

**ENTRY INTO CONDITIONAL SUBSCRIPTION AGREEMENT**

---

**1. INTRODUCTION**

- 1.1. Hiap Seng Engineering Ltd (Judicial Managers Appointed) (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made on 9 December 2021 in relation to the entry into a non-binding termsheet (the “**Termsheet**”) with Vibrant Equities Pte. Ltd. (“**Vibrant**”) and Tian Yuan (“**Tian Yuan**”, together with Vibrant, the “**Subscribers**”).
- 1.2. Pursuant to the Termsheet, the Judicial Managers have, on 7 January 2022, entered into a conditional subscription agreement (the “**Subscription Agreement**”) with Hiap Seng Investment Pte. Ltd. (a newly incorporated entity (the “**New Listco**”)) and the Subscribers (the parties to the Subscription Agreement, collectively, as the “**Parties**”) in relation to the following:
- (a) subscription by the Subscribers of new ordinary shares in the Company (if the Proposed Transfer Listing (as defined below) is not completed) or the New Listco (if the Proposed Transfer Listing is completed) (the “**Subscription Shares**”), amounting to S\$8,000,000 (the “**Subscription Amount**”), on the terms and conditions of the Subscription Agreement (the “**Proposed Subscription**”); and
  - (b) subscription by the Subscribers of S\$8,000,000 in principal amount (the “**Option Amount**”) of unlisted and freely transferable share options (the “**Options**”), with each Option carrying the right to subscribe for one (1) new ordinary share in the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) (the “**Option Shares**”) per Option, on the terms and conditions of the Subscription Agreement (the “**Proposed Grant of Options**”, together with the Proposed Subscription, the “**Proposed Transactions**”).
- Please refer to paragraph 4 (*Principal Terms of the Subscription Agreement*), paragraph 0 (*Principal Terms of the Proposed Subscription*) and paragraph 6 (*Principal Terms of the Proposed Grant of Options*) of this announcement for further details on the Subscription Agreement, Proposed Subscription and Proposed Grant of Options, respectively.
- 1.3. Together with the Proposed Transactions, it is contemplated that the the Company is intending to pursue several corporate actions, including but not limited to:
- (a) a debt restructuring exercise (the “**Proposed Debt Restructuring**”) to (including a scheme of arrangement<sup>1</sup>) to restructure the following debts and liabilities owing to the following creditors of the Company, via partial settlement in cash and partial settlement through the issuance of new ordinary shares in the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) (the “**Settlement Shares**”):
    - (i) principal amounts and interests under loans owing to the Company’s principal banker, United Overseas Bank Limited (“**UOB**”); and

---

<sup>1</sup> The scheme of arrangement refers to a compromise or an arrangement between the Company and class(es) of the Company’s creditors, to be proposed in accordance with the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) or under any applicable laws of Singapore which would compromise certain of the existing unsecured financial liabilities of the Company, as part of the arrangements under the Debt Restructuring (the “**Scheme of Arrangement**”);

- (ii) outstanding amounts due to all other unsecured creditors of the Company;
- (b) a proposed transfer of listing status of the Company to the New Listco by way of a scheme of arrangement pursuant to which shareholders of the Company (the “**Shareholders**”) will be issued shares in the New Listco in consideration of the Company becoming a wholly-owned subsidiary of the New Listco (the “**Proposed Transfer Listing**”); and
- (c) a rights issue at the Subscription Price (as defined below) for each Rights Share (as defined below) to the Shareholders to raise up to S\$3,300,000 (the “**Proposed Rights Issue**”)<sup>2</sup>, where Mr. Richard Tan (an Executive Director of the Company) and/or his family member(s), through an investment vehicle, will undertake to subscribe for their entitlement to new ordinary shares to be issued under the Rights Issue in the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) (the “**Rights Shares**”), and any excess Rights Shares thereunder, amounting to a total of S\$1,000,000.

Further details on the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue will be provided in due course by the Company. The Company will keep the Shareholders updated on its contemplated corporate actions as and when updates are available, in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”).

