



SINGHAIYI GROUP LTD.
(Company Registration No. 198803164K)
(Incorporated in the Republic of Singapore)

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO
1,435,148,925 NEW ORDINARY SHARES IN THE CAPITAL OF SINGHAIYI GROUP LTD.**

1. INTRODUCTION

- 1.1 **Rights Issue.** The board (the “**Board**”) of directors (the “**Directors**”) of SingHaiyi Group Ltd. (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 1,435,148,925 new ordinary shares in the capital of the Company (the “**Rights Shares**”), at an issue price of S\$0.100 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the “**Shares**”), held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlement under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.
- 1.2 **Share Issue Mandate.** The issue of the Rights Shares will be made pursuant to the authority granted by the general share issue mandate approved by the Shareholders at the annual general meeting of the Company held on 27 July 2017, pursuant to Rule 806 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- 1.3 **Manager.** The Company has appointed United Overseas Bank Limited as the manager for the Rights Issue (the “**Manager**”).

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

- 2.1 **Basis of Provisional Allotment.** The Company is proposing to issue up to 1,435,148,925 Rights Shares at the Issue Price pursuant to the Rights Issue, in order to raise gross proceeds of up to approximately S\$143.51 million. The Rights Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders (as defined herein) on the basis of one (1) Rights Share for every two (2) existing Shares held as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 **Size.** As at the date of this announcement, the issued share capital of the Company (excluding treasury shares¹) comprises 2,870,297,850 Shares (the “**Existing Issued Share Capital**”) and

¹ As at the date of this announcement, the Company has 689,000 treasury shares.

the Company does not have any outstanding share options, share awards or other convertible securities. Based on the Existing Issued Share Capital and assuming that the Rights Issue is fully subscribed, 1,435,148,925 Rights Shares will be allotted and issued. Upon the completion of the allotment and issuance of the Rights Shares (the “**Completion**”), the issued and paid-up share capital of the Company will increase to 4,305,446,775 Shares. In view of the Irrevocable Undertaking (as defined herein), the Rights Issue will be fully subscribed.

2.3 Issue Price. The Issue Price:

- (a) represents a discount of approximately 16.7 per cent. to the closing price of S\$0.120 per Share (“**Closing Price**”) on the SGX-ST on 26 December 2017 (being the date of this announcement); and
- (b) represents a discount of approximately 11.8 per cent. to the theoretical ex-rights price² of S\$0.113 per Share.

2.4 Eligibility to participate. The Company proposes to provisionally allot the Rights Shares to the Entitled Shareholders, comprising Entitled Depositors and Entitled Scripholders (each as defined herein and collectively, the “**Entitled Shareholders**”), on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders will be entitled to participate in the Rights Issue and receive the offer information statement to be issued by the Company in connection with the Rights Issue (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 (the “**CDP**”) or the Share Registrar (as defined herein), as the case may be.

2.5 Entitled Depositors. Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts (the “**Securities Accounts**”) with CDP and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have 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 Days³ prior to the Books Closure Date (the “**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 as at 5:00 p.m. (Singapore time) on the Books Closure Date.

2.6 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, M & C Services Private Limited (the “**Share Registrar**”), are in Singapore as at the Books Closure Date or who have 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 Books Closure Date, and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date (the “**Entitled Scripholders**”).

² The 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 Closing Price, and the number of Shares following completion of the Rights Issue.

³ “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

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 provisional allotments of Rights Shares.

2.7 **Ranking.** The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, 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, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the 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 other distributions.

2.8 **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and will also be eligible to apply for Rights Shares in excess of their provisional allotments under the 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.

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.

In the allotment of excess Rights Shares, preference will be given to Entitled Shareholders for rounding of odd lots, and 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 (direct or through a nominee) on the Board 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 and issue of any Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

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.

2.9 **Foreign Shareholders.** The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the

Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”) and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue and no provisional allotment of Rights Shares will be made to Foreign Shareholders. No purported acceptance thereof or application for any excess Rights Shares therefor 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 (the “**Foreign Purchasers**”). Foreign Purchasers may not accept any “nil-paid” rights credited to their Securities Account 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 pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be 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 Manager, CDP and/or the Share Registrar in connection therewith.

Where the 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, in consultation with the Manager, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith. 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 new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares 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 Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, TO (I) CDP AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) SINGHAIYI GROUP LTD. C/O M & C

SERVICES PRIVATE LIMITED AT 112 ROBINSON ROAD, #05-01, SINGAPORE 068902, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

- 2.10 **Offer Information Statement.** The terms and conditions of the Rights Issue may be subject to such changes as the Directors may, in consultation with the Manager, deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement and its accompanying documents to be lodged with the Monetary Authority of Singapore (the “MAS”). The Offer Information Statement will be despatched by the Company to Entitled Shareholders in due course.
- 2.11 **Odd Lots.** Shareholders should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market of the SGX-ST.

