

BOLDTEK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201224643D)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

1.1. The Board of Directors (the “**Board**”) of Boldtek Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 111,375,000 new ordinary shares in the capital of the Company (“**Rights Shares**”), at an issue price of S\$0.05, for each Rights Share (“**Issue Price**”), on the basis of three (3) Rights Shares for every five (5) existing ordinary shares in the issued and paid up capital of the Company (“**Shares**”) held by Entitled Shareholders (as defined in paragraph 5 below) (the “**Proposed Rights Issue**”) as at a date and time to be determined by the Board for the purpose of determining the entitlements of the Entitled Shareholders under the Proposed Rights Issue (the “**Record Date**”), fractional entitlements to be disregarded. The Proposed Rights Issue is subject to, *inter alia*, the approvals set out in paragraph 6 below.

1.2. A summary of the key terms of the Proposed Rights Issue is set out as follows:-

Issue Price : S\$0.05 per Rights Share

Discount : The Issue Price represents a discount of:

- (a) approximately 41.9% to the closing market price of S\$0.086 per Share on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 19 August 2021, being the last trading day on which the Shares were transacted on the SGX-ST prior to this announcement; and
- (b) approximately 31.0% to the theoretical ex-rights price of S\$0.073 per Share (“**Theoretical Ex-Rights Price**”)⁽¹⁾. The Theoretical Ex-Rights Price per Share is calculated based on the closing market price of S\$0.086 per Share on the SGX-ST on 19 August 2021, being the last trading day on which the Shares were transacted on the SGX-ST prior to this announcement.

Allotment Ratio : Three (3) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Purpose of Issue : The Company is undertaking the Proposed Rights Issue to strengthen the Group’s financial position and capital base. The Proposed Rights Issue will also provide existing shareholders of the Company (“**Shareholders**”) with

an opportunity to subscribe for additional Shares at a discounted price. Please refer to paragraph 3 of this announcement for further details.

Use of Proceeds : The net proceeds from the Proposed Rights Issue are intended to be used for operating cash flows and other commitments of the Group. Please refer to paragraph 3.6 of this announcement for further details.

Note:

(1) Theoretical Ex-Rights Price is calculated based on the following formula:

$$\text{Theoretical Ex-Rights Price} = \frac{A + B}{C}$$

where:

- | | | |
|---|---|---|
| A | = | Market capitalisation of the Company based on the closing price S\$0.086 per Share on the SGX-ST on 19 August 2021, being the last trading day on which the Shares were transacted on the SGX-ST prior to this announcement |
| B | = | Gross proceeds from the Proposed Rights Issue assuming the completion of the Proposed Rights Issue under the Maximum Subscription Scenario (as defined in paragraph 3.5) and for avoidance of doubt, before setting off the Amount Owing in the manner described in paragraph 2.4 |
| C | = | The enlarged issued share capital of the Company under the Maximum Subscription Scenario of 297,000,000 Shares |

- 1.3. Please refer to paragraph 4 of this announcement for other principal terms of the Proposed Rights Issue.
- 1.4. The allotment and issue of the Rights Shares is proposed to be made pursuant to the authority granted by the Shareholders under the share issue mandate ("**Share Issue Mandate**") at the Annual General Meeting of the Company held on 26 November 2020 ("**2020 AGM**"), pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore and Rule 806(2) of Section B: Rules of Catalist of the Listing Manual ("**Catalist Rules**") of the SGX-ST.
- 1.5. The Share Issue Mandate, *inter alia*, authorised the Directors to allot and issue shares and convertible securities of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the grant of the Share Issue Mandate, provided that the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing Shareholders does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.
- 1.6. As at the date of grant of the Share Issue Mandate, the Company's issued share capital comprised 185,625,000 Shares and the Company did not have any treasury shares or subsidiary holdings. The number of new Shares that may be issued on a pro-rata basis to Shareholders pursuant to the Share Issue Mandate obtained at the 2020 AGM is therefore 185,625,000 Shares. As the number of Rights Shares to be issued pursuant to the Proposed Rights Issue is up to 111,375,000 Rights Shares, which falls within the limit of the Share Issue Mandate given that no Shares have been issued pursuant to the Share Issue Mandate since the 2020 AGM, the Company will not be seeking specific approval from the Shareholders for the Proposed Rights Issue.

