
**APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017**

Sasteria Pte. Ltd. and its Subsidiaries

**Audited consolidated financial statements of Sasteria Pte. Ltd. and its subsidiaries
For the financial years ended 31 August 2015, 2016 and 2017**

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GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017**

Sasteria Pte. Ltd. and its Subsidiaries

Director's statement

For the financial years ended 31 August 2015, 2016 and 2017

In the opinion of the director,

- (i) the accompanying consolidated financial statements of Sasteria Pte. Ltd. (the Company) and its subsidiaries (collectively, the Group) are drawn up so as to present fairly, in all material respects, the financial positions of the Group as at 31 August 2015, 2016 and 2017 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 31 August 2015, 2016 and 2017; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Heng Kim Chuan Freddie
Director

Singapore

28 February 2018

**APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017**

Sasteria Pte. Ltd. and its Subsidiaries

**Independent auditor's report in relation to the audited consolidated financial statements of
Sasteria Pte. Ltd. and its subsidiaries
For the financial years ended 31 August 2015, 2016 and 2017**

The Board of Director
Sasteria Pte. Ltd.
101 Thomson Road
#14-02/03 United Square
Singapore 307591

Dear Sir

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sasteria Pte. Ltd. (the Company) and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position of the Group as at 31 August 2015, 2016 and 2017, and the consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for each of the financial years ended 31 August 2015, 2016 and 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group as at 31 August 2015, 2016 and 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended 31 August 2015, 2016 and 2017.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET
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Sasteria Pte. Ltd. and its Subsidiaries

**Independent auditor's report in relation to the audited consolidated financial statements of
Sasteria Pte. Ltd. and its subsidiaries
For the financial years ended 31 August 2015, 2016 and 2017**

Responsibilities of management and director for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Act and FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017**

Sasteria Pte. Ltd. and its Subsidiaries

**Independent auditor's report in relation to the audited consolidated financial statements of
Sasteria Pte. Ltd. and its subsidiaries
For the financial years ended 31 August 2015, 2016 and 2017**

Auditor's responsibilities for the audit of the consolidated financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial positions of the Group as at 31 August 2015, 2016 and 2017 and the financial performance, changes in equity and cash flows of the Group for each of the financial years ended on 31 August 2015, 2016 and 2017, in accordance with Singapore Financial Reporting Standards.

Restriction on distribution and use

This report is made solely to you as a body for the inclusion in the Circular of Rowsley Ltd. to be issued in connection with Rowsley's proposed acquisition of the Company and its subsidiaries.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

28 February 2018

Partner-in-charge: Max Loh Khum Whai

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statements of comprehensive income
For the financial years ended 31 August 2015, 2016 and 2017**

(Amounts in Singapore dollars)

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Revenue	4	177,249	193,290	199,376
Cost of sales		(99,783)	(110,392)	(111,052)
Gross profit		77,466	82,898	88,324
Other items of income				
Other income	5	3,890	6,958	7,042
Interest income		2,192	2,992	2,678
Other items of expense				
Administrative expenses		(30,181)	(31,868)	(31,912)
Selling and distribution expenses		(1,637)	(2,161)	(2,208)
Other expenses		(18,021)	(18,890)	(17,847)
Finance costs	6	(2,594)	(3,464)	(2,701)
Profit before tax	7	31,115	36,465	43,376
Income tax expense	10	(3,964)	(7,501)	(6,027)
Profit for the year		27,151	28,964	37,349
Other comprehensive income:				
<i>Item that will not be reclassified to profit or loss</i>				
Net surplus on revaluation of freehold land and building		2,366	22,461	5,231
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(27,456)	(471)	(15,908)
Other comprehensive income for the year, net of tax		(25,090)	21,990	(10,677)
Total comprehensive income for the year		2,061	50,954	26,672
Profit attributable to:				
Owner of the Company		24,699	26,671	32,795
Non-controlling interests		2,452	2,293	4,554
		27,151	28,964	37,349
Total comprehensive income attributable to:				
Owner of the Company		9,430	48,833	28,347
Non-controlling interests		(7,369)	2,121	(1,675)
		2,061	50,954	26,672

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statements of financial position
As at 31 August 2015, 2016 and 2017**

(Amounts in Singapore dollars)

