

DATAPULSE TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198002677D)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 109,537,422 WARRANTS ON THE BASIS OF ONE (1) RIGHTS WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES

1. INTRODUCTION

The board of Directors ("**Directors**") of Datapulse Technology Limited ("**Company**") refers to its announcement on 27 December 2021 regarding a proposed renounceable non-underwritten rights issue of shares ("**2021 Rights Issue**"). The Company does not intend to proceed with the 2021 Rights Issue and no shares were issued pursuant to the 2021 Rights Issue. The Company further wishes to announce that in place of the 2021 Rights Issue, it is proposing to undertake a renounceable non-underwritten rights issue ("**Rights Issue**") of up to 109,537,422 warrants ("**Rights Warrants**") at an issue price of S\$0.01 for each Rights Warrant ("**Rights Issue Price**"), on the basis of one (1) Rights Warrant for every two (2) existing ordinary shares ("**Shares**") held by the shareholders of the Company ("**Shareholders**") as at a record date to be determined by the Directors, at and on which the register of shareholders ("**Register of Members**") and the transfer books will be closed to determine the provisional allotment of the Rights Warrants of the Entitled Shareholders (as defined below) under the Rights Issue ("**Books Closure Date**" or "**Record Date**"), fractional entitlements to be disregarded. Each Rights Warrant carries the right to subscribe for one (1) new Share ("**Rights Share**") at an exercise price of S\$0.09 ("**Warrant Exercise Price**").

The Rights Warrants and the Rights Shares are intended to be issued and allotted pursuant to and within the limits of the general share issue mandate of the Company approved by Shareholders at the annual general meeting of the Company held on 10 November 2021 ("**General Mandate**"). The General Mandate authorises the Company to issue new Shares as well as to make or grant offers, agreements or options that might or would require Shares to be issued ("**Instruments**") (including the creation and issue of warrants or other instruments convertible into Shares). The aggregate number of Shares to be issued (including Shares to be issued pursuant to Instruments made or granted under the General Mandate) shall not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) as at the date of the grant of the General Mandate ("**Relevant Share Capital**"), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to Instruments made or granted under the General Mandate) other than on a pro rata basis to Shareholders shall not exceed 20% of the Relevant Share Capital ("**General Limit**").

As the Relevant Share Capital comprised of 219,074,844 Shares and the issue of the Rights Warrants is on a pro rata basis, the Company may issue up to 109,537,422 Rights Warrants under the General Limit of the General Mandate. From the date of grant of the General Mandate and up to the date of this announcement ("**Announcement**"), no Shares or convertible securities have been issued pursuant to the General Mandate. Accordingly, the issue of 109,537,422 Rights Warrants pursuant to the Rights Issue falls within the limits of the General Mandate.

2. DETAILS OF RIGHTS ISSUE

2.1 Basis of Provisional Allotment

The Company is offering up to 109,537,422 Rights Warrants, on a renounceable non-underwritten basis, at the Rights Issue Price of S\$0.01 per Rights Warrant, on the basis of one (1) Rights Warrant for every two (2) existing Shares held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

2.2 Provisional Allotments and Excess Applications

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Warrants and will be eligible to apply for additional Rights Warrants in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Warrants will be disregarded in arriving at the Entitled Shareholders' (as defined below) provisional allotments of Rights Warrants and will, together with the provisional allotments of Rights Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Warrants (if any), or disposed of or otherwise 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 Listing Manual.

In the allotment of excess Rights Warrants, preference will be given to Shareholders for the rounding of odd lots, whereas Directors of the Company 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 (directly or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of excess Rights Warrants.

2.3 Scaling down of Subscriptions and Excess Applications

The Company will not make any allotment and issuance of any Rights Warrants (whether through provisional allotments and/or application for excess Rights Warrants) that will result in a transfer of controlling interest in the Company upon exercise of such Rights Warrants in full.

Depending on the level of subscription for the Rights Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Warrants by any of the Shareholders (including the Undertaking Shareholders) to avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Singapore Code on Takeovers and Mergers (the "**Take-over Code**") in the position of incurring a mandatory general offer obligation under the Take-over Code (when the Rights Warrants are exercised into Rights Shares) as a result of other Shareholders not taking up their Rights Issue entitlement fully.