## **2. INFORMATION ON THE SUBSCRIBERS**

- 2.1. As at the date of this announcement, Vibrant Equities Pte. Ltd. is an investment holding company incorporated in Singapore on 24 October 2007 and held by Vibrant Group Ltd. (40.0%), Khua Kian Hua (30.0%) and Khua Kian Ann, Vincent (30.0%). Vibrant Group Ltd. is an integrated service provider in logistics, real estate and financial services headquartered in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Khua Kian Hua and Khua Kian Ann, Vincent are the brothers of the majority shareholder of Vibrant Group Ltd., and do not own shares in Vibrant Group Ltd.
- 2.2. As at the date of this announcement, Tian Yuan is a Singapore Permanent Resident and has been chief executive of CGC Group since 2012. CGC Group carries out major construction and infrastructure projects and was appointed the management company in Malaysia for the Penang government’s transport masterplan. From 1998 to 2010, Mr Tian was the regional director for South-East Asia at China Construction Third Engineering Bureau and was based in Singapore.
- 2.3. To the best of the Company’s knowledge, the Subscribers are unrelated to each other.
- 2.4. As at the date of this announcement, none of Subscribers or their members (where applicable) (a) holds any Shares; or (b) is not related to any of the directors of the Company (the “**Directors**”), substantial shareholders of the Company, or their respective associates. There is also no connection (including business relationship) between any of the Subscribers or their members (where applicable) and the Directors or substantial shareholders of the Company.

## **3. BACKGROUND TO AND RATIONALE FOR THE PROPOSED TRANSACTIONS**

### **3.1. Background to the Proposed Transactions**

The Company’s shares have been suspended from trading on 28 November 2019 on the basis that a financial consultant was engaged to undertake a financial review and viability assessment on the Group and that the board of directors of the Company was not able to conclude if the Group can continue operating as a going concern. Since September 2020, the Judicial Managers have been appointed to manage the affairs, business and property of the Company in order to achieve, amongst others, the survival of the Company, a more advantageous realisation of the

---

<sup>2</sup> For the avoidance of doubt, the Subscribers have undertaken that they will not, and shall not be entitled to, participate in the Proposed Rights Issue.

assets of the Company or a scheme of arrangement with its creditors. To that end, the Judicial Managers have assessed various options and investment proposals.

### 3.2. **Rationale for the Proposed Transactions**

Pursuant to the considerations above, the Company is of the view that the investment by the Subscribers through the Proposed Transactions is beneficial to the Company and the Group as the Proposed Transactions, if entered into, will allow for certainty of funding resulting in the Company being able to reduce its outstanding debt obligations, which is vital for the continuity of the Group as it will allow the Group to continue as a going concern, and upon the exercise of the Options, the Company will also have further access to funds for working capital.

Specifically, the Proposed Subscription will provide the Group with the necessary funds to address its outstanding principal amounts and interests under loans owing to UOB and the Proposed Grant of Options will allow the Group to have access to additional funds for working capital as and when the Subscribers exercise the Options.

As of the date of this announcement, after taking into consideration the Proposed Subscription and the proceeds therefrom, the further proceeds from the Proposed Grant of Options, when the Options are exercised and its present banking facilities and assuming the completion of the Proposed Debt Restructuring, the available funds can be used as working capital to the Group to meet its present requirements and that the Company will be able to operate as a going concern and therefore, have a viable proposal for the resumption of trading (whether through the Company or the New Listco pursuant to the Proposed Transfer Listing).

Without the Proposed Transactions and the Proposed Debt Restructuring, the Group will not be able to have sufficient working capital to operate as a going concern or have a viable proposal for the resumption of trading.

## 4. **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

### 4.1. **Earnest Monies and Deposit Amount**

As at the date of this announcement and pursuant to the Termsheet, the Subscribers had paid the earnest monies totalling S\$200,000 (the "**Earnest Monies**") to the Company, which forms the non-refundable part of the Subscription Amount.