	Note	2015 \$'000	2016 \$'000	2017 \$'000
ASSETS				
Non-current assets				
Property and equipment	11	309,340	334,726	334,308
Intangible assets	12	490,177	489,994	484,610
		<u>799,517</u>	<u>824,720</u>	<u>818,918</u>
Current assets				
Inventories	14	3,852	4,052	4,313
Trade and other receivables	15	19,311	17,731	19,182
Prepaid operating expenses		520	904	894
Cash and short-term deposits	16	118,583	123,062	114,968
		<u>142,266</u>	<u>145,749</u>	<u>139,357</u>
Total assets		<u><u>941,783</u></u>	<u><u>970,469</u></u>	<u><u>958,275</u></u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	17	21,879	21,786	22,447
Amounts due to a shareholder	17	512,644	484,642	447,141
Other liabilities	18	15,962	19,498	16,830
Interest-bearing loans and borrowings	19	27	29	29
Income tax payable		5,691	6,484	6,691
		<u>556,203</u>	<u>532,439</u>	<u>493,138</u>
Net current liabilities		<u>(413,937)</u>	<u>(386,690)</u>	<u>(353,781)</u>
Non-current liabilities				
Interest-bearing loans and borrowings	19	99,770	99,772	99,864
Deferred tax liabilities	20	4,480	6,620	7,447
Provision	21	165	172	138
		<u>104,415</u>	<u>106,564</u>	<u>107,449</u>
Total liabilities		<u><u>660,618</u></u>	<u><u>639,003</u></u>	<u><u>600,587</u></u>
Net assets		<u><u>281,165</u></u>	<u><u>331,466</u></u>	<u><u>357,688</u></u>
Equity attributable to the owner of the Company				
Share capital	22	100	100	100
Retained earnings		107,234	133,905	166,700
Other reserves	23	63,791	86,108	81,497
		<u>171,125</u>	<u>220,113</u>	<u>248,297</u>
Non-controlling interests		<u>110,040</u>	<u>111,353</u>	<u>109,391</u>
Total equity		<u><u>281,165</u></u>	<u><u>331,466</u></u>	<u><u>357,688</u></u>
Total equity and liabilities		<u><u>941,783</u></u>	<u><u>970,469</u></u>	<u><u>958,275</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2016 and 2017**

(Amounts in Singapore dollars)

	Attributable to the owner of the Company					
	Equity attributable to the owner of the Company \$'000	Share capital (Note 22) \$'000	Other reserves (Note 23) \$'000	Retained earnings \$'000	Non- controlling interests \$'000	
Group						
2015						
Opening balance at 1 September 2014	175,113	142,061	100	59,520	82,441	33,052
Profit for the year	27,151	24,699	–	–	24,699	2,452
<u>Other comprehensive income</u>						
Net surplus on revaluation of freehold land and building	2,366	2,366	–	2,366	–	–
Foreign currency translation	(27,456)	(17,635)	–	(17,635)	–	(9,821)
Other comprehensive income for the year, net of tax	(25,090)	(15,269)	–	(15,269)	–	(9,821)
Total comprehensive income for the year	2,061	9,430	–	(15,269)	24,699	(7,369)
<u>Contributions by and distributions to owners</u>						
Dividends paid to non-controlling interests of subsidiaries	(761)	–	–	–	–	(761)
Grant of equity-settled share options to employees	277	144	–	144	–	133
Issuance of warrants	15,788	15,788	–	15,788	–	–
Total contributions by and distributions to owners	15,304	15,932	–	15,932	–	(628)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests without a change in control (Note 13 (e))	88,593	3,608	–	3,608	–	84,985
Total transactions with owners in their capacity as owners	103,897	19,540	–	19,540	–	84,357
<u>Others</u>						
Expiry of warrants	94	94	–	–	94	–
Closing balance at 31 August 2015	281,165	171,125	100	63,791	107,234	110,040

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2016 and 2017**

(Amounts in Singapore dollars)

	Attributable to the owner of the Company				
	Equity, total \$'000	Equity attributable to the owner of the Company \$'000	Share capital (Note 22) \$'000	Other reserves (Note 23) \$'000	Retained earnings \$'000
Group					Non- controlling interests \$'000
2016					
Opening balance at 1 September 2015	281,165	171,125	100	63,791	110,040
Profit for the year	28,964	26,671	–	–	26,671
Other comprehensive income					2,293
Net surplus on revaluation of freehold land and building	22,461	22,461	–	22,461	–
Foreign currency translation	(471)	(299)	–	(299)	(172)
Other comprehensive income for the year, net of tax					
	21,990	22,162	–	22,162	(172)
Total comprehensive income for the year					
	50,954	48,833	–	22,162	26,671
Contributions by and distributions to owners					2,121
Dividends paid to non-controlling interests of subsidiaries	(959)	–	–	–	(959)
Grant of equity-settled share options to employees	295	155	–	155	–
Exercise of employee share options	11	–	–	–	–
Total transactions with owners in their capacity as owners					
	(653)	155	–	155	(808)
Closing balance at 31 August 2016	331,466	220,113	100	86,108	133,905
					111,353

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2016 and 2017**

(Amounts in Singapore dollars)

	Attributable to the owner of the Company				
	Equity, total \$'000	Equity attributable to the owner of the Company \$'000	Share capital (Note 22) \$'000	Other reserves (Note 23) \$'000	Retained earnings \$'000
Group					Non- controlling interests \$'000
2017					
Opening balance at 1 September 2016	331,466	220,113	100	86,108	133,905
Profit for the year	37,349	32,795	–	–	32,795
<u>Other comprehensive income</u>					
Net surplus on revaluation of freehold land and building	5,231	5,231	–	5,231	–
Foreign currency translation	(15,908)	(9,679)	–	(9,679)	–
Other comprehensive income for the year, net of tax	(10,677)	(4,448)	–	(4,448)	–
Total comprehensive income for the year	26,672	28,347	–	(4,448)	32,795
<u>Contributions by and distributions to owners</u>					
Dividends paid to non-controlling interests of subsidiaries	(1,646)	–	–	–	–
Grant of equity-settled share options to employees	409	212	–	212	–
Exercise of warrants	20	–	–	–	–
Exercise of employee share options	–	(157)	–	(157)	–
Total contributions by and distributions to owners	(1,217)	55	–	55	–
<u>Changes in ownership interests in a subsidiary</u>					
Dilution of equity interests in a subsidiary due to the exercise of employee share options	767	(218)	–	(218)	–
Total transactions with owners in their capacity as owners	(450)	(163)	–	(163)	–
Closing balance at 31 August 2017	357,688	248,297	100	81,497	166,700
					109,391