2.4 Form and Subscription Rights of the Rights Warrants

The Rights Warrants will be issued in registered form and be constituted in an instrument by way of a deed poll to be executed by the Company ("**Deed Poll**") that sets out the terms and conditions of the Rights Warrants and which may from time to time be amended or supplemented. Each Rights Warrant will, subject to the terms and conditions to be set out in the Deed Poll, carry the right to subscribe for one (1) Rights Share at the Warrant Exercise Price of S\$0.09 for each Rights Share within the period during which the Rights Warrants may be exercised (the "**Warrants Exercise Period**"), being the period after the date of issue of the Rights Warrants up to the close of business on the date that is 60 months from the issue date of the Rights Warrants, unless such date is a date on which the Register of Members and the register of warrant holders (the "**Register of Warrant holders**") of the Company is closed or is not a day on which the Mainboard of the SGX-ST (the "**Mainboard**") is open for securities trading ("**Market Day**"), in which event, the last day of the Warrants Exercise Period shall be the immediately preceding Market Day on which the Register of Members and the Register of Warrant holders remain open, subject to the terms and conditions of the Rights Warrants as set out in the Deed Poll. The Rights Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.

2.5 Size of the Rights Issue

Based on the 219,074,844 issued and fully paid-up Shares excluding treasury shares of 829,600 (“**Existing Issued Share Capital**”), assuming that all the Entitled Shareholders (as defined below) subscribe in full for their pro rata entitlement of Rights Warrants under the Rights Issue, up to 109,537,422 Rights Warrants, and further assuming that all of these Rights Warrants are exercised, up to 109,537,422 Rights Shares will be issued under the Rights Issue. This would constitute approximately 50.0% of the Existing Issued Share Capital and 33.3% of the enlarged share capital of the Company comprising 328,612,266 Shares (excluding treasury shares).

Anone Holdings Pte. Ltd. and Mr. Aw Cheek Huat (together, the “**Undertaking Shareholders**”) have provided irrevocable undertakings in favour of the Company to subscribe and pay in full for their pro rata entitlement of Rights Warrants under the Rights Issue (“**Irrevocable Undertakings**”). Please refer to paragraph 4 below for more details on the Undertaking Shareholders and the provision of the Irrevocable Undertakings.

2.6 Status of the Rights Shares

The Rights Shares arising from the exercise of the Rights Warrants 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 Shareholders must be registered with the Company or the Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.7 Rights Issue price and Warrant Exercise Price

The total cost of each Rights Share would be S\$0.10 (aggregating the Rights Issue Price and Warrant Exercise Price) which represents a premium of approximately 13.6% volume weighted average price of \$0.088 for trades done on the Mainboard on 29 September 2022, being the full Market Day on which Shares were traded immediately preceding this Announcement.

2.8 Adjustments

The Warrant Exercise Price and/or the number of Rights Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Rights Warrants as set out in the Deed Poll.

2.9 Non-Underwritten Rights Issue

In view of the savings enjoyed for not having to bear underwriting fees and the Irrevocable Undertakings from the Undertaking Shareholders, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

2.10 Offer Information Statement

The terms and conditions of the Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement (“**Offer Information Statement**”) and its accompanying documents, to be lodged with the Monetary Authority of Singapore (“**Authority**”), and to be disseminated by the Company to Entitled Shareholders (as defined below) in due course, subject to obtaining the necessary approvals listed in paragraph 7 of this Announcement.

2.11 Issue and Trading of the Rights Warrants

The Rights Warrants will be issued in registered form and will be listed and traded separately on the Mainboard under the book-entry (scripless) settlement system, upon the listing and quotation of the Rights Warrants on the Mainboard, subject to, amongst others, there being an adequate spread of holdings of the Rights Warrants to provide for an orderly market in the trading of the Rights Warrants. Each board lot of the Rights Warrants will consist of 100 Rights Warrants or such other board lot size which the SGX-ST may require.