On or before the date of the Subscription Agreement but no later than one (1) week from the date of the Subscription Agreement, the Subscribers are to make an additional deposit of S\$500,000 (the "**Deposit**") to the Company (which forms part of the Subscription Amount), which will be refunded to the Subscribers if the Proposed Transactions do not complete in accordance with the Subscription Agreement by the Longstop Date (as defined below) through no fault of the Subscribers.

### 4.2. **Details of Subscription Shares**

Each of the Subscribers will be issued and allotted the Subscription Shares at the subscription price of S\$0.00543 per Subscription Share (the "**Subscription Price**") for the full Subscription Amount, with fractional entitlement to be disregarded, in the following proportions on the Completion Date (as defined below):

Subscriber	Subscription Amount	Subscription Amount payable on Completion <sup>3</sup>	No. of Subscription Shares to be issued	Percentage of Enlarged Share Capital <sup>4</sup>
Vibrant	S\$6,000,000	S\$5,475,000	1,104,972,375	35.3%
Tian Yuan	S\$2,000,000	S\$1,825,000	368,324,125	11.8%
<b>Total</b>	<b>S\$8,000,000</b>	<b>S\$7,300,000</b>	<b>1,473,296,500</b>	<b>47.1%</b>

For further details, please see paragraph 0 (*Principal Terms of the Proposed Subscription*) of this announcement.

#### 4.3. Details of Options

Each of the Subscribers will be granted such number of Options (as determined by dividing the Option Amount by the issue price of S\$0.00543 per Option (the “**Option Price**”), with fractional entitlement to be disregarded, in the following proportions on the Completion Date:

Subscriber	Option Amount	No. of Options to be issued	No. of Option Shares if exercised in full on or before the first (1 <sup>st</sup> ) anniversary of the date of issue of the Options	No. of Option Shares if exercised in full after the first (1 <sup>st</sup> ) anniversary of the date of issue of the Options and by the second (2 <sup>nd</sup> ) anniversary of the date of issue of the Options	No. of Options expired after the first (1 <sup>st</sup> ) anniversary of the date of issue of the Options
Vibrant	S\$6,000,000	1,104,972,375	1,104,972,375	1,005,025,125	99,947,250
Tian Yuan	S\$2,000,000	368,324,125	368,324,125	335,008,375	33,315,750
<b>Total</b>	<b>S\$8,000,000</b>	<b>1,473,296,500</b>	<b>1,473,296,500</b>	<b>1,340,033,500</b>	<b>133,263,000</b>

Subject to the terms and conditions of the Options, each Subscriber shall be entitled to the number of Option Shares as set out above upon exercise in full of the Options during the relevant dates of the Exercise Period (as defined below), and such number of Options as set out above shall lapse and cease in accordance with the terms and conditions of the Options after the first anniversary of the date of issue of the Options.

The Options will not be listed or quoted on any stock exchange and shall be freely transferable in accordance with the terms and conditions of the Options.

<sup>3</sup> Taking into consideration the Earnest Monies and Deposit Amount which have been paid prior to Completion.

<sup>4</sup> The Enlarged Share Capital means the total share capital of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) pursuant to Completion and including the issue of the Settlement Shares (but shall exclude any Option Shares and Rights Shares).

For further details, please see paragraph 6 (*Principal Terms of the Proposed Grant of Options*) of this announcement.

#### 4.4. **Conditions**

Completion of the Proposed Transactions (the “**Completion**”) shall be conditional upon the following (the “**Conditions**”):