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

Sasteria Pte. Ltd. and its Subsidiaries

**Consolidated statement of cash flows
For the financial year ended 31 August 2017**

(Amounts in Singapore dollars)

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Operating activities				
Profit before tax		31,115	36,465	43,376
<u>Adjustments for:</u>				
Allowance for doubtful trade debts	15	353	654	421
Amortisation of financing fees on bank loan	6	473	526	155
Bad debts written off	7	67	13	2
Depreciation of property and equipment	11	9,380	9,537	9,667
Amortisation of intangible assets	12	—	—	105
Net loss/(gain) on disposal of property and equipment	7	124	16	(6)
Interest income		(2,192)	(2,992)	(2,678)
Interest expense	6	2,121	2,938	2,546
Net foreign exchange loss/(gain)	7	260	(64)	136
Share-based payments (Employee share option plans)	8	305	291	414
Total adjustments		10,891	10,919	10,762
Operating cash flows before changes in working capital		42,006	47,384	54,138
<u>Changes in working capital:</u>				
Decrease/(increase) in inventories		417	(200)	(440)
(Increase)/decrease in trade and other receivables		(3,718)	897	(2,596)
Increase in prepaid operating expenses		(195)	(384)	(150)
Increase/(decrease) in trade and other payables		4,917	(5,360)	2,959
Increase/(decrease) in other liabilities		376	3,528	(1,989)
Total changes in working capital		1,797	(1,519)	(2,216)
Cash flows from operations		43,803	45,865	51,922
Interest income received		2,181	3,008	2,667
Income taxes paid		(4,647)	(4,822)	(5,841)
Net cash flows from operating activities		41,337	44,051	48,748
Investing activities				
Purchase of property and equipment	A	(7,744)	(7,440)	(11,434)
Additions to intangible assets	12	—	—	(356)
Proceeds from disposal of property and equipment		5	89	284
Net cash inflow on acquisition of subsidiary (Note 13(d))		386	—	—
Net cash outflow on disposal of subsidiaries (Note 13(f))		—	—	(907)
Decrease in amount due to an affiliated company		(53,740)	—	—
Net cash flows used in investing activities		(61,093)	(7,351)	(12,413)

Sasteria Pte. Ltd. and its Subsidiaries

Consolidated statement of cash flows
For the financial years ended 31 August 2015, 2016 and 2017

(Amounts in Singapore dollars)

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Financing activities				
Proceeds from bank loan, net of financing fees		58,654	—	—
Proceeds from exercise of employee share options		—	—	767
Proceeds from exercise of warrants		—	—	20
Repayment of bank loan		(647)	(25)	(63)
Payment of bank loan extension fees		—	(498)	—
Increase/(decrease) in amount due to a shareholder		1,527	(28,002)	(37,501)
(Increase)/decrease in pledged deposits		(943)	51	(323)
Acquisition of non-controlling interests		(25,828)	—	—
Dividends paid to non-controlling interests of subsidiaries		(761)	(959)	(1,646)
Interest expense paid		(2,025)	(2,930)	(2,509)
Net cash flows generated from/(used in) from financing activities		29,977	(32,363)	(41,255)
Net increase in cash and cash equivalents		10,221	4,337	(4,920)
Effect of exchange rate changes on cash and cash equivalents		(4,118)	193	(3,497)
Cash and cash equivalents at 1 September		111,022	117,125	121,655
Cash and cash equivalents at 31 August	16	117,125	121,655	113,238

Note to the consolidated statement of cash flows

A. Property and equipment

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Current year additions to property and equipment	11	8,638	12,778	12,017
Less: Provision for restoration costs included in "Renovations"	21	(62)	(7)	(22)
Less: Unsettled and remained as other payables		(832)	(5,331)	(561)
Net cash outflow for purchase of property and equipment		7,744	7,440	11,434

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

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Sasteria Pte. Ltd. and its Subsidiaries

**Notes to the consolidated financial statements
For the financial year ended 31 August 2015, 2016 and 2017**

1. Corporate information

Sasteria Pte. Ltd. (the Company) is a private limited company incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 101 Thomson Road, #14-02/03, United Square, Singapore 307591.

The principal activities of the Company are those of investment holding and the provision of business and management consultancy services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Fundamental accounting concept

As at 31 August 2017, the Group's current liabilities exceeded its current assets by \$353,781,000 (2016: \$386,690,000; 2015: \$413,937,000).

The consolidated financial statements of the Group have been prepared on a going concern basis as the director is of the view that the Group will be able to generate adequate cash flows in the foreseeable future from its operating and financing activities to enable it to meet its financial obligations as and when they fall due. The director believes that the use of the going concern assumption is appropriate taking into account the following:

- The Group was profitable for the financial year ended 31 August 2017, with net profit attributable to the owner of the Company amounting to \$32,795,000 (2016: \$26,671,000; 2015: \$24,699,000). The Group is expected to continue to be profitable in the next financial year.
- During the financial year ended 31 August 2017, the Group's net cash flows generated from operating activities amounted to \$48,748,000 (2016: \$44,051,000; 2015: \$41,337,000). The Group is expected to continue to generate positive operating cash flows in the next financial year.
- With respect to the Group's amounts due to a shareholder of \$447,141,000 (2016: \$484,642,000; 2015: \$512,644,000), the amounts are repayable on demand and to be settled in cash when the cash flows of the Group permits.

