

STAMFORD LAND CORPORATION LTD
(Company Registration No.: 197701615H)
(Incorporated in Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

1.1. The board of directors (the “**Board**” or “**Directors**”) of Stamford Land Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the proposed renounceable non-underwritten rights issue (the “**Rights Issue**”) of 703,735,904 new ordinary shares in the capital of the Company (the “**Rights Shares**”) on the basis of nine (9) Rights Shares for every ten (10) existing ordinary shares in the capital of the Company (“**Share**”) held by Entitled Shareholders (as defined in paragraph 3.1 below) as at the Record Date (as defined in paragraph 3.2 below), fractional entitlements to be disregarded. In this regard, all of the persons named in paragraph 4.2 below (the “**Undertaking Shareholders**”) have each given an irrevocable undertaking (collectively, the “**Irrevocable Undertakings**”) to (i) subscribe and pay, in full for their pro rata entitlements of Rights Shares, being an aggregate of 323,190,990 Rights Shares (the “**Undertaken Rights Shares**”), representing forty-five point nine per cent. (45.9%) of the Rights Shares; and (ii) subject to him/her/it not being placed in a position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers (the “**Code**”), within such time and date to be informed by the Company to him/her/it (to the extent permitted by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), The Central Depository (Pte) Limited (“**CDP**”) or any relevant authority), in accordance with the terms of the Rights Issue, make excess application(s) and payment(s) for one hundred per cent. (100%) of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself/herself/itself at the closing date of the Rights Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares. The principal terms of the Rights Issue are set out below:

| <u>Principal Terms of the Rights Issue</u> | <u>Description</u> |
|--|--|
| Issue Price | : The issue price of each Rights Share (the “ Issue Price ”) will be S\$0.34, payable in full upon acceptance and/or application. |
| Discount (specifying benchmarks and periods) | : The Issue Price represents: <ul style="list-style-type: none">(i) a discount of approximately twenty-nine point two (29.2%) to the closing price of S\$0.48 per Share on the Main Board of the SGX-ST on 6 December 2021, being the last trading day (“Last Trading Day”) on which trades were done on the Shares prior to this announcement (the “Last Traded Price”); and(ii) a discount of approximately thirteen point eight per cent. (13.8%) to the theoretical ex-rights price of S\$0.41¹ per Share as calculated based on the Last Traded Price. |

¹ Such theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Last Traded Price of the Shares on the Main Board of the SGX-ST of S\$0.48 on the Last Trading Day, and the number of Shares following the completion of the Rights Issue.

The Issue Price and the discounts have been determined after taking into account precedent transactions, the transaction size and discussions with the Lead Manager (defined below).

Allotment Ratio : The Rights Issue will be made on a renounceable basis to Entitled Shareholders on the basis of nine (9) Rights Shares for every ten (10) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Use of Proceeds : The estimated net proceeds from the Rights Issue will amount to approximately S\$238.9 million (after deducting estimated expenses of approximately S\$0.4 million to be incurred in connection with the Rights Issue).

The Company intends to utilise the net proceeds for (i) the potential development of properties in Australia or Singapore or re-development of existing properties in Australia (including but not limited to Stamford Plaza Brisbane and Sir Stamford at Circular Quay), (ii) asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne, and (iii) other opportunistic real estate acquisitions that may be expected within the next twenty-four (24) months.

Please refer to paragraph 2 below for further details.

Purpose of Rights Issue : Please refer to paragraph 2 below for further details.

Number of Rights Shares to be Issued : Based on the issued share capital of the Company as at the date of this announcement of 781,928,782 Shares (excluding treasury shares and subsidiary holdings) (the "**Existing Issued Share Capital**"), the Company will allot and issue 703,735,904 Rights Shares under the Rights Issue.

There are 1,033,600 treasury shares as at the date of this announcement.

The Company does not have any other outstanding convertible securities and subsidiary holdings as at the date of this announcement.

Status of the Rights Shares : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares.

Previous Equity Fund Raising : The Company has not undertaken any equity fund raising in the past twelve (12) months prior to the date of this announcement.