- (a) the completion of the legal and financial due diligence on the Company and/or the New Listco, to the satisfaction of the Subscribers in their absolute discretion (acting reasonably), with such due diligence to be completed within six (6) weeks from the date of this Agreement, or such other date as may be mutually agreed between the Parties;
- (b) as part of the arrangements under the Proposed Debt Restructuring, the entry by the Company and/or the New Listco (as applicable) into definitive agreements with UOB for the settlement of principal amounts and interests under loans owing to UOB;
- (c) as part of the arrangements under the Proposed Debt Restructuring, the Scheme of Arrangement (which shall include the Proposed Transfer Listing) being binding on the Company and all the creditors or classes of creditors meant to be bound by the Scheme of the Arrangement, the members of the Company and having been approved by the courts pursuant to Part 5 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (as the case may be) and lodged with the Accounting and Corporate Regulatory Authority of Singapore in accordance with Section 71(10) of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore;
- (d) the approval of JTC Corporation to a consultation letter to be submitted by the Company confirming with JTC Corporation, amongst others, that it has no objection to the change of control of the Company pursuant to the Proposed Transactions and the Proposed Transfer Listing;
- (e) the in-principle approval of SGX-ST being obtained for the listing and quotation of the Subscription Shares and the Option Shares;
- (f) the submission of a proposal for the resumption of trading taking into account, amongst others, the Proposed Transactions and the Proposed Debt Restructuring and the Proposed Transfer Listing or the resumption of trading of the Company's shares on the Mainboard of the SGX-ST if the Proposed Transfer Listing is not completed or approved (the “**Resumption Proposal**”) and receipt of a no-objection letter from the SGX-ST indicating that has no objection to the Resumption Proposal and/or the Proposed Transfer Listing;
- (g) the grant by the Securities Industry Council of Singapore (the “**SIC**”) (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscribers to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the Shares not held by the Subscribers following the issue of the Subscription Shares pursuant to the Subscription under the Subscription Agreement and the Option Shares pursuant to the exercise of the Options under the Subscription Agreement, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscribers (the “**Whitewash Waiver**”); and (ii) the independent Shareholders approving at an extraordinary general meeting (an “**EGM**”) the proposed ordinary resolution of the Company which if passed by the independent Shareholders would result in a waiver by the independent Shareholders of their right to receive a mandatory general offer from the Subscribers in connection with the issue of the Subscription Shares and the Option Shares (the “**Whitewash Resolution**”);
- (h) Shareholders' approval being obtained at an EGM to be duly convened for, *inter alia*, the Proposed Transactions, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest to Vibrant, the Whitewash Resolution, the Proposed Debt Restructuring (specifically the allotment and issue of the Settlement Shares), the Proposed Transfer Listing and the Proposed Rights Issue (the “**Shareholders' Approval**”);

- (i) in relation to the leases for the certain properties of the Company in Tuas Crescent (the “**Tuas Crescent Properties**”), the fulfilment of the JTC Investment Criteria, or the Company obtaining the written approval from JTC Corporation for the extension of the deadline for the fulfilment of the JTC Investment Criteria to 13 February 2023, such written approval to be provided to the Subscribers within seven (7) days from the date of the Subscription Agreement;
- (j) in relation to certain of the foreign companies which the Company and/or the Group has shareholding interests in:
  - (i) the deregistration or conversion to a limited liability company of Hiap Seng Engineering Ltd, Fujairah Branch;
  - (ii) the completion of the legal and financial due diligence on Hiap Seng Manco WLL. to the satisfaction of the Subscribers in their absolute discretion (acting reasonably), with such due diligence to be completed within six (6) weeks from the date of the Subscription Agreement or such other date as may be mutually agreed between the Parties;
  - (iii) the completion of the legal and financial due diligence on Petroleum Maintenance Services Joint Stock Company to the satisfaction of the Subscribers in their absolute discretion (acting reasonably), with such due diligence to be completed within six (6) weeks from the date of the Subscription Agreement, or such other date as may be mutually agreed between the Parties; and
  - (iv) in relation to MHS Integrated Engineering Sdn Bhd, the execution of a deed of termination discharging the Company from all guarantees and indemnities provided under the joint venture;
- (k) the nomination by Vibrant of such number of directors to be mutually agreed upon by the Parties, taking into consideration the board size, to the board of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), and such director(s) to be a member of the remuneration, audit and/or nominating committee of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual of the SGX-ST and the Code of Corporate Governance 2018 of Singapore);
- (l) the nomination by Vibrant of the chief executive officer and deputy chief executive officer of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the Code of Corporate Governance 2018 of Singapore); and
- (m) such consents, approval or waiver as may be required (or deemed necessary by the Parties hereto) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Parties in respect of the transactions contemplated in the Subscription Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Parties.