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Sasteria Pte. Ltd. and its Subsidiaries

**Notes to the consolidated financial statements
For the financial year ended 31 August 2015, 2016 and 2017**

2. Summary of significant accounting policies (cont'd)

2.3 *Changes in accounting policies*

The accounting policies have been consistently applied by the Group during the financial years ended 31 August 2015, 2016 and 2017 except that during the financial years ended 31 August 2015, 2016 and 2017, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 September 2014, 2015 and 2016 respectively. The adoption of these standards did not have any effect on the financial performance or position of the Group.

2.4 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 102 <i>Classification and Measurement of Share-based Payment Transaction</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
INT FRS 123 <i>Uncertainty over Income Tax Treatment</i>	1 January 2019

Except for FRS 109, FRS 115 and FRS 116, the director expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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Sasteria Pte. Ltd. and its Subsidiaries

**Notes to the consolidated financial statements
For the financial year ended 31 August 2015, 2016 and 2017**

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, measuring progress toward satisfaction of a performance obligation and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increases in total assets and total liabilities, EBITDA and gearing ratio.

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2. Summary of significant accounting policies (cont'd)

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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2. Summary of significant accounting policies (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated are tested for impairment annually and whenever there is an indication that the cash-generating units may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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2. Summary of significant accounting policies (cont'd)

2.7 *Functional and foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rate for the year. Exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 *Property and equipment*

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

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2. Summary of significant accounting policies (cont'd)

2.8 *Property and equipment (cont'd)*

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Long term leasehold land	99
Leasehold building and improvements	50
Freehold building and improvements	10 - 50
Renovations	5 - 13
Furniture and fittings	5 - 10
Medical, electrical equipment and appliances	3 - 13
Motor vehicles	5 - 10

Assets under construction are not depreciated as these assets are not yet available for use.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

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2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) Customer relationship

Customer relationship recognised in a business combination is amortised on a straight line basis over its finite useful life of 2.8 years.

(b) Hospital management

Hospital management recognised in a business combination is amortised on a straight line basis over its finite useful life of 4.8 years.

(c) Computer software

Computer software have a finite useful life and are amortised over the period of estimated useful life of 3 to 10 years on a straight-line basis.

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2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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2. Summary of significant accounting policies (cont'd)

2.12 *Affiliated company*

An affiliated company is an entity, not being a subsidiary or an associate, in which the shareholder of the Company or a director of a subsidiary has a significant equity interest or exercise significant influence.

2.13 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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2. Summary of significant accounting policies (cont'd)

2.14 *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits which are subject to an insignificant risk of changes in value.

2.16 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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2. Summary of significant accounting policies (cont'd)

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the government grant is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to income, the government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented under other income.

2.19 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.20 *Borrowing costs*

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee share option plans*

Certain employees of the subsidiary receive remuneration in the form of share options as consideration for services rendered. These share options are denominated in Malaysian Ringgit ("RM"). The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

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2. Summary of significant accounting policies (cont'd)

2.22 Leases

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of medicine and related products

Revenue from the sale of medicine and related products is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of the medicine and related products. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from the provision of consultations, clinical treatments, medical tests and operations are recognised upon the completion of the services rendered. Revenue from rendering of package services are recognised by reference to the stage of completion of the transaction at the end of the reporting period, determined by the number of sessions utilised as a percentage of the total sessions sold in a package.

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2. Summary of significant accounting policies (cont'd)

2.23 Revenue (cont'd)

(c) Rental income

Rental income is accounted for on a straight line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight line basis.

(d) Interest income

Interest income is recognised using the effective interest method.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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2. Summary of significant accounting policies (cont'd)

2.24 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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2. Summary of significant accounting policies (cont'd)

2.25 *Share capital and share issuance expenses*

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET
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3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Income tax

The Group has exposure to income taxes in Singapore and Malaysia. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable and deferred tax liabilities as at 31 August 2017 are \$6,691,000 (2016: \$6,484,000; 2015: \$5,691,000) and \$7,447,000 (2016: \$6,620,000; 2015: \$4,480,000) respectively.

(b) Useful lives of property and equipment

The cost of property and equipment (except for freehold land and buildings) is depreciated on a straight-line basis over the assets' respective estimated economic useful lives. Management estimates the useful lives of these assets to be from 3 to 99 years. This estimate is based on the historical experience of the actual useful lives of assets of similar nature and functions. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of these assets at the end of reporting period is disclosed in Note 11 to the financial statements.

(c) Revaluation of freehold land and building and improvements

The Group carries its freehold land and building and improvements at fair value, with changes in fair value being recognised in other comprehensive income. The Group engaged real estate valuation experts to assess the fair value as at 31 August 2017. The fair values of freehold land and building and improvements are determined by independent real estate valuation experts using the market comparison method and profits method. The carrying amounts of the freehold land and buildings and improvements as at 31 August 2017 is \$256,141,000 (2016: \$255,418,000; 2015: \$235,518,000).