2. IRREVOCABLE UNDERTAKINGS

- 2.1. To demonstrate their support for the Proposed Rights Issue and to show their commitment to and confidence in the prospects of the Group, each of Yi Investment Pte. Ltd. (“**YIPL**”), Phua Lam Soon (“**PLS**”), Ong Siew Eng (“**OSE**”) and Twinkle Investment Pte. Ltd. (“**Twinkle**”) (collectively, the “**Undertaking Shareholders**”) has undertaken that they will, pursuant to deeds of undertaking to be irrevocably and unconditionally undertaken to the Company (the “**Undertakings**”), *inter alia*, subscribe for and/or procure the subscription of their respective entire pro-rata entitlements of Rights Shares under the Proposed Rights Issue. No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of their Undertakings.
- 2.2. Accordingly, the Undertaking Shareholders collectively will subscribe for an aggregate of 81,236,880 Rights Shares, which constitutes approximately 72.94% of the total number of Rights Shares.
- 2.3. As at the date of this announcement, the number of Shares held and the percentage proportion held in the Company’s issued and paid-up share capital by each of the Undertaking Shareholders is as follows:

Undertaking Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Yi Investment Pte. Ltd. ⁽²⁾	90,581,300	48.80	-	-
Phua Lam Soon ⁽³⁾	14,701,600	7.92	105,454,900	56.81
Ong Siew Eng ⁽⁴⁾	14,873,600	8.01	105,282,900	56.72
Twinkle Investment Pte. Ltd. ⁽⁵⁾	15,238,300	8.21	-	-

Notes:-

- (1) Percentage figures are calculated based on 185,625,000 Shares, being the total number of issued Shares as at the date of this announcement.
- (2) Yi Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore and jointly owned by Phua Lam Soon and Ong Siew Eng. Accordingly, Phua Lam Soon and Ong Siew Eng are deemed to be interested in 90,581,300 Shares held by Yi Investment Pte. Ltd.
- (3) Phua Lam Soon is the spouse of Ong Siew Eng. Accordingly, Phua Lam Soon is deemed to be interested in 14,873,600 Shares held by Ong Siew Eng.
- (4) Ong Siew Eng is the spouse of Phua Lam Soon. Accordingly, Ong Siew Eng is deemed to be interested in 14,701,600 Shares held by Phua Lam Soon.
- (5) Twinkle Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore. The shareholders of Twinkle Investment Pte. Ltd. are Neo Kah Kiat and Liew Oi Peng. Neo Kah Kiat is the spouse of Liew Oi Peng. Accordingly, Neo Kah Kiat and Liew Oi Peng are deemed to be interested in 15,238,300 Shares held by Twinkle Investment Pte. Ltd.

- 2.4. PLS and OSE had previously jointly extended interest-free loans to the Company and made payments on behalf of the Company, which, as at the date of this announcement, S\$11,341,000 remains outstanding and due to PLS and OSE (“**Amount Owning**”). The aggregate payment for the subscription of YIPL’s, PLS’s and OSE’s pro-rata entitlement of the Rights Shares under the Proposed Rights Issue is to be satisfied entirely by PLS and OSE applying S\$3,604,695 of the outstanding amount due to them towards setting off the payment of the

subscription price payable by YIPL, PLS and OSE, which after such set-off, leaves a balance of S\$7,736,305 due to PLS and OSE jointly.

- 2.5. The aggregate payment for the subscription of Twinkle's pro-rata entitlement of the Rights Shares under the Proposed Rights Issue is S\$457,149, to be satisfied by Twinkle entirely in cash. Twinkle has demonstrated to the Company that it has sufficient financial resources to fulfil its obligations under the Undertakings by depositing its subscription monies to the Company's bank account.
- 2.6. On the assumption that the Proposed Rights Issue is fully subscribed by the Entitled Shareholders and no new Share is issued on or prior to completion of the Proposed Rights Issue, upon completion of the Proposed Rights Issue, the Undertaking Shareholders' proportions of interests in the enlarged issued share capital of the Company will remain unchanged, totalling approximately 72.94%.
- 2.7. On the assumption that there are zero subscription applications for the Rights Shares by the Entitled Shareholders (except the Undertaking Shareholders) and no new Share is issued on or prior to completion of the Proposed Rights Issue and the Undertaking Shareholders subscribe for 81,236,880 Rights Shares pursuant to the Undertakings, the Undertaking Shareholders' interest in the enlarged issued share capital of the Company will be as follows:-