#### 4.5. **Inter-conditionality**

Completion of the Proposed Transactions shall be inter-conditional with the completion of the allotment and issue of the Settlement Shares pursuant to the Proposed Debt Restructuring and the Proposed Transfer Listing (or if the Proposed Transfer Listing is not completed, the resumption of the trading of the Company’s shares on the Mainboard of the SGX-ST). Failing which, the Completion will not proceed unless otherwise mutually agreed by the Parties.

#### 4.6. Longstop Date

The Company undertakes to use all reasonable endeavours to ensure that the Conditions are fulfilled as soon as reasonably practicable, and in any event by 31 July 2022 (or such other date as may be mutually agreed between the Parties) (the “**Longstop Date**”).

#### 4.7. Completion

Completion shall take place on a date shall be no later than 14 business days from the date falling on which all of the Conditions have been satisfied or waived (the “**Completion Date**”), at the office of the Company (or at such other place or by such other means as may be agreed between the Parties).

Without prejudice to any other remedies available, if in any respect the completion provisions of the Subscription Agreement are not complied with by any Party on the Completion Date, the Party(ies) not in default may:

- (a) defer Completion to a date not more than 28 days after the Completion Date and not later than the Longstop Date (and so that the completion provisions of the Subscription Agreement shall apply to Completion as so deferred);
- (b) effect Completion so far as practicable having regard to the defaults which have occurred (without prejudice to their rights hereunder; or
- (c) terminate the Subscription Agreement (save for the relevant surviving provisions thereto) and no Party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Transactions, save for any antecedent breach of the Subscription Agreement or the Parties’ respective liability in relation to the Deposit Amount and for the payment of costs and expenses under the Subscription Agreement.

#### 4.8. Representations and Warranties

Each Party has, in the Subscription Agreement, provided such representations and warranties as are customary in each capacity for transactions of the nature of the Proposed Transactions or other similar transactions.

#### 4.9. Undertakings

Each of the Company or the New Listco (as the case may be) undertakes to the Subscribers that it will:

- (a) utilise all of the proceeds from the Proposed Subscription for the partial settlement in cash of the principal amounts and interests under loans owing to UOB;
- (b) in the event that the Subscribers exercise the Options, utilise such proceeds to fund the working capital needs of the Company;
- (c) not utilise any cash amounts from the Ringfenced Bank Account (as defined in the Subscription Agreement), save for any payments in relation to (i) cash settlement amounts under the Scheme of Arrangement; and (ii) professional fees and transaction expenses incurred in connection with the judicial management of the Company, the Proposed Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue and all ancillary transactions in connection thereto;
- (d) undertake the Proposed Rights Issue;
- (e) utilise the proceeds from the Proposed Rights Issue to fund the working capital needs of the Company;
- (f) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the SGX-ST; and

- (g) for so long as it remains listed on the SGX-ST, take all necessary steps to ensure that all approvals for the issue, allotment, listing and quotation of the Subscription Shares to be issued pursuant to the Subscription and Option Shares to be issued pursuant to the exercise of the Options is not revoked, amended and where such approval is subject to conditions, use best endeavours to fulfil them and obtain and maintain a listing for all such Shares as and when they are issued.

The Company undertakes to the Subscribers that it will use its best endeavours to facilitate all correspondence, meetings and discussions between the Subscribers together with the Company and JTC Corporation for all matters in relation to the Tuas Crescent Properties.

Further, the Company undertakes to the Subscribers that it will use its best endeavours to facilitate and complete (unless otherwise mutually agreed by the Parties) the disposal and/or liquidation of certain assets of the Company.