Shareholders should note that in the event of an insufficient spread of holdings for the Rights Warrants to provide for an orderly market in the trading of the Rights Warrants, the Rights Warrants may not be listed and quoted on the Mainboard. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Rights Warrants to provide for an orderly market in the trading of the Rights Warrants, holders of the Rights Warrants (“**Warrantholders**”) will not be able to trade their Rights Warrants on the SGX-ST. In such event the Company shall nevertheless proceed with and complete the Rights Issue.

2.12 Notice of Expiry

The Company shall, no later than one (1) month before the expiry of the Warrants Exercise Period, announce the expiry of the Warrants Exercise Period on SGXNET. In addition, the Company shall also, no later than one (1) month before the expiry of the Warrants Exercise Period, take reasonable steps to notify the Warrantholders in writing of the expiry of the Warrants Exercise Period, and such notice shall be delivered by post to the registered address of the Warrantholder as maintained in the Register of Warrantholders.

2.13 Alteration to Terms

No material alteration to the terms of the Rights Warrants after the issue thereof to the advantage of the Warrantholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Rights Warrants as set out in the Deed Poll.

2.14 Governing Law

The terms of the Rights Warrants are governed by the Laws of the Republic of Singapore.

2.15 Further Issues

The Company may from time to time without the consent of the Warrantholders create and issue further warrants having the same terms and conditions as the Rights Warrants in all respects (other than in relation to the issue date) so that such further issues shall be consolidated and form a single series with the outstanding warrants.

3. RATIONALE AND USE OF PROCEEDS

3.1 Rationale

The Directors believe that the Rights Warrants will provide Shareholders with the opportunity for further equity participation in the Company by subscribing for the Rights Shares through the exercise of the Warrants. In addition, as and when the Rights Warrants are exercised, the proceeds arising therefrom will (i) strengthen the working capital of the Company and (ii) provide the necessary funds for growth.

i. Strengthening the Group’s working capital

Since the beginning of the COVID-19 pandemic in 2020, the Group’s financial performance has been deeply affected due to the slowdown in the hospitality and tourism industry.

The proceeds from Rights Warrants are expected to strengthen the Group's working capital and sustain future development of the business. The Group incurred an operating cash outflow of S\$1.5 million in FY2022. The proceeds from the Rights Warrants will strengthen the Group's cash reserve to meet its ongoing financial commitments. The extent and timing of the recovery from the COVID-19 pandemic is uncertain, hence the Directors are of the view that it will be prudent to ensure that the Company has additional working capital and cash buffer, to guard against the continuing effects of the COVID-19 pandemic, possible economic downturns and other contingencies as it will take some time for the tourism industry to go back to pre-COVID-19 levels especially when China, as the biggest source of foreign tourists in regions the Group operates in, is still maintaining a "zero-COVID" policy where lockdowns are common and outbound travels from China are heavily restricted.

ii. Positioning for Growth

The suppressed tourism and hospitality industry for the past more than two (2) years has forced many smaller hotels to temporarily shut down to minimise losses or going out of business. This presents a good opportunity for the Group acquire potential assets at a bargain together with other capital partners.

Taking reference from the Group's past investments in Travelodge Myeongdong Euljiro ("TLME") in FY2019 and Travelodge Harbourfront Singapore ("TLHS") in FY2020 that were made together with other capital partners, the total cash outflow for in respect of these investments and subsequent shareholder loans made to the hotels as at 31 July 2022 ranged from S\$5.2 million to S\$6.2 million per hotel. As such, the Group estimates that a potential hotel acquisition with other capital partners will similarly incur an estimated investment outlay of approximately S\$5.0 million to S\$6.0 million.

The Rights Issue will boost the Group's cash position, to enable the Company to have capital available for potential investments (whether local or overseas) in the future. The issue of the Rights Warrants will also allow the Group to proceed with investments with more confidence knowing that funds can be raised quickly from supportive shareholders through the exercise of their Rights Warrants as and when the need may arise.

3.2 Use of Proceeds

Estimated proceeds from the issuance of the Rights Warrants are set out in the table below. The maximum subscriptions scenario assumes that all Rights Warrants are subscribed in full by the Entitled Shareholders (as defined below) while the minimum subscriptions scenario assumes that only the Undertaking Shareholders will take up their Rights Warrants entitlement.

