

Manager for the Rights Issue to Hong Lai Huat Group Limited

SAC Capital acted as the Manager to Hong Lai Huat Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for its Proposed Renounceable Non-Underwritten Rights Issue of up to 295,910,922 new ordinary shares of the Company, at an Issue Price of S\$0.091 for each Rights Share, on the basis of four (4) Rights Share for every three (3) existing ordinary shares in the issued and paid-up share capital of the Company.

The Issue Price represented a discount of approximately:

- (i) 36.4% to the last transacted price of the Shares on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) of S\$0.143 per Share on 3 December 2020, being the last trading day on which trades were done on the Shares prior to the Rights Issue announcement (the “**Last Trading Day**”);
- (ii) 19.7% to the theoretical ex-rights price of S\$0.113 per Share, as calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST of S\$0.143 on the Last Trading Day; and
- (iii) 37.1% to the volume weighted average price of S\$0.145 per Share, as calculated based on the volume weighted average price of the Shares on the Main Board of the SGX-ST over the five (5) consecutive market days leading up to and including the Last Trading Day.

Dato Dr Ong Bee Huat, the Executive Deputy Chairman and Group Chief Executive Officer of the Company (the “**Undertaking Shareholder**”), provided an irrevocable undertaking to the Company that he will subscribe and pay in full for his *pro rata* entitlement of the Rights Shares (entitlement *pro rata vis-à-vis* all other Shareholders) and Excess Rights Shares (subject to availability), under the Rights Issue, subject to the maximum aggregate subscription amount of S\$14,409,829.16 (the “**Irrevocable Undertaking**”). Based on the Issue Price of S\$0.091 for each Rights Share, the maximum number of Rights Shares and Excess Rights Shares to be subscribed for by the Undertaking Shareholder pursuant to the Irrevocable Undertaking are 62,208,000 Rights Shares and 96,141,771 Excess Rights Shares, respectively.

As disclosed in the Offer Information Statement dated 4 March 2021, assuming maximum subscription of the Rights Shares, the Company intends to utilise the net proceeds of approximately S\$26.3 million from the Rights Issue in the following manner: (i) S\$14.4 million to repay its outstanding indebtedness to the Undertaking Shareholder, (ii) S\$4.6 million to finance the project development cost for the Group’s ongoing 2nd mixed-use project, Royal Platinum, located in Toul Kork, (iii) S\$4.6 million to finance the new project land and development cost for the Group’s 3rd mixed use development project located in Toul Kork, and (iv) S\$2.6 million for general working capital purposes.

The Company is undertaking the Rights Issue to pro-actively strengthen its balance sheet, enhance its financial flexibility and improve the competitive position of the Group. Simultaneously, the Rights Issue will also provide Shareholders with an opportunity to further participate in the equity of the Company.

On 22 March 2021, the Company announced that, as at the close of the Rights Issue, valid acceptances and excess applications were received for 298,748,228 Rights Shares, representing approximately 100.96% of the 295,910,922 Rights Shares available under the Rights Issue. Accordingly, an aggregate of 295,910,922 Rights Shares have been allotted and issued by the Company on 26 March 2021 pursuant to the Rights Issue. The Rights Shares have been listed and quoted on the Main Board of the SGX-ST on 30 March 2021.

For more information on our past transactions, click [here](#)

About SAC Capital

SAC Capital enjoys a long-standing reputation as a specialist in corporate finance, and we have been a trusted advisor to our clients and partners since 2004.

As an expert in the small-medium enterprise space across various disciplines – Initial Public Offerings (IPOs), mergers and acquisitions (M&As), corporate transactions for listed companies, underwriting and share placement, fund raising and Catalist Sponsorship – we understand our clients' needs very well, and we are able to steer them in the right direction.

Financial Advisory - acting as FA and IFA

We provide financial advisory services for corporate exercises, taking into account the various compliance requirements, working alongside our clients to achieve their objectives.

Acting as Financial Adviser or Independent Financial Adviser, we have wide ranging experiences spanning Reverse Takeovers, General Offers, Interested Person Transactions and Delistings. The accumulated experiences from all the advisory engagements completed since 2004, numbering in excess of 150, gives us in depth knowledge of a broad spectrum of corporate advisory services.

Fundraising, M&A and Underwriting

Our Capital Markets (CM) unit assists our clients in fund-raising activities in both private and public equity markets. Our services include IPOs, secondary placements, rights issues, convertible bonds, pre-IPO financing, strategic equity and M&A. We deal with each client's specific requirements and provide customised capital markets solutions.

We are a leading placement agent and underwriter of equity and equity-linked offerings in Singapore, having completed offerings in the Lifestyle, Consumers, Healthcare, Technology, Media and Telecom (TMT), Real Estate, Manufacturing, Mineral, Oil and Gas (MOG) and Specialised Engineering sectors. Notwithstanding the above, the CM unit is sector agnostic with a wide range of expertise. CM unit also assists our clients in their communications with the equity markets.

Mainboard & Catalist Listing

We advise our clients on equity fund raising which includes IPOs. Our work involves advising on, amongst others, restructuring exercises and compliance requirements of the Singapore Exchange and other regulatory authorities for the purpose of equity fund raising.

We also advise on Reverse Takeovers and secondary listings. We seek to understand our client's long term business plan and strategy so as to provide the appropriate advice to tailor to their needs and requirements.

Catalist Sponsorship

We are one of the leaders in the market in the Catalist Sponsorship space, with a view to support the growth of our sponsored issuers. Our principal scope of services as a Catalist Sponsor is to advise and guide our sponsored issuers in relation to their continuing listing obligations, on an ongoing basis under the Catalist Rules. Our experienced team of professionals work closely with the directors and management team of the sponsored issuers and assist them in disclosure and compliance matters for corporate actions and developments.

Research

With comprehensive knowledge of the local capital market, our experience and access to information means that the company is well placed to produce research reports. We seek to fill the gap in the industry where there is minimal research coverage for small and medium enterprises (SMEs) listed on the SGX. SAC Capital aims to provide a platform which assists investors in making informed decision when investing in these high-growth small/medium companies while promoting awareness and educating the general public of the merits of investing in listed SMEs.

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