#### 4.10. Termination

If there shall have come to the notice of any Party (the “**Non-Defaulting Party**”) of any breach of the representations, warranties and undertakings set out in the Subscription Agreement by the other Party(ies) (the “**Defaulting Party**”) which is not remedied (to the reasonable satisfaction of the Non-Defaulting Party) within up to 30 Business Days (or such other period to be agreed between the Parties, as appropriate) from the receipt of a written notice by the Defaulting Party from the Non-Defaulting Party notifying of such breach, the Non-Defaulting Party may thereafter at any time prior to or on the Completion Date by notice in writing to the Defaulting Party terminate the Subscription Agreement, but failure to exercise this right shall not constitute a waiver of any other rights of the Non-Defaulting Party arising out of any such breach.

Upon such notice being given and subject always to the following paragraph, the Subscription Agreement shall terminate forthwith and the Parties hereto shall be released and discharged of their obligations, without prejudice to any rights in respect of any antecedent breach under the Subscription Agreement or the Parties’ respective liability in relation to the Deposit Amount and for the payment of costs and expenses under the Subscription Agreement, and the Subscription Agreement shall be of no further effect and no Party hereto shall be under any liability to the others in respect of the Subscription Agreement.

In the event of termination of this Agreement in accordance with the terms and conditions of this Agreement through no fault of the Subscribers, the Deposit Amount shall be refunded to the Subscribers.

#### 4.11. Governing Law and Jurisdiction

The validity, construction and performance of the Subscription Agreement (and any claim, dispute or matter arising under or in connection with it or its enforceability) shall be governed by and construed in accordance with the laws of Singapore.

Any claims, disputes or matters arising out of or in connection with the Subscription Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre (the “**SIAC**”) in accordance with the Arbitration Rules of the SIAC for the time being in force.

### 5. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

#### 5.1. Issue Size

It is expected that the Subscription Shares will represent approximately 47.1% of the Enlarged Share Capital.

The Subscription Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing shares, save that they will not rank for any dividends,



rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Subscription Shares

## 5.2. Authority to Issue the Subscription Shares

The Company will be seeking specific Shareholders' approval for the Proposed Subscription and the allotment and issue of the Subscription Shares at an EGM to be convened pursuant to Rules 803, 805(1), 811(3) and 824 of the Listing Manual.

Shareholders are to note that Vibrant will be a new controlling Shareholder. A circular is expected to be issued and despatched by the Company to its Shareholders in due course, containing the necessary information to seek for the approvals required, including business plans which the Subscriber may have for the Company, going forward. Please see paragraph 10 (*Regulatory and Shareholder Approvals Required*) of this announcement for further details of the regulatory and shareholder approvals required.

## 5.3. Use of Proceeds

All S\$8,000,000 of the proceeds from the Proposed Subscription will be utilised for the partial settlement in cash of the principal amounts and interests under loans owing to UOB.

## 5.4. Rule 812 of the Listing Manual

Neither of the Subscribers is a person who falls within the categories set out in Rule 812(1) of the Listing Manual. Accordingly, none of the Subscription Shares will be placed to any person who is a Director or substantial Shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

## 5.5. No Placement Agent

There is no placement agent appointed for the Proposed Subscription. The Proposed Subscription will be by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"). Hence, no prospectus or offer information statement will be issued in connection with the Proposed Subscription.

## 6. PRINCIPAL TERMS OF THE PROPOSED GRANT OF OPTIONS

### 6.1. Principal Terms of the Options

**Consideration:** S\$1.00.

**Status and Transferability of the Options:** The Options constitute valid, legally binding and enforceable obligations and are unlisted and freely transferable.

**Exercise Rights of the Options:** Each Option entitles the holder of the Options (the "**Option Holder**") to subscribe for one (1) Option Share at the relevant Exercise Price (as defined below) during the Exercise Period (as defined below).

Subject to the terms and conditions of the Options, The Option Holder may only exercise the Options in tranches of S\$250,000 at any time during the Exercise Period (with fractional entitlements to be disregarded), save where the balance of Options held by an Option Holder is less than S\$250,000, in which case, the Option Holder may exercise all but not some of such balance of the Options (with fractional entitlements to be disregarded).