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3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(d) Impairment of goodwill

As disclosed in Note 12 to the financial statements, the recoverable amounts of the cash generating units to which the goodwill is allocated to are determined based on their value in use calculations. The value in use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 12 to the financial statements.

The carrying amount of goodwill as at 31 August 2017 is \$484,026,000 (2016: \$489,994,000; 2015: \$490,177,000).

4. Revenue

	2015	2016	2017
	\$'000	\$'000	\$'000
Hospital operations and ancillary services	114,224	123,277	127,744
Specialised and other services	60,443	67,400	68,828
Rental income	2,400	2,458	2,593
Others	182	155	211
	177,249	193,290	199,376

5. Other income

	2015	2016	2017
	\$'000	\$'000	\$'000
Sponsorship income	2,008	2,982	4,400
Administrative and membership income	896	1,229	1,160
Employment Credit	585	1,106	689
Consultancy fees	—	—	524
Insurance claim	6	283	132
Recovery of doubtful debts	177	798	17
Gain on disposal of property and equipment	—	—	6
Net foreign exchange gain	—	64	—
Productivity and Innovation Credit Bonus	41	14	—
Capability Development Grant	—	234	—
Others	177	248	114
	3,890	6,958	7,042

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5. Other income (cont'd)

Employment Credit includes the Special Employment Credit, the Wage Credit Scheme and the Temporary Employment Credit. The Special Employment Credit was introduced by the Singapore Government to support employers as well as to raise the employability of older low-wage Singaporeans. On the other hand, the Wage Credit Scheme and the Temporary Employment Credit were introduced to help businesses adjust to rising wage costs in a tight labour market with the objective to allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees.

The Productivity and Innovation Credit (PIC) Bonus was introduced as a 2013 Budget Initiative to encourage businesses to undertake improvements in productivity and innovation. Eligible businesses which spend a minimum of \$5,000 in qualifying PIC investments in a Year of Assessment will receive a dollar-for-dollar matching cash bonus.

The Capability Development Grant facilitated by SPRING Singapore is a financial assistance programme designed to help businesses build business capabilities. Under this scheme, it can defray up to 70% of qualifying project costs for upgrading initiatives in areas like increasing productivity, process improvement, product development and market access.

6. Finance costs

	2015	2016	2017
	\$'000	\$'000	\$'000
Interest expense on interest-bearing loans and borrowings	2,121	2,938	2,546
Amortisation of financing fees on bank loan	473	526	155
	<u>2,594</u>	<u>3,464</u>	<u>2,701</u>

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7. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	2015 \$'000	2016 \$'000	2017 \$'000
Allowance for doubtful trade debts	15	353	654	421
Bad debts written off		67	13	2
Depreciation of property and equipment	11	9,380	9,537	9,667
Amortisation of intangible assets	12	–	–	105
Director's fees		27	–	–
Employee benefits expense	8	52,639	56,965	56,170
Inventories recognised as an expense in cost of sales	14	24,585	26,459	27,453
Legal and other professional fees		2,667	1,754	1,097
Net loss/(gain) on disposal of property and equipment		124	16	(6)
Net foreign exchange loss/(gain)		260	(64)	136
Operating lease expense	24(b)	4,754	5,322	5,180
Professional fees to doctors		27,802	32,369	33,569
Transaction costs incurred in a business combination	13(d)	932	–	–

8. Employee benefits

	2015 \$'000	2016 \$'000	2017 \$'000
Employee benefits expense:			
Salaries and bonuses	41,029	44,766	43,958
Defined contribution plans	5,523	6,019	5,904
Share-based payments (Employee share option plans)	305	291	414
Other short-term benefits	5,782	5,889	5,894
	52,639	56,965	56,170

TMC Employees' Share Option Scheme (ESOS)

The Group's subsidiary company, TMC Life Sciences Berhad (TMCLS) implemented the ESOS scheme in 2015 for a period of five (5) years till 28 May 2020. The ESOS which is administered by the Option Committee (OC), is granted to eligible directors and employees (Eligible Persons) of TMCLS to subscribe for shares in TMCLS.

There are no cash settlement alternatives in respect of the share options issued under the ESOS scheme.

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8. Employee benefits (cont'd)

TMC Employees' Share Option Scheme (ESOS) (cont'd)

Details of all the options to subscribe for ordinary shares of TMCLS pursuant to the ESOS outstanding as at 31 August 2017 are as follows:

Date of issue	No. of share options outstanding	Exercise price (RM)	Vesting period
11 June 2015	9,500,000	0.75	5 years
28 August 2015	6,812,500	0.75	5 years
24 January 2017	7,345,000	0.94	3.34 years
	<u>23,657,500</u>		

Movement of share options during the financial year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the financial year:

	2015		2016		2017	
	No.	WAEP (RM)	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 September	–	–	26,747,500	0.75	22,824,750	0.75
- Granted	26,747,500	0.75	–	–	7,400,000	0.94
- Forfeited	–	–	(3,877,750)	0.75	(3,343,850)	0.75
- Exercised	–	–	(45,000)	0.75	(3,223,400)	0.75
Outstanding at 31 August	<u>26,747,500</u>	0.75	<u>22,824,750</u>	0.75	<u>23,657,500</u>	0.81
Exercisable at 31 August	<u>5,349,500</u>	0.75	<u>6,776,250</u>	0.75	<u>10,273,576</u>	0.77

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8. Employee benefits (cont'd)

TMC Employees' Share Option Scheme (ESOS) (cont'd)

- The weighted average fair value of options granted during the financial year was RM0.13 (2016: Nil; 2015: RM0.15).
- The weighted average share price at the date of exercise of the options exercised during the financial year was RM0.93 (2016: RM0.87; 2015: Nil).
- The weighted average remaining contractual life for options outstanding at the end of the year is 2.7 (2016: 3.7; 2015: 4.9 to 5.0) years.

