mr Mah indicated an interest to participate in a placement of Shares in the Company because he has confidence in the business direction of the Group and wishes to show his support for the Company and the Company's fund raising plans. He thus agreed to subscribe for the Placement Shares on the terms and conditions set out in the Placement Agreement, including at a premium of approximately 25% to the volume weighted average price of the Shares of S\$0.16 based on trades done on the SGX-ST on 14 February 2018.

Pending deployment of the Net Placement Proceeds, the Net Placement Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Placement Proceeds as and when such proceeds are materially disbursed, and will provide a status report on the use of the Net Placement Proceeds in its annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation. Any material deviation in the use of the Net Placement Proceeds will be subject to the Listing Manual and appropriate announcements will be made by the Company on the SGXNET.

### 3.5 **Rules 804 and 812 of the Listing Manual**

Rule 804 of the Listing Manual provides that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities unless shareholders in general meeting have approved the specific allotment.

Rules 812(1) and 812(2) of the Listing Manual provide that an issue must not be placed to, *inter alia*, an issuer's directors unless specific shareholders' approval is obtained for such placement.

In view that Mr Mah is a Director of the Company, the Proposed Placement is subject to Shareholders' approval at an EGM to be convened. Mr Mah and his associates will abstain from voting on the ordinary resolution relating to the Proposed Placement at the EGM.

### 3.6 **The Proposed Placement as an Interested Person Transaction**

As Mr Mah is a Director of the Company, he is an interested person and the Proposed Placement is an interested person transaction under Chapter 9 of the Listing Manual.

Pursuant to Rule 906 of the Listing Manual, Shareholders' approval is required for a transaction between the Group and an interested person if the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, amounts to 5% or more of the Group's latest audited NTA.

Based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2017 ("FY2017"), the NTA of the Group is S\$50,969,000.

The aggregate consideration of the Placement Shares subscribed by Mr Mah is S\$4,800,000. The aggregate value of all transactions entered into with Mr Mah for the current financial year ending 30 June 2018 ("FY2018")<sup>(1)</sup> is S\$4,944,000, which represents approximately 9.70% of the Group's audited NTA for FY2017.

As such, the Proposed Placement is subject to Shareholders' approval at an EGM to be convened pursuant to Rule 906 of the Listing Manual.

The total value of all interested person transactions with Mr Mah for FY2018 (excluding transactions less than S\$100,000) up to the date of this announcement is approximately \$4,884,000<sup>(2)</sup>. The total value of all interested person transactions for FY2018 (excluding

transactions less than S\$100,000) up to the date of this announcement is approximately S\$4,989,000.

Mr Mah has recused and will recuse himself from all of the Board's deliberations and decision-making processes relating to any matter concerning the Proposed Placement.

Mr Mah and his associates will also abstain from voting on the ordinary resolution relating to the Proposed Placement at the EGM.

**Notes:**

- (1) *The only other transaction entered into by the Company with Mr Mah as at the date of this announcement for FY2018 is a consultancy agreement (“**Consultancy Agreement**”) for an aggregate consultancy fee of S\$144,000 for the period from 1 July 2017 to 30 June 2018.*
- (2) *This comprises the value of the Proposed Placement and the aggregate consultancy fee paid to Mr Mah pursuant to the Consultancy Agreement for the period from 1 July 2017 up to the date of this announcement.*

### 3.7 **Statement of the Audit Committee**

The Audit Committee of the Company, after taking into consideration the rationale and terms of the Proposed Placement, is of the opinion that the Proposed Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

## 4. **THE RIGHTS ISSUE**

### 4.1 **Principal Terms of the Rights Issue**

(a) Entitled Shareholders

The Rights Issue will be offered on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1) Rights Share for every five (5) Shares held by, or standing to the credit of the securities accounts of Entitled Shareholders with The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date, fractional entitlements to be disregarded.

(b) Size of the Rights Issue

As at the date of this announcement, the issued share capital of the Company (excluding treasury shares) comprises 209,100,682 Shares (the “**Existing Share Capital**”), and there are 102,263,118 Existing Warrants all of which may be exercised on or prior to the Books Closure Date. In the event all the Existing Warrants are exercised, the issued share capital of the Company (excluding treasury shares) will increase to 311,363,800 Shares.