1.2. The Company will be making an application to the SGX-ST in respect of the Rights Issue following this announcement.

1.3. The Rights Issue will be undertaken pursuant to the authority under the general mandate that was granted by the shareholders of the Company (the "**Shareholders**") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 July 2021 (the

“General Mandate”) to issue, among others, new Shares (whether by way of rights, bonus or otherwise) of not more than one hundred per cent. (100%) 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 twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date the General Mandate was approved. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate.

- 1.4. To demonstrate their commitment and vote of confidence in the Company and the Rights Issue, the Undertaking Shareholders have each given an Irrevocable Undertaking to (i) subscribe and pay in full for the Undertaken Rights Shares; and (ii) subject to him/her/it not being placed in a position of incurring a mandatory general offer obligation under the Code, within such time and date to be informed by the Company to him/her/it (to the extent permitted by the SGX-ST, the CDP or any relevant authority), in accordance with the terms of the Rights Issue, make excess application(s) and payment(s) for one hundred per cent. (100%) of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself/herself/itself at the closing date of the Rights Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares. Details of the Irrevocable Undertakings are set out in paragraph 4 below.
- 1.5. The Company has appointed United Overseas Bank Limited as the lead manager for the Rights Issue (the **“Lead Manager”**) to manage the Rights Issue on its behalf. For the avoidance of doubt, the Rights Issue will not be underwritten by the Lead Manager.
- 1.6. In view of the Irrevocable Undertakings and so as not to incur any underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.
- 1.7. Based on the Existing Issued Share Capital:
 - (a) assuming that the Rights Issue is fully subscribed, 703,735,904 Rights Shares will be allotted and issued pursuant to the Rights Issue (the **“Maximum Subscription Scenario”**); and
 - (b) assuming that (i) none of the other Entitled Shareholders (other than the Undertaking Shareholders) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares; and (ii) only the Undertaking Shareholders subscribe and pay, in full, for the Undertaken Rights Shares in accordance with the Irrevocable Undertakings, 703,735,904 Rights Shares will be issued pursuant to the Rights Issue (the **“Minimum Subscription Scenario”**).
- 1.8. On the basis that the Irrevocable Undertakings are fulfilled by the Undertaking Shareholders, the net proceeds from the Minimum Subscription Scenario will be sufficient to meet the Company’s present funding requirements.

2. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

- 2.1. The Company intends to utilise the net proceeds for (i) the potential development of properties in Australia or Singapore or re-development of existing properties in Australia (including but not limited to Stamford Plaza Brisbane and Sir Stamford at Circular Quay), (ii) asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne, and (iii) other opportunistic real estate acquisitions that may be expected within the next twenty-four (24) months.
- 2.2. **Value proposition for Shareholders and Use of Proceeds**

The Rights Issue will provide all Shareholders with the opportunity to participate in the growth and expansion of the Group’s business from its strategic initiative as mentioned above and also

to maintain their pro rata equity interests in the Company by accepting their pro rata entitlements to the Rights Issue as well as applying for excess Rights Shares at the Issue Price of S\$0.34 which is at a discount of approximately:

- (a) twenty-nine point two per cent. (29.2%) to the Last Traded Price; and
- (b) thirteen point eight per cent. (13.8%) to the theoretical ex-rights price of S\$0.41² per Share as calculated based on the Last Traded Price.

The Undertaking Shareholders have each undertaken to (i) subscribe and pay, in full for the Undertaken Rights Shares, amounting to forty-five point nine per cent. (45.9%) in aggregate of the Rights Issue; and (ii) subject to him/her/it not being placed in a position of incurring a mandatory general offer obligation under the Code, within such time and date to be informed by the Company to him/her/it (to the extent permitted by the SGX-ST, the CDP or any relevant authority), in accordance with the terms of the Rights Issue, make excess application(s) and payment(s) for one hundred per cent. (100%) of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself/herself/itself at the closing date of the Rights Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares. This reflects the Undertaking Shareholders' confidence in the future plans and growth prospects of the Group. The Rights Issue is renounceable and Shareholders can trade their nil-paid Rights (as defined in paragraph 3.2 below) should they not wish to accept their Rights Shares.