Undertaking Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Yi Investment Pte. Ltd. ⁽²⁾	144,930,080	54.31	-	-
Phua Lam Soon ⁽³⁾	23,522,560	8.81	168,727,840	63.23
Ong Siew Eng ⁽⁴⁾	23,797,760	8.92	168,452,640	63.12
Twinkle Investment Pte. Ltd. ⁽⁵⁾	24,381,280	9.14	-	-

Notes:-

- (1) Percentage figures are calculated based the enlarged share capital of the Company after the Proposed Rights Issue on the above bases of assumption, being 266,861,880 Shares.
- (2) Yi Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore and jointly owned by Phua Lam Soon and Ong Siew Eng. Accordingly, Phua Lam Soon and Ong Siew Eng are deemed to be interested in 144,930,080 Shares held by Yi Investment Pte. Ltd
- (3) Phua Lam Soon is the spouse of Ong Siew Eng. Accordingly, Phua Lam Soon is deemed to be interested in 23,797,760 Shares held by Ong Siew Eng.
- (4) Ong Siew Eng is the spouse of Phua Lam Soon. Accordingly, Ong Siew Eng is deemed to be interested in 23,522,560 Shares held by Phua Lam Soon.
- (5) Twinkle Investment Pte. Ltd. is an investment holding company incorporated in the Republic of Singapore. The shareholders of Twinkle Investment Pte. Ltd. are Neo Kah Kiat and Liew Oi Peng. Neo Kah Kiat is the spouse of Liew Oi Peng. Accordingly, Neo Kah Kiat and Liew Oi Peng are deemed to be interested in 24,381,280 Shares held by Twinkle Investment Pte. Ltd.

- 2.8. Based on the Undertaking Shareholders' aggregate interest in the Shares of the Company, as at the date of this announcement, the acquisition of the Rights Shares by the Undertaking Shareholders pursuant to the Undertaking will not (a) result in any of the Undertaking Shareholders being obliged to make a mandatory general offer under the Singapore Code on

Take-overs and Mergers for Shares (the “Code”); or (b) result in the Company failing to comply with the free float requirement under Rule 723 of the Catalist Rules.

- 2.9. The Undertakings by each of the Undertaking Shareholder as set out above are subject to and conditional upon the following:
- (a) receipt of the listing and quotation notice granted by the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST (“Catalist”); and
 - (b) the lodgement of the offer information statement to be issued for the Proposed Rights Issue (the “Offer Information Statement”) together with all other accompanying documents by the Company with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (“MAS”).

3. RATIONALE AND USE OF PROCEEDS

Rationale for the Proposed Rights Issue

- 3.1. The Proposed Rights Issue has been proposed as a means of fundraising to improve the Group's working capital position and strengthen the Group's financial position. This would in turn provide financial flexibility to the Group and allow the Group to seize any opportunities for business growth and expansion into other business areas in a timely manner as and when opportunities arise. A stronger financial position will also enhance the Group's ability to formulate, strategise and execute business plans.
- 3.2. In addition, the Proposed Rights Issue would also provide current Shareholders who are confident of the prospects of the Company with the opportunity to maintain their equity stake in the Company at a discounted price. The Issue Price and discount were arrived at after taking into consideration, *inter alia*, the Company's funding needs, the allotment ratio and the level of commitment provided under the Undertakings.
- 3.3. For the foregoing reasons, the Board is of the view that the Proposed Rights Issue would be in the interests of the Group and the Shareholders.

Use of Proceeds

- 3.4. On the basis that none of the Entitled Shareholders (other than the Undertaking Shareholders who subscribe for the Rights Shares in accordance with the terms of the Undertakings) subscribes for any Right Shares, the 81,236,880 Rights Shares under the Proposed Rights Issue will be paid for by the Undertaking Shareholders by setting off against the Amount Owing and a cash payment of S\$457,149, as described in paragraphs 2.4 and 2.5 of this announcement (“Minimum Subscription Scenario”). The estimated net proceeds (“Net Proceeds”) after deducting estimated expenses of approximately S\$115,000 are expected to be approximately S\$342,149.
- 3.5. On the basis that all the Entitled Shareholders subscribe in full for their pro-rata Rights Shares under the Proposed Rights Issue, 81,236,880 of the 111,375,000 Rights Shares under the Proposed Rights Issue will be paid for by the Undertaking Shareholders by setting off against

the Amount Owing and a cash payment of S\$457,149, as described in paragraphs 2.4 and 2.5 of this announcement, and the remaining 30,138,120 Rights Shares under the Proposed Rights Issue will be paid for in cash of S\$1,506,906 (“**Maximum Subscription Scenario**”). The estimated Net Proceeds in this case, after deducting estimated expenses of approximately S\$115,000, are expected to be approximately S\$1,849,055.