The exercise price per Existing Warrant as at the date of this announcement is S\$0.70. The market price of the Shares at the close of trading on 14 February 2018 is S\$0.16.

Based on the Existing Share Capital and assuming (i) none of the Existing Warrants are exercised on or prior to the Books Closure Date (as the exercise price per Existing Warrant is significantly above the market price of the Shares at the close of trading on 14 February 2018 (being the date of this announcement)), and (ii) all of the Entitled Shareholders (as defined below) subscribe and pay for their *pro rata* entitlements of Rights Shares (the “**Maximum Subscription Scenario**”), the Company will issue 41,820,136 Rights Shares pursuant to the Rights Issue<sup>(1)</sup>.

**Note:**

*As the Completion Date of the Placement will be a date after the Books Closure Date, there will be no Rights Shares entitlements arising from the Placement Shares. Please refer to paragraph 3.2(d) above for more details.*

(c) Status of the Rights Shares

The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will 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 falls before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or distributions.

(d) Issue Price

The issue price of S\$0.20 for each Rights Share represents a premium of approximately 25% to the closing price of S\$0.16 per Share on the Main Board of the SGX-ST on 14 February 2018 (being the date of this announcement).

(e) Provisional allotments

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) 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 (the “**Excess Rights Shares**”).

Fractional entitlements to the Rights Shares will be disregarded 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 the Rights Shares (if any), or disposed of 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 Rights Shares, preference will be given to the rounding of odd lots. 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 on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will also not make any allotments or issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

(f) Non-underwritten basis of the Rights Issue

The Rights Issue will not be underwritten. The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of:

- (i) there being no minimum amount that must be raised from the Rights Issue (please refer to paragraph 4.4 below for more information); and
- (ii) the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.



For the avoidance of doubt, the balance Consideration for the Proposed Acquisition (after utilising the Net Placement Proceeds and the Net Rights Issue Proceeds (as defined below) (if any)) will be satisfied by a combination of internal cash and external sources of funding. Please refer to paragraphs 2 and 4.4 for more information.

(g) Other terms

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 will be contained in the offer information statement (including the accompanying application forms) to be lodged with the Monetary Authority of Singapore and despatched by the Company to the Entitled Shareholders (as defined below) in due course (the “**Offer Information Statement**”).

#### 4.2 **Scaling Down of Subscriptions**

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and subject to the approval of the SGX-ST, scale down the subscription and/or the excess applications for Rights Shares by any Shareholder to avoid placing such Shareholder and parties acting in concert with him (as defined under The Singapore Code on Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares (“**Scale Down Mechanism**”).

The Company has consulted the SGX-ST on the Scale Down Mechanism and the SGX-ST has advised that it has no objections to the Scale Down Mechanism if the agreement of the affected Shareholder(s) has been obtained, and the scaling down of the entitlement of that specific Shareholder(s) has been clearly disclosed via SGXNET and in the circular to Shareholders and quantified.

Mr Stanley Tan and parties acting in concert with him

As at the date of this announcement, Mr Stanley Tan holds 8,110,750 Shares (representing approximately 3.88% of the Existing Share Capital) and 7,824,075 Existing Warrants.

The following parties are either acting in concert, presumed to be acting in concert, may be presumed to be acting in concert, or may be regarded to be acting in concert with Mr Stanley Tan in relation to their interests in the Company:

- (a) Global Media Holdings Pte. Ltd. (“**Global Media**”), which is a private limited company incorporated in Singapore. The shareholders of Global Media are Ms Kristine Tan and Ms Kathlyn Tan, who are daughters of Mr Stanley Tan, and Mr Stanley Tan himself;
- (b) Ms Kristine Tan and Ms Kathlyn Tan, daughters of Mr Stanley Tan;
- (c) Mr Thomas Riber Knudsen, the spouse of Ms Kathlyn Tan;
- (d) Mr Pang Yoke Min, a Non-Executive & Non-Independent Director of the Company and a former shareholder of Global Media;
- (e) Mr Johnny O Sy, a former shareholder of Global Media; and
- (f) Mr Freddie Tan, the brother of Mr Stanley Tan,

(together with Mr Stanley Tan, the “**Relevant Persons**”).