	Proceeds	
	Maximum Subscriptions Scenario S\$'000	Minimum Subscriptions Scenario S\$'000
Gross expected proceeds from the Rights Issue Price of S\$0.01	1,095	317
Less: Estimated professional fees and related expenses arising in connection with the Rights Issue	(210)	(210)
Estimated net proceeds on the issuance of the Rights Warrants ("Net Proceeds")	885	107

The Company intends to use the entire Net Proceeds to strengthen the Group's working capital.

Assuming all the Rights Warrants are exercised, the Company will raise additional proceeds as set out below:

	Proceeds	
	Maximum Subscriptions Scenario S\$'000	Minimum Subscriptions Scenario S\$'000
Gross expected proceeds from the Warrant Exercise Price of S\$0.09 if all Rights Warrants are exercised by the Warranholders (" Exercise Proceeds ")	9,858	2,859

Assuming that all the Rights Warrants are exercised within two (2) years from the issuance of Rights Warrants, the Company intends to utilise the Exercise Proceeds of up to S\$5.5 million to position for growth (which may include, as described above, potential investments in hotel acquisitions with other capital partners) and the amount of Exercise Proceeds which exceeds S\$5.5 million will be utilised to strengthen the Group's general working capital.

As and when any significant amount of the Net Proceeds and Exercise Proceeds are deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviation in its annual report, until such time the proceeds have been fully utilised. Pending the deployment of the Net Proceeds and the Exercise Proceeds for the uses identified above, such proceeds may be deposited with financial institutions, used for investment in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem appropriate for the interests of the Company. The Company shall not, however, apply the proceeds to the repayment of any other loans, including but not limited to loans from shareholders, banks, and/or other financial institutions.

4. IRREVOCABLE UNDERTAKINGS

As at the date of this Announcement:

- (a) Anone Holdings Pte. Ltd. has a direct interest in 41,631,705 Shares, representing approximately 19.00% of the total number of issued Shares; and
- (b) Mr. Aw Cheek Huat has a direct interest in 10,000 Shares and an indirect interest in 21,900,000 Shares, in total representing approximately 10.00% of the total number of issued Shares;

As an indication of their support and commitment to the Company, the Undertaking Shareholders have executed letters of irrevocable undertaking dated 16 September 2022 and 26 September 2022 (the "**Letters of Undertaking**") in favour of the Company, pursuant to which each of them undertakes to subscribe and pay in full for the full extent of its or his respective entitlements of Rights Warrants (the "**Undertaking Rights Warrants**"), at the Rights Issue Price, as follows:

Undertaking Shareholder	Undertaking Rights Warrants as at the date of the Letters of Undertaking
Anone Holdings Pte. Ltd.	20,815,852
Mr. Aw Cheek Huat	10,955,000
Total	31,770,852

In addition, each of the Undertaking Shareholders also unconditionally and irrevocably undertakes, *inter alia*:

- (a) that it or he will remain the beneficial owner of the shares that it or he owns or controls as at the date of the Letters of Undertaking, during the period between the date of the Letters of Undertaking and the Books Closure Date, and will not sell, transfer or otherwise dispose of, any of the same or of any interest therein during such period;
- (b) that it or he has sufficient financial resources available to subscribe for and pay in full for all the Undertaking Rights Warrants; and
- (c) that it or he will do all such acts and things and execute all such documents as may be required to give effect to the undertakings in the Letters of Undertaking.

Accordingly, the Undertaking Shareholders collectively will subscribe and pay in full and/or procure the subscription and payment in full for an aggregate of 31,770,852 Undertaking Rights Warrants, which constitutes approximately 29.0% of the total number of Rights Warrants.

The Undertaking Shareholders have demonstrated to the Company that they have sufficient financial resources which may be utilised by each of them to fulfil their respective obligations under their Letters of Undertaking.

No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Letters of Undertaking.

Based on the Undertaking Shareholders' aggregate interest in the Shares of the Company, as at the date of this Announcement, the acquisition of the Undertaking Shares by the Undertaking Shareholders pursuant to the Undertaking will not result in the Company failing to comply with the free float requirement under Rule 723 of the SGX-ST Listing Rules.