**Exercise Price:** The exercise price shall be the sum payable in respect of each Option Share for which an Option Holder shall subscribe upon exercise of an Option (the "**Exercise Price**"), which shall be:

- (a) for the First Exercise Period (as defined below), the Option Price; or
- (b) for the Second Exercise Period (as defined below), S\$0.00597 (being a premium of approximately 10.0% to the Option Price),

subject to any adjustments required as summarised below in *Adjustments* pursuant to the terms and conditions of the Options in the Subscription Agreement.

**Exercise Period:**

The exercise period shall be the period commencing on and including the date of issue of the Options and expiring on the second (2<sup>nd</sup>) anniversary of the date of issue of the Options, unless such date is a date on which the register of members is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the register of members or immediate preceding market day (as the case may be) (the “**Exercise Period**”).

The First Exercise Period means the period commencing on and including the date of issue of the Options and expiring on the first (1<sup>st</sup>) anniversary of the date of issue of the Options, unless such date is a date on which the register of members is closed or is not a Market Day, in which event, such period shall end on the date after to the closure of the register of members or immediate preceding Market Day (as the case may be) (the “**First Exercise Period**”) and the Second Exercise Period means the period commencing after the date of first (1<sup>st</sup>) anniversary of the date of issue of the Options and expiring on the Expiry Date (the “**Second Exercise Period**”).

**Exercise Date:**

The exercise date, in relation to the exercise of the Options, shall be the market day (falling within the Exercise Period) on which the applicable conditions referred to in the terms and conditions of the Options in the Subscription Agreement are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls on a date when the register of members of the Company is closed, the exercise date shall be the following market day on which the register of members is open (the “**Exercise Date**”).

The Options which are exercised shall be treated as exercised on the Exercise Date, and shall immediately thereafter be cancelled on the Exercise Date.

**First Expiry Date:**

Last day of the First Exercise Period (the “**First Expiry Date**”).

**Expiry Date:**

Last day of the Exercise Period (the “**Expiry Date**”).

**Expiry of Options:**

(a) At the First Expiry Date, 133,263,000 Options (or such corresponding number of Options in the event of any adjustments in accordance with terms and conditions of the Option), if not exercised in accordance with the terms and conditions of the Options, shall lapse and cease to be valid for any purpose.

(b) At the Expiry Date, any other Options, if not exercised in accordance with the terms and conditions of the Options, shall lapse and cease to be valid for any purpose.

- Adjustments:** The Exercise Price and number of Options are subject to certain anti-dilution adjustments under circumstances provided for in the Subscription Agreement. Such circumstances relate to, *inter alia*:
- (a) an issue of shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of shares to Shareholders who elect to receive shares in lieu of cash or other dividend);
  - (b) a Capital Distribution (as defined in the terms and conditions of the Options in the Subscription Agreement) made to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
  - (c) an offer or invitation made to its Shareholders whereunder they may acquire or subscribe for shares by way of rights (save for the Proposed Rights Issue); or
  - (d) any share split, consolidation, reclassification or subdivision of the shares.
- Notice of Expiry:** The Company shall, not later than one (1) month before the First Expiry Date and the Expiry Date, announce the First Expiry Date and the Expiry Date on the SGXNet. Additionally, the Company shall, not later than one (1) month before the First Expiry Date and Expiry Date, take reasonable steps to notify the Option Holder in writing of the First Expiry Date and the Expiry Date and such notice shall be delivered personally or by post to the address of the Option Holder.
- Alteration to Terms:** No material alteration to the terms of the Options after the issue thereof to the advantage of the Option Holder shall be made unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of Shareholders in general meeting has been sought.
- No modification or alteration shall materially adversely affect the rights attaching to any Option granted prior to such modification or alteration, except with the written consent of the Option Holders holding or representing not less than fifty per cent. (50%) of the Options for the time being unexercised.
- Governing Law:** The Options and the terms and conditions of the Options shall be governed by and construed in accordance with the laws of the Republic of Singapore.