Fair value of share options granted

The fair values of the share options as at the date of grant are estimated at the respective grant dates using the Black Scholes Model, taking into account the terms and conditions upon which the share options were granted. The range of inputs to the models used to fair value the share options are shown below:

	24 January 2017	28 August 2015	11 June 2015
Dividend yield (%)	0.16	0.57	0.57
Expected volatility (%)	17.79	36.73	36.73
Risk-free interest rate (% p.a.)	3.40	3.91	3.63
Expected life of option (years)	3.34	5.00	5.00
Weighted average share price (RM)	0.94	0.51	0.63

The expected life of the share options is based on the vesting period of the options and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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9. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	2015	2016	2017
	\$'000	\$'000	\$'000
Services rendered to a director-related company	—	—	524
Management fees from director-related companies	—	—	33
Rental and service charges charged to a director-related company	—	—	19
Purchases of services from a director-related company	—	—	26
Purchases of architectural services from an affiliated company	285	3,373	1,082
Consultancy services rendered to an affiliated company	115	90	38

(b) *Compensation of key management personnel*

	2015	2016	2017
	\$'000	\$'000	\$'000
Short-term employee benefits	2,397	2,652	2,534
Other short-term benefits	17	17	23
Share-based payments	236	378	321
	<u>2,650</u>	<u>3,047</u>	<u>2,878</u>
<i>Comprise amounts paid to:</i>			
Director of the Company	27	—	—
Other key management personnel	2,623	3,047	2,878
	<u>2,650</u>	<u>3,047</u>	<u>2,878</u>

(c) *Disposal of subsidiaries*

The Group disposed of two subsidiaries to a director-related company as disclosed in Note 13(f) to the financial statements.

APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017

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10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 August 2015, 2016 and 2017 are:

	Note	2015	2016	2017
		\$'000	\$'000	\$'000
<i>Consolidated profit or loss:</i>				
Current income tax				
- current income taxation		5,458	6,202	6,954
- over provision in respect of previous years		(655)	(835)	(830)
		4,803	5,367	6,124
Deferred income tax				
- origination and reversal of temporary differences		(742)	884	(162)
- (over)/under provision in respect of previous years		(97)	1,250	65
	20	(839)	2,134	(97)
Income tax expense recognised in profit or loss		3,964	7,501	6,027
<i>Other comprehensive income:</i>				
Deferred tax expense related to other comprehensive income				
- Net surplus on revaluation of freehold land and building		—	—	1,175

APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017

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10. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 August 2015, 2016 and 2017 is as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Profit before tax	31,115	36,465	43,376
Tax at the domestic rates applicable to profits in the countries where the Group operates	5,670	7,027	7,991
Adjustments:			
Non-deductible expenses	1,687	1,557	1,323
Income not subject to taxation	(7)	(217)	(26)
Deferred tax assets not recognised	211	165	166
Effect of partial tax exemption and tax relief (Over)/under provision in respect of previous years	(706)	(812)	(2,535)
Benefits from previously unrecognised tax losses	(752)	415	(765)
Others	(2,155)	(771)	(154)
	16	137	27
Income tax expense recognised in profit or loss	3,964	7,501	6,027

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Group's subsidiary company, TMC Biotech Sdn. Bhd. (TMC Biotech), is not subject to tax as it has been granted the BioNexus Status, by the Malaysian Biotechnology Corporation Sdn. Bhd. which qualified TMC Biotech for the BioNexus incentive. TMC Biotech will enjoy full exemption from income tax on its statutory income for a period of 10 years commencing March 2008.

The Group's subsidiary company, Tropicana Medical Centre (M) Sdn Bhd (TMCM), has obtained approval for the Investment Tax Allowance, granted by the Malaysian Investment Development Authority. TMCM will enjoy full exemption on the qualifying expenditures spent for a period of 5 years commencing from 16 December 2014 and this can be used to deduct against its taxable income.