3. IRREVOCABLE UNDERTAKING

- 3.1 **Irrevocable Undertaking.** As at the date of this announcement, Haiyi Holdings Pte. Ltd. (the “Undertaking Shareholder”), beneficially owns 1,612,364,081 Shares, representing approximately 56.17% of the Existing Issued Share Capital (the “Relevant Shares”), which are registered under a nominee account with Citibank Nominees Singapore Pte Ltd. The entire legal and beneficial interest of the Undertaking Shareholder is owned by Mr. Gordon Tang, a Non-Executive Director of the Company, and Mrs. Celine Tang, the Group Managing Director of the Company.

To demonstrate its support for the Rights Issue and its commitment to and confidence in the Company, the Undertaking Shareholder has provided an irrevocable undertaking dated 26 December 2017 (the “Irrevocable Undertaking”) in favour of the Company and the Manager that, *inter alia*, the Undertaking Shareholder will directly and/or through one of its nominee(s), in accordance with the terms and conditions of the Rights Issue and in any case not later than the closing date of the Rights Issue, subscribe and pay in full for:

- (a) 806,182,040 Rights Shares, being its *pro rata* entitlement of Rights Shares under the Rights Issue; and
- (b) all of the Rights Shares (subject to availability) in excess of its provisional allotments under the Rights Issue.

In addition, the Undertaking Shareholder has undertaken, pursuant to the Irrevocable Undertaking, that none of the Relevant Shares are sold, transferred or otherwise disposed of during the period commencing from the date of the Irrevocable Undertaking until the date of issue and listing of the Rights Shares on the SGX-ST.

- 3.2 **Confirmation of Financial Resources.** Pursuant to Rule 877(9) of the Listing Manual, the Undertaking Shareholder has obtained a letter from a financial institution confirming that it has the necessary financial resources to fulfil its obligations under the Irrevocable Undertaking.
- 3.3 **Conditions.** The Irrevocable Undertaking is subject to and conditional upon:
- (a) the approval in-principle granted by the SGX-ST for the dealing, listing and quotation, of 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 closing date of the offer of the Rights Shares under 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 lodgment of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Rights Issue with the MAS.

3.4 **No Mandatory Offer Obligation.** As the Undertaking Shareholder holds a direct interest exceeding 50 per cent. of the Existing Issued Share Capital, the Undertaking Shareholder will not trigger an obligation under the Singapore Code on Take-overs and Mergers to make a mandatory general offer for the Shares as a result of it fulfilling its obligations under the Irrevocable Undertaking.

3.5 **Non-Underwritten Rights Issue.** In view of the Irrevocable Undertaking 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 Rights Issue on a non-underwritten basis.

4. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

4.1 **Rationale.** The Company is proposing the Rights Issue to raise proceeds (i) to pursue property investments, as and when they are identified, either through direct acquisition of real estate or the acquisition of vehicles holding the real estate; and (ii) for general corporate and working capital purposes, including but not limited to (a) operating costs and (b) making strategic investments and/or acquisitions if opportunities arise.

The Rights Issue will help to strengthen the Group's financial position by augmenting the Group's balance sheet and capital base, and reducing the net gearing of the Group. This will enhance the Group's ability to formulate, strategise and execute its business plans. It will also provide the Group with greater financial capacity and flexibility to capitalise on any investment opportunities in a timely manner as and when such opportunities arise.

In addition, as the Group continues to constantly evaluate business opportunities and market opportunities relating to its business, the Rights Issue would preserve the Group's committed credit lines that allow it to respond to such opportunities expediently, providing the Group with the financial flexibility to adapt and respond to market conditions and available opportunities.

4.2 **Use of Proceeds.** In view of the Irrevocable Undertaking, the Rights Shares will be fully subscribed and the Company expects to raise net proceeds ("**Net Proceeds**") of approximately S\$143.16 million from the Rights Issue, after deducting estimated costs and expenses of approximately S\$0.35 million incurred in connection with the Rights Issue. The Company intends to utilise the Net Proceeds, in the following approximate manner:

Purpose	S\$' million	Per cent. of Net Proceeds (%)
Property Investments	100.21 to 128.84	70.0 to 90.0
General Corporate and Working Capital	14.32 to 42.95	10.0 to 30.0

The Company is of the view that the Net Proceeds raised will be sufficient to meet the present funding requirements.

Upon Completion and pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments 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 Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. APPROVALS

The Rights Issue is subject and conditional upon:

- (a) the approval in-principle granted by the SGX-ST for the dealing, listing and quotation, of 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 closing date of the offer of the Rights Shares under 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 lodgment of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Rights Issue with the MAS.

The Company will be making an application to the SGX-ST for dealing, listing and quotation, of the Rights Shares on the Main Board of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the approval in-principle for the dealing, listing and quotation, of the Rights Shares from the SGX-ST.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

7. 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 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.

BY ORDER OF THE BOARD

Celine Tang
Group Managing Director

26 December 2017