Notwithstanding this, depending on the level of subscription for the Rights Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Warrants by the Undertaking Shareholders to avoid placing the relevant Undertaking Shareholder and parties acting in concert with it in the position of incurring a mandatory general offer obligation under the Take-over Code assuming the Rights Warrants are fully exercised into Rights Shares as a result of other Shareholders not taking up their Rights Issue entitlement fully.

5. PREVIOUS EQUITY FUNDRAISING

Save for the 2021 Rights Issue which the Company will not be proceeding with, the Company did not undertake any equity fundraising exercise in the last 12 months.

6 ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

6.1 Entitled Depositors

Shareholders whose securities accounts with the CDP ("**Securities Accounts**") are credited with Shares on the Books Closure Date ("**Depositors**") will be provisionally allotted Rights Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts with the CDP on the Books Closure Date.

To be "**Entitled Depositors**", Depositors must have registered addresses in Singapore with the CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide the CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Warrants.

6.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with the CDP and whose Shares are not registered in the name of the CDP (“**Entitled Scripholders**”) will have to submit duly completed and stamped transfer forms (in respect of Shares not registered in the name of the CDP), together with all relevant documents of title, so as to be received by the Books Closure Date by the Company’s share registrar, B.A.C.S. Private Limited (“**Share Registrar**”) in order to be registered to determine the Entitled Scripholders’ provisional allotments of the Rights Warrants.

To be “**Entitled Scripholders**”, scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Warrants.

The Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this Announcement.

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

6.3 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 to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement and accompanying documents will not be despatched to Foreign Shareholders. As such, no provisional allotments of the Rights Warrants will be made to, and no purported acceptance thereof and application therefor by any Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of the Rights Warrants commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

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

Where such provisional allotments of Rights Warrants are sold "nil-paid" on SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or the CDP in respect of such sales or proceeds thereof, the provisional allotments of nil-paid Rights Warrants or the nil-paid Rights Warrants represented by such provisional allotments.

If such provisional allotments of Rights Warrants cannot be sold or are not sold on 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 Warrants, the Rights Warrants represented by such provisional allotments will be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or the CDP in connection therewith.

Shareholders should note that the special arrangement described above would apply only to Foreign Shareholders.

7. APPROVALS AND CONDITIONS

The Rights Issue is subject to, *inter alia*,

- (i) the approval in-principle of the SGX-ST for the listing and quotation of the Rights Warrants on the Mainboard having been obtained (and such approval not having been withdrawn or revoked upon prior to the closing date of the offer of the Rights Warrants under the Rights issue) and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (ii) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) with the Authority; and
- (iii) all other necessary consents, approvals and 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 Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the completion of the Rights Issue.

An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation of the Rights Warrants. An appropriate announcement on the outcome of the application will be made in due course.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial shareholders of the Company, as well as their respective associates, have 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.

9. WORKING CAPITAL

The Directors are of the reasonable opinion that after taking into consideration:

- (a) the Group's internal resources, operating cash flows, and present banking facilities, barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet its present requirements; and

(b) the Group's internal resources, operating cash flows, present banking facilities, the Net Proceeds and the Exercise Proceeds (taking into account both the maximum and minimum subscriptions scenarios), barring any unforeseen circumstances, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding this, the Company is undertaking the Rights Issue based on the potential Net Proceeds and Exercise Proceeds for the reasons set out in Paragraph 3.

10. 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 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 the 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 the Announcement in its proper form and context.

11. CAUTIONARY STATEMENT

The Directors would like to advise the Shareholders that the Rights Issue is subject to certain conditions being fulfilled and there is no certainty or assurance as at the date of this Announcement that the Rights Issue would be completed or that no changes will be made to the terms thereof. The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem appropriate. An Offer Information Statement containing further details on the Rights Issue will be lodged with the Authority and disseminated to Entitled Shareholders in due course. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders are advised to read this Announcement and any further update announcement(s) released by the Company in connection with the Rights Issue carefully. Shareholders who are in any doubt about this Announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

BY ORDER OF THE BOARD

Yee Chia Hsing
Executive Director
29 September 2022