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11. Property and equipment

	Freehold land \$'000	Freehold building and improve- ments \$'000	Long term leasehold land \$'000	Leasehold building and improve- ments \$'000	Renovations \$'000	Furniture and fittings \$'000	Medical, electrical equipment and appliances \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
	<i>At valuation</i>					<i>At cost</i>				
Cost or valuation:										
At 1 September 2014	132,500	42,500	26,210	23,058	10,106	3,832	38,481	457	355	277,499
Additions	-	-	-	28	2,565	263	3,066	241	2,475	8,638
Acquisition of a subsidiary (Note 13(d))	60,518	-	-	-	-	-	-	-	-	60,518
Transfer from construction-in-progress	-	-	-	-	666	-	78	-	(744)	-
Disposals/write off	-	-	-	-	(263)	(32)	(177)	(47)	-	(519)
Revaluation surplus	700	1,666	-	-	-	-	-	-	-	2,366
Elimination of accumulated depreciation on revaluation	-	(2,366)	-	-	-	-	-	-	-	(2,366)
Exchange differences	-	-	(3,943)	(3,816)	(251)	(126)	(3,373)	(16)	(49)	(11,574)
At 31 August 2015	193,718	41,800	22,267	19,270	12,823	3,937	38,075	635	2,037	334,562
Accumulated depreciation:										
At 1 September 2014	-	-	-	-	2,745	2,264	16,122	283	-	21,414
Depreciation charge for the year	-	2,366	266	493	1,424	277	4,470	84	-	9,380
Disposals/write off	-	-	-	-	(154)	(26)	(163)	(47)	-	(390)
Elimination of accumulated depreciation on revaluation	-	(2,366)	-	-	-	-	-	-	-	(2,366)
Exchange differences	-	-	(115)	(472)	(99)	(67)	(2,050)	(13)	-	(2,816)
At 31 August 2015	-	-	151	21	3,916	2,448	18,379	307	-	25,222
Net carrying amount:										
At 31 August 2015	193,718	41,800	22,116	19,249	8,907	1,489	19,696	328	2,037	309,340

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11. Property and equipment (cont'd)

	Freehold land \$'000	Freehold building and improve- ments \$'000	Long term leasehold land \$'000	Leasehold building and improve- ments \$'000	Renovations \$'000	Furniture and fittings \$'000	Medical, electrical equipment and appliances \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
	<i>At valuation</i>					<i>At cost</i>				
Cost or valuation:										
At 1 September 2015	193,718	41,800	22,267	19,270	12,823	3,937	38,075	635	2,037	334,562
Additions	-	-	-	6	1,329	390	3,633	90	7,330	12,778
Transfer from construction-in-progress	-	-	-	-	2,159	-	88	-	(2,247)	-
Disposals/write off	-	-	-	-	(52)	(7)	(727)	(23)	-	(809)
Revaluation surplus	21,100	1,361	-	-	-	-	-	-	-	22,461
Elimination of accumulated depreciation on revaluation	-	(2,461)	-	-	-	-	-	-	-	(2,461)
Exchange differences	(100)	-	54	393	80	57	1,831	13	(3)	2,325
At 31 August 2016	214,718	40,700	22,321	19,669	16,339	4,377	42,900	715	7,117	368,856
Accumulated depreciation:										
At 1 September 2015	-	-	151	21	3,916	2,448	18,379	307	-	25,222
Depreciation charge for the year	-	2,461	240	446	1,586	327	4,412	65	-	9,537
Disposals/write off	-	-	-	-	(51)	(6)	(624)	(23)	-	(704)
Elimination of accumulated depreciation on revaluation	-	(2,461)	-	-	-	-	-	-	-	(2,461)
Exchange differences	-	-	92	428	85	60	1,858	13	-	2,536
At 31 August 2016	-	-	483	895	5,536	2,829	24,025	362	-	34,130
Net carrying amount:										
At 31 August 2016	214,718	40,700	21,838	18,774	10,803	1,548	18,875	353	7,117	334,726

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11. Property and equipment (cont'd)

	Freehold land \$'000	Freehold building and improve- ments \$'000	Long term leasehold land \$'000	Leasehold building and improve- ments \$'000	Renovations \$'000	Furniture and fittings \$'000	Medical, electrical equipment and appliances \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
	<i>At valuation</i>					<i>At cost</i>				
Cost or valuation:										
At 1 September 2016	214,718	40,700	22,321	19,669	16,339	4,377	42,900	715	7,117	368,856
Additions	-	-	-	-	1,302	198	6,240	-	4,277	12,017
Transfer to intangible asset (Note 12)	-	-	-	-	-	-	-	-	(333)	(333)
Transfer from construction-in-progress	-	-	-	-	980	-	5	-	(985)	-
Disposals/write off	-	-	-	-	(379)	(70)	(1,460)	(305)	-	(2,214)
Revaluation surplus	5,100	1,306	-	-	-	-	-	-	-	6,406
Elimination of accumulated depreciation	-	(2,406)	-	-	-	-	-	-	-	(2,406)
Depreciation on revaluation	-	-	-	-	(1,330)	(29)	(1,909)	-	-	(3,268)
Disposal of subsidiaries (Note 13(f))	-	-	(1,209)	(1,067)	(132)	(36)	(642)	1	(725)	(7,087)
Exchange differences	(3,277)	-	-	-	-	-	-	-	-	-
At 31 August 2017	216,541	39,600	21,112	18,602	16,780	4,440	45,134	411	9,351	371,971
Accumulated depreciation:										
At 1 September 2016	-	-	483	895	5,536	2,829	24,025	362	-	34,130
Depreciation charge for the year	-	2,406	231	429	1,759	317	4,488	37	-	9,667
Disposals/write off	-	-	-	-	(321)	(64)	(1,324)	(227)	-	(1,936)
Elimination of accumulated depreciation	-	(2,406)	-	-	-	-	-	-	-	(2,406)
Depreciation on revaluation	-	-	-	-	(523)	(11)	(877)	-	-	(1,411)
Disposal of subsidiaries (Note 13(f))	-	-	(29)	(54)	(34)	(12)	(253)	1	-	(381)
Exchange differences	-	-	-	-	-	-	-	-	-	-
At 31 August 2017	-	-	685	1,270	6,417	3,059	26,059	173	-	37,663
Net carrying amount:										
At 31 August 2017	216,541	39,600	20,427	17,332	10,363	1,381	19,075	238	9,351	334,308