- 3.6. The Company intends to use the entire Net Proceeds from the Proposed Rights Issue in accordance with the proportions set out below:

Use of Net Proceeds	Minimum Subscription Scenario		Maximum Subscription Scenario	
	S\$	%	S\$	%
General working capital requirements	342,149	100	1,849,055	100

Allocating the entire Net Proceeds to general working capital requirements, as mentioned in paragraph 3.1 of this announcement, will provide financial flexibility to the Group and allow the Group to seize any opportunities for business growth and expansion into other business areas in a timely manner as and when opportunities arise.

- 3.7. The above illustrations are based on the Minimum Subscription Scenario and the Maximum Subscription Scenario only. In the event the Net Proceeds fall in between the Minimum Subscription Scenario and the Maximum Subscription Scenario, the Company will make the necessary announcements on the allocations when the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.
- 3.8. Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.
- 3.9. The Company will make periodic announcements on the utilisation of such proceeds from the Proposed Rights Issue as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds, and provide a status report on the use of the proceeds in the Company's annual report, until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for working capital purposes, the Company will also provide a breakdown with specific details on the use of proceeds for working capital in the announcements and status reports. If there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 3.10. The Directors are of the reasonable opinion that, after taking into consideration the Group's internal resources, operating cash flow, and present banking facilities, barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the sufficiency of working capital, the Company is undertaking the Proposed Rights Issue based on the potential Net Proceeds for the reasons set out in paragraphs 3.1 to 3.3 of this announcement above.

4. PRINCIPAL TERMS OF THE RIGHTS ISSUE

- 4.1. **Size.** Based on the existing share capital of the Company of 185,625,000 Shares as at the date of this announcement, and taking into account the Undertakings and on the assumption that all the Entitled Shareholders subscribe in full for their pro-rata Rights Shares under the Proposed Rights Issue, under the Maximum Subscription Scenario, up to 111,375,000 Rights Shares will be issued under the Proposed Rights Issue and upon completion of the Proposed Rights Issue in such scenario, the share capital of the Company will be increased from 185,625,000 Shares to 297,000,000 Shares. Under the Minimum Subscription Scenario, up to 81,236,880 Rights Shares will be issued under the Proposed Rights Issue pursuant to the Undertakings, and upon completion of the Proposed Rights Issue in such scenario, the share capital of the Company will be increased from 185,625,000 Shares to 266,861,880 Shares.
- 4.2. **Offer Information Statement.** The terms and conditions of the Proposed Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the Offer Information Statement to be lodged with the SGX-ST, acting as an agent on behalf of the MAS, and despatched by the Company to Entitled Shareholders in due course, subject to paragraph 7 below.
- 4.3. **Ranking.** The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.
- 4.4. **Non-Underwritten Proposed Rights Issue.** In view of the Undertakings, and the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees, the Company has decided to proceed with the Proposed Rights Issue without having the Proposed Rights Issue being underwritten by any financial institution.
- 4.5. **Manager of the Proposed Rights Issue.** The Company has appointed RHT Capital Pte. Ltd. as the Manager for the Proposed Rights Issue.
- 4.6. **Odd Lots.** Shareholders who hold odd lots of the Rights Shares, and who wish to trade in odd lots on the Catalist should note that they will be able to do so on the Unit Share Market. However, Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that the Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.
- 4.7. **Option to Scale Down Subscription.** Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its pro-rata Rights Shares entitlement and/or apply for remaining Rights Shares not subscribed for by the Undertaking Shareholders (“**Excess Rights Shares**”)) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares entitlements fully.

- 4.8. **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Proposed Rights Issue. Entitlements which are not allotted or taken up for any reason (including any fractions of a Rights Share) will be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for 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 Proposed Rights Issue, or have representation (direct or through a nominee) on the Board of the Company, or who are Undertaking Shareholders, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless otherwise approved by the Shareholders at a general meeting.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

5. **ELIGIBILITY TO PARTICIPATE**

- 5.1. **Eligibility of Shareholders to Participate in the Proposed Rights Issue.** The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Proposed Rights Issue ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (both as defined below).