## 6.2. Issue Size

It is contemplated that Vibrant and Tian Yuan will hold (a) approximately 48.0%; and approximately 16.0% of the Options Enlarged Share Capital<sup>5</sup>, respectively, if the Options are exercised in full on or prior to the first (1<sup>st</sup>) anniversary of the date of issue of the Options; and (b) approximately 47.2% and approximately 15.7% of the Options Enlarged Share Capital,

---

<sup>5</sup> The Options Enlarged Share Capital means the total share capital of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) pursuant to Completion and including the issue of the Settlement Shares and Option Shares (but shall exclude any Rights Shares).

respectively, if the Options are exercised in full after the first (1<sup>st</sup>) anniversary of the date of issue of the Options but on or prior to the Expiry Date.

The Option Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Option Shares.

### **6.3. Authority to Issue the Option Shares**

The Company will be seeking specific Shareholders' approval for the Proposed Grant of Options and the allotment and issue of the Option Shares at an EGM to be convened pursuant to Rules 803, 805(1), 811(3) and 824 of the Listing Manual.

### **6.4. Use of Proceeds**

Assuming that all the Options are validly exercised, the aggregate gross proceeds from the issuance of Option Shares will be S\$8,000,000. No material expenses are expected to be incurred from the Proposed Grant of Options. The aggregate gross proceeds from the exercise of the Options shall be used fully for the general working capital of the Company.

Pending the deployment of the proceeds for its use, such proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

Periodic announcements on the utilisation of the proceeds will be made as and when such funds are materially disbursed, and a status report will be provided on the use of the proceeds from the Proposed Grant of Options (including a breakdown with specific details) in the interim and full year financial statements issued under Listing Manual and its annual reports. Where there is any material deviation from the stated use of the proceeds, an announcement will be made with the reasons for such deviation.

### **6.5. Rule 812 of the Listing Manual**

Neither of the Subscribers is a person who falls within the categories set out in Rule 812(1) of the Listing Manual. Accordingly, none of the Option Shares will be placed to any person who is a Director or substantial Shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

### **6.6. No Placement Agent**

There is no placement agent appointed for the Proposed Grant of Options. The Proposed Grant of Options will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Grant of Options.

## **7. FURTHER ANNOUNCEMENTS**

As (a) the terms of the Proposed Debt Restructuring and the Proposed Transfer Listing (both of which the Proposed Transactions are inter-conditional on) have not been finalised; and (b) the audited financial statements for the financial years ended 31 March 2020 and 31 March 2021 (together with any interim financial statements required under the Listing Manual) are yet announced, the Company will provide more details of the various corporate actions to its Shareholders in due course, including the financial effects of the Proposed Transactions.

Further, the Company will also make the requisite announcements in compliance with the requirements of the Listing Manual, when there are material developments in respect of the Proposed Transactions.

## 8. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and to the best of the knowledge of the Company, none of the controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transactions, other than through their respective directorships and shareholdings in the Company, if any.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 28 Tuas Crescent Singapore 638719 for a period of three (3) months commencing from the date of this announcement.

## 10. REGULATORY AND SHAREHOLDER APPROVALS REQUIRED

The Proposed Transactions will be subject to several Conditions, including but not limited to the Whitewash Waiver being granted by the SIC, the Resumption Proposal being approved by SGX-ST, and the Shareholders' Approval.

In the event that the Company proceeds with the Proposed Transactions, the Company will be seeking the Shareholders' Approval via an EGM to be convened by the Company in compliance with the Listing Manual.

The Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue shall also be subject to relevant approvals from the regulatory authorities and the Shareholders. Details in relation to such transactions shall be provided in due course.

## 11. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions remain subject to, amongst others, the fulfilment of the Conditions under the Subscription Agreement. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled or that the Proposed Transactions will be undertaken at all.** Although the Shares are under suspension, shareholders, securityholders and Subscribers are advised to read this announcement and any past and future announcements by the Company and the Judicial Managers carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and Subscribers should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

Oon Su Sun and Lin Yueh Hung  
Joint and Several Judicial Managers  
7 January 2022

---

*The affairs, business and property of the Company are being managed by the Judicial Managers appointed by the High Court of Singapore. The Judicial Managers contract and only act as agents of the Company and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the Judicial Management of the Company herein.*