- 2.3. The net proceeds from the Rights Issue (after deducting estimated expenses of approximately S\$0.4 million to be incurred in connection with the Rights Issue) will amount to approximately S\$238.9 million. The Company intends to utilise the net proceeds for the following purposes:

| Purpose | Percentage of Net Proceeds |
|--|----------------------------|
| 1. Potential development of properties in Australia or Singapore or re-development of properties in Australia (including but not limited to Stamford Plaza Brisbane and Sir Stamford at Circular Quay) | 30% |
| 2. Asset enhancement of Stamford Grand Adelaide and/or Stamford Plaza Melbourne | 30% |
| 3. Other opportunistic real estate acquisitions | 40% |
| Total | 100% |

- 2.4. Pending the deployment of the net proceeds from the Rights Issue, such net proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money markets and/or debt instruments, repayment of short-term debts or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.
- 2.5. The Company will make periodic announcements via SGXNET on the utilisation of the net proceeds from the Rights Issue, as and when the funds from the Rights Issue are materially disbursed, including whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the net proceeds from the Rights Issue in the Company's annual report, in accordance with the Listing Manual of the SGX-ST (the "**Listing Manual**"). Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of net proceeds for working capital in its announcement and the annual report. Where there is any

² Such theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Last Traded Price of the Shares on the Main Board of the SGX-ST of S\$0.48 on the Last Trading Day, and the number of Shares following the completion of the Rights Issue.

material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation.

- 2.6. The foregoing represents the Company's best estimate of its allocation of the net proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that the Company decides to reallocate the net proceeds or use portions for other purposes, the Company will make an announcement of its intention to do so.

3. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

- 3.1. The Company proposes to provisionally allot by way of Rights to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), which comprise Entitled Depositors and Entitled Scripholders, on the basis of their shareholdings as at the Record Date.
- 3.2. "**Entitled Depositors**" are Shareholders with Shares standing to the credit of their securities accounts with CDP as at the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares ("**Rights**") of Entitled Shareholders under the Rights Issue (the "**Record Date**") and (i) whose registered addresses with CDP are in Singapore as at the Record Date, or (ii) who have, at least three (3) market days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 3.3. "**Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Company's Share Registrar, M & C Services Private Limited (the "**Share Registrar**"), registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (i) whose registered addresses with the Company are in Singapore as at the Record Date, or (ii) who have, at least three (3) market days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
- 3.4. Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be traded on the Main Board of the SGX-ST over a period to be determined by the Directors in compliance with the rules of the Listing Manual. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.
- 3.5. Fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or purchaser(s) of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system, any unsold Rights of Foreign Shareholders (as defined in paragraph 3.6 below) and any Rights Shares that are not otherwise allotted for whatever reason, be aggregated and used to satisfy excess Rights Shares applications (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.
- 3.6. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Issue will not be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) market days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"), and the Offer Information Statement (as defined in paragraph 7.2 below) 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 by Foreign Shareholders will be valid.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE THE SHARE REGISTRAR OR CDP, 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.

- 3.7. If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Shareholders other than the Entitled Depositors and the Entitled Scripholders (“**Ineligible Shareholders**”) to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights, and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the Offer Information Statement. 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 expenses expected to be incurred in relation thereto.
- 3.8. If such Rights cannot be 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 Rights, the Rights Shares represented by such Rights will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager, CDP, the Central Provident Fund Board or the Share Registrar and their respective officers in connection therewith.
- 3.9. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial shareholders of the Company 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 (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

4. IRREVOCABLE UNDERTAKINGS

- 4.1. To demonstrate their commitment and vote of confidence in the Company and the Rights Issue, the Undertaking Shareholders have each given the relevant Irrevocable Undertakings to the Company, *inter alia*, to (i) subscribe and pay, in full for the Undertaken Rights Shares in accordance with the terms and conditions of the Rights Issue and not later than the last time and date for acceptance of and payment for the Rights Shares under the Rights Issue; and (ii) subject to him/her/it not being placed in a position of incurring a mandatory general offer obligation under the Code, within such time and date to be informed by the Company to him/her/it (to the extent permitted by the SGX-ST, the CDP or any relevant authority), in accordance with the terms of the Rights Issue, make excess application(s) and payment(s) for one hundred per cent. (100%) of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself/herself/itself at the closing date of the Rights Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares. No commission or fee will be paid to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.
- 4.2. As at the date of the Irrevocable Undertakings, 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:

| | No. of Shares | | |
|--|-----------------|-----------------|------------------|
| | Direct Interest | Deemed Interest | % ⁽¹⁾ |
| | | | |

| | | | |
|--|-------------|------------|------|
| Mr Ow Chio Kiat | 300,216,000 | 28,842,000 | 38.3 |
| Hai Sun Hup Group Pte Ltd | 12,400,000 | - | 1.6 |
| Victoria Park (1976) Pte Ltd (formerly known as Maritime Properties Pte Ltd) | 9,776,000 | - | 1.2 |
| Madam Lim Siew Feng, Katherine | 6,666,000 | - | 0.9 |
| Mr Ow Yew Heng | 10,000,000 | - | 1.3 |
| Ms Kiersten Ow Yiling | 20,043,100 | - | 2.6 |

Notes:

- (1) Based on the Existing Issued Share Capital as at the date of this announcement, comprising 781,928,782 Shares (excluding treasury shares and subsidiary holdings) and rounded to one (1) decimal place.
- (2) Mr Ow Chio Kiat is deemed interested in the following Shares:
- (a) 6,666,000 Shares held by his spouse, Madam Lim Siew Feng, Katherine;
 - (b) 12,400,000 Shares held by Hai Sun Hup Group Pte Ltd by virtue of his controlling interests in Hai Sun Hup Group Pte Ltd; and
 - (c) 9,776,000 Shares held by Victoria Park (1976) Pte Ltd (formerly known as Maritime Properties Pte Ltd) by virtue of his controlling interests in Victoria Park (1976) Pte Ltd (formerly known as Maritime Properties) Pte Ltd.

4.3. The Undertaking Shareholders as named in the table above form part of a concert party group (together with Mr Ow Cheo Guan, Tan Gim Tee Holdings Pte Ltd, Mr Ow Weiwen, Mr Ow Wei Quan and Ms Aw Chew Hua (collectively, the “**Non-Undertaking Shareholders**”) which holds over fifty per cent. (50%) of the voting rights of the Company. Accordingly, the obligations of the Undertaking Shareholders under the Irrevocable Undertakings will not trigger an obligation under the Code to make a mandatory general offer for the Shares of the Company. The number of Shares held and the percentage proportion held in the Company’s issued and paid-up share capital by each of the Non-Undertaking Shareholders as at the date hereof is as follows:

| | No. of Shares | | |
|------------------------------|-----------------|-----------------|------------------|
| | Direct Interest | Deemed Interest | % ⁽¹⁾ |
| Mr Ow Cheo Guan | 3,730,000 | 26,400,000 | 0.5 |
| Tan Gim Tee Holdings Pte Ltd | 26,400,000 | - | 3.4 |
| Mr Ow Weiwen | 800,000 | - | 0.1 |
| Mr Ow Wei Quan | 800,000 | - | 0.1 |
| Ms Aw Chew Hua | 852,000 | - | 0.1 |

Notes:

- (1) Based on the Existing Issued Share Capital as at the date of this announcement, comprising 781,928,782 Shares (excluding treasury shares and subsidiary holdings) and rounded to one (1) decimal place.

- (2) The Company, Mr Ow Chio Kiat and Mr Ow Yew Heng had sought confirmation from all concert parties to ascertain their deemed interests. The direct interests of Mr Aw Chio Liong and Ms Aw Chew Hwa are based on the list of depositors as obtained from the Central Depository (Pte) Limited. The Securities Industry Counsel has on 8 November 2021 ruled that Mr Aw Chio Liong is not a party acting in concert with Mr Ow Chio Kiat and his concert parties.
- 4.4. In addition to the above, each of the Undertaking Shareholders and the Non-Undertaking Shareholders has undertaken to ensure that none of the Shares in which he/she/it currently has an interest, are sold, transferred or otherwise disposed of during the period between the date of the Irrevocable Undertaking and the date of issue of the Rights Shares without the prior written consent of the Company.
- 4.5. Each of the Undertaking Shareholders will be providing a confirmation of financial resources from the relevant financial institutions in connection with its Irrevocable Undertaking to the Company and the SGX-ST in due course.
- 4.6. **Resultant shareholdings based on Minimum Subscription Scenario and Maximum Subscription Scenario**