Entitled Shareholders will be entitled to participate in the Proposed 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 the Central Depository (Pte) Limited ("**CDP**") or the Share Registrar (as defined below), as the case may be.

- 5.2. **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 Record Date or who have registered addresses outside Singapore and provided CDP with addresses in Singapore for the service of notices and documents not later than 5.00 p.m.

(Singapore time) on the date falling three (3) market days prior to the Record Date (“**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 Record Date.

- 5.3. **Entitled Scripholders.** Entitled Scripholders are Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names, and (iii) registered addresses with the Company's share registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) (the “**Share Registrar**”), are in Singapore as at the Record Date or who have registered addresses outside Singapore and provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) market days prior to the Record Date and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date (“**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 Record Date by the Share Registrar, in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

- 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 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 Offer Information Statement.

- 5.5. **Foreign Shareholders.** For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will NOT be offered to Shareholders with registered addresses outside Singapore and who have not, at least three (3) market days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement to be issued for the Proposed Rights Issue and accompanying documents will not be mailed outside Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for any Excess Rights Shares therefore by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares through the book-entry

(scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers may not accept any “nil-paid” rights credited to their securities accounts unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold “nil-paid” on the SGX-ST, as soon as practicable, after dealings in the provisional allotments 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 expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with in accordance with the terms set out in the Offer Information Statement.

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 RECORD DATE.

6. APPROVALS

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

- (a) the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue) for the dealing in, listing of, and quotation for, the Rights Shares on the Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) with the SGX-ST, acting as an agent on behalf of the MAS; and
- (c) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue, being obtained and not having been withdrawn or revoked before the completion of the Proposed Rights Issue.

6.2. The Company will be making an application to the SGX-ST, through the Sponsor, for the listing of, and quotation for, the Rights Shares on the Catalist. An announcement will be made in due course when the Company receives the listing and quotation notice for the Rights Shares from the SGX-ST.

7. GENERAL

7.1. The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem appropriate. An Offer Information Statement containing further details

on the Proposed Rights Issue will be lodged with the SGX-ST, acting as an agent on behalf of the MAS and despatched (or as the case may be, disseminated) by the Company to Entitled Shareholders in due course.

8. PREVIOUS EQUITY FUND RAISING

8.1. The Company has not undertaken any equity fund raising exercise in the last 12 months.

9. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE

9.1. The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10.1. Save for the Undertaking Shareholders, none of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Rights Issue (other than through their respective shareholdings in the Company).

10.2. The respective shareholdings of Directors and substantial Shareholders as at the date of this announcement and upon completion of the Proposed Rights Issue in the event that (a) all the Entitled Shareholders subscribe in full for their pro-rata Rights Shares under the Proposed Rights Issue based on the existing share capital of the Company, or (b) there are zero subscription applications for the Rights Shares by the Entitled Shareholders (except the Undertaking Shareholders), are each set out in Appendix 1 annexed to the end of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

12. FURTHER ANNOUNCEMENTS

12.1. Further announcements will be made by the Company in relation to the Proposed Rights Issue as and when appropriate.

13. CAUTIONARY STATEMENT

- 13.1. Shareholders and potential investors are advised to exercise caution when dealing or trading in the Company's securities. The completion of the Proposed Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed 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 financial, tax or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer
27 August 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd. 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtqoc.com.

APPENDIX 1 (Interests of Directors and Substantial Shareholders)

In the event that all the Entitled Shareholders subscribe in full for their pro-rata Rights Shares under the Proposed Rights Issue based on the existing share capital of the Company, and no new Share is issued on or prior to completion of the Proposed Rights Issue:-