As at the date of this announcement, Global Media holds 8,500,000 Shares (representing approximately 4.07% of the Existing Share Capital); Ms Kathlyn Tan and Ms Kristine Tan each hold 6,406,387 Existing Warrants and are each deemed interested in the 8,500,000 Shares (representing approximately 4.07% of the Existing Share Capital) held by Global Media; Mr Thomas Riber Knudsen holds 19,493,500 Shares (representing approximately 9.32% of the Existing Share Capital; Mr Pang Yoke Min holds 24,461,450 Shares (representing approximately 11.70% of the Existing Share Capital) and 3,987,225 Existing Warrants; and Mr Johnny O Sy holds 1,557,400 Shares (representing approximately 0.74% of the Existing Share Capital).

Accordingly, the Relevant Persons hold in aggregate 62,123,100 Shares (representing approximately 29.71% of the Existing Share Capital) and 24,624,074 Existing Warrants.

For illustrative purposes only, assuming none of the Existing Warrants are exercised and only the Relevant Persons subscribe for their Rights Shares entitlements under the Rights Issue (but without taking into account the Placement Shares issued pursuant to the Proposed Placement), the Relevant Persons will hold in aggregate 74,547,720 Shares, representing 33.65% of the enlarged share capital of the Company.

In view of the above, the Relevant Persons have consented to the Company scaling down their subscription and/or excess applications for Rights Shares to avoid placing them in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

The Company will update Shareholders on the details of any scale down of subscription and/or excess applications for Rights Shares through an announcement on SGXNET after the close of the Rights Issue, if any such scale down is effected.

**For the avoidance of doubt, the above illustration does not amount to undertakings by any of the Relevant Persons to subscribe for their Rights Shares entitlements under the Rights Issue. There are no obligations on any of them to take up, pay, or procure the subscription or payment for their Rights Shares entitlements under the Rights Issue.**

#### 4.3 Potential Transfer of Controlling Interest

As at the date of this announcement, Mr Sam Goi Seng Hui (“**Mr Sam Goi**”) directly holds 4,572,700 Shares. He is also deemed interested in 19,184,500 Shares and 11,510,700 Existing Warrants held by Oregold Pte. Ltd. (“**Oregold**”), by virtue of being the sole shareholder of Oregold.

In aggregate, Mr Sam Goi is (directly and deemed) interested in 23,757,200 Shares (representing approximately 11.36% of the Existing Share Capital) and 11,510,700 Existing Warrants.

For illustrative purposes only, assuming only Oregold exercises all its Existing Warrants prior to the Books Closure Date, none of the other Existing Warrants are exercised, and only Mr Sam Goi and Oregold subscribe for their Rights Shares entitlements under the Rights Issue (but without taking into account the Placement Shares issued pursuant to the Proposed Placement), Mr Sam Goi will be (directly and deemed) interested in an aggregate of 42,321,480 Shares, representing 18.59% of the enlarged share capital of the Company.

Mr Sam Goi and Oregold may thus potentially become controlling Shareholders, depending on the level of subscription for the Rights Shares. Pursuant to Rule 803 of the Listing Manual, the Company cannot issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting.

Accordingly, the Company will seek specific Shareholders' approval in relation to the potential transfer of controlling interest to Mr Sam Goi and Oregold pursuant to the Rights Issue ("**Potential Transfer of Controlling Interest**") in the EGM to be convened.

Mr Sam Goi, Oregold, and their associates will abstain from voting on the ordinary resolution relating to the Potential Transfer of Controlling Interest at the EGM.

Shareholders should note that if the Potential Transfer of Controlling Interest is not approved at the EGM, the Company will not be able to issue Rights Shares to Mr Sam Goi and/or Oregold which would result in a transfer of controlling interest, due to Rule 803 of the Listing Manual. This will be effected by the Company scaling down Mr Sam Goi and/or Oregold's application for their Rights Shares entitlements.