For illustrative purposes only, pursuant to the terms of the Rights Issue and the Irrevocable Undertakings, and assuming (i) the Maximum Subscription Scenario; and (ii) the Minimum Subscription Scenario, the number of Shares and the percentage proportion in the issued Shares of the Undertaking Shareholders immediately upon completion of the Rights Issue are as follows:

| | Maximum Subscription Scenario | | Minimum Subscription Scenario | |
|---|--|------------------|--|------------------|
| | No. of Shares (immediately after the Rights Issue) | % ⁽¹⁾ | No. of Shares (immediately after the Rights Issue) | % ⁽¹⁾ |
| Mr Ow Chio Kiat | 570,410,400 | 38.3 | 888,553,875 | 59.8 |
| Hai Sun Hup Group Pte Ltd | 23,560,000 | 1.6 | 36,700,469 | 2.5 |
| Victoria Park (1976) Pte Ltd (formerly known as Maritime Properties Pte Ltd) | 18,574,400 | 1.2 | 28,934,176 | 1.9 |
| Madam Lim Siew Feng, Katherine | 12,665,400 | 0.9 | 19,729,462 | 1.3 |
| Mr Ow Yew Heng | 19,000,000 | 1.3 | 29,597,153 | 2.0 |
| Ms Kiersten Ow Yiling | 38,081,890 | 2.6 | 59,321,869 | 4.0 |
| Other Shareholders | 803,372,596 | 54.1 | 422,827,682 | 28.5 |
| Total | 1,485,664,686 | 100.0 | 1,485,664,686 | 100.0 |

Notes:

- (1) Based on the enlarged share capital of 1,485,664,686 Shares (excluding treasury shares and subsidiary holdings) after the Rights Issue ("**Enlarged Share Capital**") and rounded to one (1) decimal place.

Accordingly,

- (a) assuming the Maximum Subscription Scenario, pursuant to the Irrevocable Undertakings, the aggregate number of Shares of the Undertaking Shareholders after the close of the Rights Issue will increase from 359,101,100 Shares, representing approximately forty-five point nine per cent. (45.9%) of the voting rights of the Company as at the date of this announcement to 682,292,090 Shares, representing approximately forty-five point nine per cent. (45.9%) of the Enlarged Share Capital; and
- (b) assuming the Minimum Subscription Scenario, pursuant to the Irrevocable Undertakings, the aggregate number of Shares of the Undertaking Shareholders after the close of the Rights Issue will increase from 359,101,100 Shares, representing approximately forty-five point nine per cent. (45.9%) of the voting rights of the Company as at the date of this announcement to 1,062,837,004 Shares, representing approximately seventy-one point five per cent. (71.5%) of the Enlarged Share Capital.

5. SCALING DOWN OF SUBSCRIPTIONS

Depending on the level of subscription for the Rights Shares, the Company may, 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 Share entitlements and/or apply for 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, whether partly or in full, their Rights Shares entitlements fully, and/or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting.

6. STATEMENT BY THE DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group. The Rights Issue will also provide the Shareholders with an opportunity to participate in the growth and expansion of the Group's business and also to maintain their pro rata equity interests in the Company by accepting their pro rata entitlements to the Rights Issue, as well as applying for excess Rights Shares at the Issue Price. For the reasons outlined in paragraph 2 above, the Directors believe the Rights Issue is in the interest of the Group.

7. APPROVALS

7.1. Listing Approval

The Rights Issue is subject to the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

7.2. Offer Information Statement

The Rights Issue is subject to the lodgment of an offer information statement (the “**Offer Information Statement**”) together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, by the Company with the Monetary Authority of Singapore (the “**MAS**”).

8. GENERAL

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Lead Manager, may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched or, as the case may be, disseminated by the Company to Entitled Shareholders in due course.

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

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 the 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

Save as disclosed in this announcement and save for their interests arising by way of their respective shareholding interests in the Company and/or directorships in the Company, as the case may be, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Rights Issue.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Shares, 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. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax, legal or other professional adviser(s) immediately.

13. FURTHER INFORMATION

The Company will make the necessary announcement(s) as and when required and/or material developments arise in respect of the Rights Issue.

By Order of the Board

Lee Li Huang
Chief Financial Officer and Company Secretary
7 December 2021

IMPORTANT NOTICE

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