	As at the date of this announcement ⁽¹⁾				Number of Rights Shares to be issued	After the issuance of Rights Shares ⁽²⁾			
	Direct interest		Deemed interest			Direct interest		Deemed interest	
	Number of Shares	%	Number of Shares	%		Number of Shares	%	Number of Shares	%
Directors									
Pao Kiew Tee	-	-	-	-	-	-	-	-	-
Phua Lam Soon ⁽³⁾	14,701,600	7.92	105,454,900	56.81	8,820,960	23,522,560	7.92	168,727,840	56.81
Ong Siew Eng ⁽³⁾	14,873,600	8.01	105,282,900	56.72	8,924,160	23,797,760	8.01	168,452,640	56.72
Ng Kok Seng	1,490,000	0.80	-	-	894,000	2,384,000	0.80	-	-
Foo Shiang Ping	130,000	0.07	-	-	78,000	208,000	0.07	-	-
Chen Timothy Teck-Leng	-	-	-	-	-	-	-	-	-
Substantial Shareholders (Other than Directors)									
Yi Investment Pte. Ltd. ⁽³⁾	90,581,300	48.80	-	-	54,348,780	144,930,080	48.80	-	-
Twinkle Investment Pte. Ltd. ⁽³⁾	15,238,300	8.21	-	-	9,142,980	24,381,280	8.21	-	-
Asian Trust Investment Pte Ltd ⁽⁴⁾	1,112,500	0.60	8,400,000	4.53	5,707,500	1,780,000	0.60	13,440,000	4.53
Pai Keng Pheng ⁽⁵⁾	-	-	9,512,500	5.12	-	-	-	15,220,000	5.12
Pai Kheng Hian ⁽⁵⁾	-	-	9,512,500	5.12	-	-	-	15,220,000	5.12

Notes:-

(1) Calculated based on the total number of existing issued Shares of 185,625,000.

(2) Calculated on the basis that the total number of issued Shares after completion of the Proposed Rights Issue is 297,000,000 Shares.

(3) Please refer to the Notes to the tables in paragraphs 2.3 and 2.7 of this announcement.

(4) The deemed interest of Asian Trust Investment Pte Ltd is held through a custodian account with UOB Kay Hian Pte Ltd.

(5) Each of Pai Keng Pheng and Pai Kheng Hian holds 50.0% shareholding interests in Asian Trust Investment Pte. Ltd. and is therefore each deemed interested in 9,512,500 Shares and 15,220,000 Shares held by Asian Trust Investment Pte Ltd before and after the Proposed Rights Issue respectively.

In the event that there are zero subscription applications for the Rights Shares by the Entitled Shareholders (except the Undertaking Shareholders), and no new Share is issued on or prior to completion of the Proposed Rights Issue:-

	As at the date of this announcement ⁽¹⁾				Number of Rights Shares to be issued	After the issuance of Rights Shares ⁽²⁾			
	Direct interest		Deemed interest			Direct interest		Deemed interest	
	Number of Shares	%	Number of Shares	%		Number of Shares	%	Number of Shares	%
Directors									
Pao Kiew Tee	-	-	-	-	-	-	-	-	-
Phua Lam Soon ⁽³⁾	14,701,600	7.92	105,454,900	56.81	8,820,960	23,522,560	8.81	168,727,840	63.23
Ong Siew Eng ⁽³⁾	14,873,600	8.01	105,282,900	56.72	8,924,160	23,797,760	8.92	168,452,640	63.12
Ng Kok Seng	1,490,000	0.80	-	-	-	1,490,000	0.56	-	-
Foo Shiang Ping	130,000	0.07	-	-	-	130,000	0.05	-	-
Chen Timothy Teck-Leng	-	-	-	-	-	-	-	-	-
Substantial Shareholders (Other than Directors)									
Yi Investment Pte. Ltd. ⁽³⁾	90,581,300	48.80	-	-	54,348,780	144,930,080	54.31	-	-
Twinkle Investment Pte. Ltd. ⁽³⁾	15,238,300	8.21	-	-	9,142,980	24,381,280	9.14	-	-
Asian Trust Investment Pte Ltd ⁽⁴⁾	1,112,500	0.60	8,400,000	4.53	-	1,112,500	0.42	8,400,000	3.14
Pai Keng Pheng ⁽⁵⁾	-	-	9,512,500	5.12	-	-	-	9,512,500	3.56
Pai Kheng Hian ⁽⁵⁾	-	-	9,512,500	5.12	-	-	-	9,512,500	3.56

Notes:-

(1) Calculated based on the total number of existing issued Shares of 185,625,000.

(2) Calculated on the basis that the total number of issued Shares after completion of the Proposed Rights Issue is 266,861,880 Shares.

(3) Please refer to the Notes to the tables in paragraphs 2.3 and 2.7 of this announcement.

(4) The deemed interest of Asian Trust Investment Pte Ltd is held through a custodian account with UOB Kay Hian Pte Ltd.

(5) Each of Pai Keng Pheng and Pai Kheng Hian holds 50.0% shareholding interests in Asian Trust Investment Pte. Ltd. and is therefore each deemed interested in 9,512,500 Shares held by Asian Trust Investment Pte Ltd before and after the Proposed Rights Issue.