**For the avoidance of doubt, the above illustration does not amount to undertakings by Mr Sam Goi or Oregold to subscribe for their Rights Shares entitlements under the Rights Issue. There are no obligations on any of them to take up, pay, or procure the subscription or payment for their Rights Shares entitlements under the Rights Issue.**

#### 4.4 Rationale and Use of Proceeds

The Company is proposing to undertake the Rights Issue to raise funds for the Proposed Acquisition. The Rights Issue will also provide an opportunity to Shareholders who are confident of the future prospects and growth of the Company with an opportunity to subscribe for additional Shares.

In the Maximum Subscription Scenario, the Rights Issue will raise gross proceeds of approximately S\$8.36 million and the net proceeds of the Rights Issue after deducting estimated expenses of approximately S\$95,000 to be incurred in connection with the Rights Issue ("**Net Rights Issue Proceeds**") will amount to approximately S\$8.27 million.

As the Rights Issue is non-underwritten and there are no undertakings by any Shareholder to subscribe for the Rights Shares, there will be no proceeds from the Rights Issue if none of the Rights Shares are subscribed for. Based on the reasonable opinion of the Directors as at the date of this announcement, there is no minimum amount that must be raised from the Rights Issue taking into consideration the intended use of proceeds and the sources of funds for the Proposed Acquisition as described in paragraph 2 above. For the avoidance of doubt, the balance Consideration for the Proposed Acquisition (after utilising the Net Placement Proceeds and the Net Rights Issue Proceeds (if any)) will be satisfied by a combination of internal cash and external sources of funding.

The Company intends to use 100% of the Net Rights Issue Proceeds (if any) arising from the allotment and issuance of the Rights Shares to fund the Proposed Acquisition. If the Proposed Acquisition does not complete for any reason, then 100% of the Net Rights Issue Proceeds will be used for general working capital purposes or any future investments and/or acquisitions by the Group.

Pending deployment of the Net Rights Issue Proceeds, the Net Rights Issue Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Rights Issue Proceeds as and when such proceeds are materially disbursed, and will provide a status report on the use of the Net Rights Issue Proceeds in its annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the

proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation. Any material deviation in the use of the Net Rights Issue Proceeds will be subject to the Listing Manual and appropriate announcements will be made by the Company on the SGXNET.

#### 4.5 Eligibility to Participate in the Rights Issue

(a) Entitled Shareholders

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

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar (as defined below), as the case may be.

(b) Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) market days prior to the Books Closure Date, provided the CDP with addresses in Singapore for the service of notices and documents (“**Entitled Depositors**”).

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

Entitled 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, 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 Rights Shares entitlements.

(c) Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Company’s share registrar, 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 and whose registered addresses with the Share Registrar 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 services of notices and documents (“**Entitled Scripholders**”).

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Share Registrar, in order to be registered to determine the transferee’s provisional allotments of Rights Shares entitlements.

Entitled Scripholders 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, Boardroom Corporate & Advisory Services Pte Ltd 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 Rights Shares entitlements.

(d) Foreign Shareholders

For practical reasons and in order to avoid any violation of the relevant securities legislation applicable in countries other than Singapore, the Rights 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 to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement 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.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares 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 allotment of Rights Shares 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 the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective securities accounts with CDP as at the Books Closure Date and sent to them by means of a crossed cheque drawn on a bank in Singapore and at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for the payment of cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or otherwise dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares 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, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares 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 provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

**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.**

#### 4.6 **Approvals and other Conditions to the Rights Issue**

The Rights Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST having been obtained (and such approval 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 and fulfilled by the Company; and
- (b) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the SFA with the Monetary Authority of Singapore.

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST.

The Offer Information Statement will also be lodged with the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course after, *inter alia*, obtaining the approval in-principle of the SGX-ST.

Appropriate announcements in relation to the above application, lodgement and despatch will be made in due course.

#### 4.7 **Adjustments to Existing Warrants**

Pursuant to the terms and conditions of the deed poll dated 3 June 2014 executed by the Company for the purpose of constituting the Existing Warrants ("**Deed Poll**"), the Rights Issue constitutes an event giving rise to an adjustment to the number of Existing Warrants.

Pursuant to Condition 5(b)(iii) of the Deed Poll, the number of Existing Warrants will be reduced by applying a ratio of 0.971428571 to the Existing Warrants held by each holder of Existing Warrants and thereafter rounded downwards to the nearest whole number.

Copies of (i) the Deed Poll, (ii) a signed report issued by the auditors of the Company which states that the computation was in accordance with Condition 5(b)(iii) of the Deed Poll, and (iii) a certificate signed by a Director setting out particulars of the adjustment (as required under the terms of the Deed Poll) are available for inspection at the registered office of the Company at 1 Lorong 2 Toa Payoh, Yellow Pages Building, Singapore 319637.

The adjustment will be effective (if appropriate, retroactively) from the commencement of the market day after the Books Closure Date.

#### 4.8 **Enhanced Rights Issue Limit**

As disclosed in paragraph 1 of this announcement, the Company had, at its 2017 AGM, obtained shareholders' approval for the Share Issue Mandate with an Enhanced Rights Issue Limit, and will be utilising the Enhanced Rights Issue Limit to issue the Rights Shares.

The Enhanced Rights Issue Limit, which resulted from the modification by the SGX-ST of the requirement under Rule 806(2) of the Listing Manual by provisionally raising the limit for a renounceable *pro rata* issue of rights shares from 50% to 100% of the share capital (subject to the conditions set out in Practice Note 8.3 of the Listing Manual), was proposed by the Company at its 2017 AGM pursuant to Practice Note 8.3 of the Listing Manual.

In accordance with the requirements of Practice Note 8.3 of the Listing Manual, the Company confirms that:

- (a) this announcement is made in compliance with, *inter alia*, Practice Note 8.3 of the Listing Manual;
- (b) the Company is utilising the Enhanced Rights Issue Limit to undertake the Rights Issue;
- (c) the Issue Price of S\$0.20 per Rights Share represents a premium of approximately 25% to the closing price of S\$0.16 per Share on the Main Board of the SGX-ST on 14 February 2018 (being the date of this announcement);
- (d) the Board is of the view that the Rights Issue is in the interests of the Company as it would, as set out in paragraph 4.4 above, *inter alia*, enable the Company to raise funds for the Proposed Acquisition. Even if the Proposed Acquisition does not complete for any reason, the Net Rights Issue Proceeds will be used for general working capital purposes or any future investments and/or acquisitions by the Group, which will improve and strengthen the Group's financial position; and
- (e) other than the Proposed Placement and the Rights Issue as described in this announcement, the Company has not undertaken any equity fund raising exercise within (1) year preceding the date of this announcement.

## 5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT, RIGHTS ISSUE AND PROPOSED ACQUISITION

For purposes of illustration, the financial effects of the Proposed Placement, Rights Issue and Proposed Acquisition are based on, *inter alia*, the following key bases and assumptions:

- (a) the Purchaser under the Agreement is BEL<sup>(1)</sup>;
- (b) the Consideration is NZ\$36,000,000 (approximately S\$35,337,600)<sup>(1)</sup>;
- (c) none of the Existing Warrants are exercised;
- (d) the Proposed Placement of 24,000,000 Placement Shares at the Placement Price of S\$0.20 per Placement Share;
- (e) the illustrative financial effects of the Rights Issue are presented based on the Maximum Subscription Scenario (as defined in paragraph 4.1(b) above). The Company has not presented illustrative financial effects based on a minimum subscription scenario as the Rights Issue is non-underwritten and there are no undertakings by any Shareholder to subscribe for the Rights Shares;
- (f) for the purposes of illustrating the financial effects of the Proposed Placement, Rights Issue and Proposed Acquisition on the NTA of the Group per Share, it is assumed that the Proposed Placement, Rights Issue and Proposed Acquisition had completed on 30 June 2017;

- (g) for the purposes of illustrating the financial effects of the Proposed Placement, Rights Issue and Proposed Acquisition on the LPS of the Group, it is assumed that the Proposed Placement, Rights Issue and Proposed Acquisition had completed on 1 July 2016;
- (h) the financial effects of the Proposed Placement, Rights Issue and Proposed Acquisition are based on, *inter alia*, the Group's audited consolidated financial statements for FY2017; and
- (i) the financial effects of the Proposed Placement, Rights Issue and Proposed Acquisition are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Placement, Rights Issue and/or Proposed Acquisition on the NTA per Share and LPS of the Group, nor do they represent the future financial performance and/or position of the Group immediately following completion of the Proposed Placement, Rights Issue and/or Proposed Acquisition.

**Note:**

- (1) *As disclosed in the Acquisition Announcement, the Purchaser has the right under the Agreement to notify the Vendor at any time prior to 1 June 2018 that it wishes to novate the Agreement to a Nominated Third Party to acquire the Land ("Novation"). The illustrative financial effects presented in this paragraph 5 assumes that the Novation does not take place and that BEL (an indirect wholly-owned subsidiary of the Company) as the Purchaser completes the acquisition of the Land pursuant to the Agreement.*

**NTA**

On the bases and assumptions set out above, the pro forma effect of the Proposed Acquisition on the NTA per Share of the Group is as follows:

	<b>As at 30 June 2017</b>		
	<b>Before Proposed Placement, Rights Issue and Proposed Acquisition</b>	<b>After Proposed Placement and Rights Issue but before Proposed Acquisition</b>	<b>After Proposed Placement, Rights Issue and Proposed Acquisition</b>
NTA (in S\$'000)	50,969	64,026	64,026
Number of Shares (excluding treasury shares) as at 30 June 2017	209,100,682	274,920,818	274,920,818
NTA per Share (Singapore cents)	24.38	23.29	23.29



## LPS

On the bases and assumptions set out above, the pro forma effect of the Proposed Acquisition on the LPS of the Group is as follows:

	For the financial year ended 30 June 2017		
	Before Proposed Placement, Rights Issue and Proposed Acquisition	After Proposed Placement and Rights Issue but before Proposed Acquisition	After Proposed Placement, Rights Issue and Proposed Acquisition
Net loss attributable to Shareholders (in S\$'000)	(1,786)	(1,786)	(1,786)
Weighted average number of Shares as at 30 June 2017	199,951,509	265,771,645	265,771,645
LPS (Singapore cents)	(0.89)	(0.67)	(0.67)

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr Mah who is interested in the Proposed Placement as disclosed above, none of the Directors has any interest, direct or indirect, in the Proposed Placement, Rights Issue, Potential Transfer of Controlling Interest and Proposed Acquisition, other than by reason only of being a Director and/or a holder of Shares and/or Existing Warrants in the Company. There are no controlling Shareholders in the Company.

Mr Mah and his associates will abstain from voting on the ordinary resolution relating to the Proposed Placement at the EGM to be convened.

## 7. DESPATCH OF CIRCULAR

The Company intends to seek the approval of Shareholders for the Proposed Acquisition, the Proposed Placement, and the Potential Transfer of Controlling Interest at an EGM to be convened. A circular to Shareholders containing further information on the Proposed Acquisition, the Proposed Placement, and the Potential Transfer of Controlling Interest, together with the notice of the EGM, will be despatched to Shareholders in due course.

## 8. DOCUMENTS FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 1, Lorong 2 Toa Payoh, Yellow Pages Building, Singapore 319637 during normal business hours for three (3) months from the date of this announcement.

*For the purposes of this announcement, conversion of NZ\$ into S\$ is based on the exchange rate of S\$0.9816 to NZ\$1.00 as at 13 September 2017, the market day preceding the date of the Acquisition Announcement. Source: Business Times.*

***Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should exercise caution in trading their Shares, and should consult their stock brokers, 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**

Lee Wei Hsiung  
Company Secretary

Dated: 14 February 2018