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11. Property and equipment (cont'd)

Revaluation of freehold land and building

The Group engaged an independent valuer to determine the fair value of its freehold land and buildings in Malaysia and Singapore. The date of the revaluations were 29 May 2015 and 31 August 2017 (2016: 29 May 2015 and 31 August 2016; 2015: 29 May 2015 and 31 August 2015) respectively. Details of valuation techniques and inputs used are disclosed in Note 26.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Freehold land at 31 August			
- Cost and net carrying amount	136,518	136,418	133,141
Buildings at 31 August			
- Cost	49,442	49,442	49,442
- Accumulated depreciation	(10,838)	(12,839)	(14,828)
- Net carrying amount	38,604	36,603	34,614

Restoration costs

Included in the Group's carrying amount of renovations is \$21,000 (2016: \$69,000; 2015: \$94,000) of provision for restoration costs.

Assets held under finance leases

The carrying amount of motor vehicles held under finance leases at the end of the reporting period was Nil (2016: Nil; 2015: \$8,000).

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

The Group's building and improvements with a carrying amount of \$796,000 (2016: \$861,000; 2015: \$883,000) is pledged as security for interest-bearing loans and borrowings as disclosed in Note 19.

Construction-in-progress

Included in construction-in-progress is an amount of \$5,682,000 (2016: \$4,864,000; 2015: \$1,493,000) incurred for the provision of architects services to the Group by a company of which one of the substantial shareholders is the shareholder of the Company.

APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017

Sasteria Pte. Ltd. and its Subsidiaries

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12. Intangible assets

	Goodwill	Customer relationship	Hospital management	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:					
At 1 September 2014	433,086	2,812	698	–	436,596
Acquisition of subsidiary (Note 13(d))	64,904	–	–	–	64,904
Exchange differences	(7,813)	–	–	–	(7,813)
At 31 August 2015 and 1 September 2015	490,177	2,812	698	–	493,687
Exchange differences	(183)	–	–	–	(183)
At 31 August 2016 and 1 September 2016	489,994	2,812	698	–	493,504
Additions	–	–	–	356	356
Transfer from assets under development (Note 11)	–	–	–	333	333
Exchange differences	(5,968)	–	–	–	(5,968)
At 31 August 2017	484,026	2,812	698	689	488,225
Accumulated amortisation and impairment:					
At 1 September 2014, 31 August 2015, 1 September 2015, 31 August 2016 and 1 September 2016	–	2,812	698	–	3,510
Amortisation	–	–	–	105	105
At 31 August 2017	–	2,812	698	105	3,615
Net carrying amount:					
At 31 August 2015	490,177	–	–	–	490,177
At 31 August 2016	489,994	–	–	–	489,994
At 31 August 2017	484,026	–	–	584	484,610

Amortisation expense

The amortisation of computer software is included in the "Other expenses" line item in profit and loss.

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12. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill is derived from the excess of purchase consideration over the fair value of the identifiable net assets acquired. Goodwill arising from business combinations has been allocated to the following cash-generating units (CGU), for impairment testing:

	2015	2016	2017
	\$'000	\$'000	\$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788	379,788
Clinic	146	146	146
TMC Life Sciences Berhad (TMCLS)	45,339	45,264	42,810
BB Waterfront Sdn Bhd (BBWF)	64,904	64,796	61,282
	490,177	489,994	484,026

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period, except for BBWF. BBWF owns Thomson Iskandar, a medical hub project under construction and development in Malaysia. The cash flow projections used in the value-in-use calculations for BBWF were based on financial budgets approved by management covering a fourteen-year period which comprises an initial four-year period of construction and development, followed by a ten-year period of medical hub operations.

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the forecasted period are as follows:

	Growth rates (%)			Discount rates (%)		
	2015	2016	2017	2015	2016	2017
TMPL	2.0	2.0	2.0	7.8	5.6	4.9
Clinic	2.0	2.0	2.0	8.6	8.0	7.8
TMCLS	5.0	5.0	4.0	9.0	9.0	9.0
BBWF	3.7	3.7	3.5	10.2	10.2	8.8

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12. Intangible assets (cont'd)

Key assumptions used in the value in use calculations

Growth rates – The forecasted growth rates are based on published industry research and are comparable to the average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the Group's expected return on investment. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Market share assumptions – these assumptions are important because, as well as using industry data for growth rates (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the market to be stable over the forecast period.

The above estimates are particularly sensitive to the following areas:

- Changes in percentage points in the discount rate used; and
- Future planned revenue may not materialise.

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Sasteria Pte. Ltd. and its Subsidiaries

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13. Investment in subsidiaries

(a) Details of significant investments in subsidiaries

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest		
			2015	2016	2017
<i>Held by the Company:</i>					
Thomson Medical Pte. Ltd.	Singapore	Operates a hospital	100	100	100
Tanglin Nursing Pte Ltd ⁽¹⁾	Singapore	Dormant	100	100	–
Sasteria (M) Pte. Ltd.	Singapore	Investment holding	100	100	100
<i>Held through Thomson Medical Pte. Ltd.:</i>					
Thomson Fertility Centre Pte Ltd	Singapore	Operates a fertility clinic	100	100	100
Thomson International Health Services Pte. Ltd. ⁽²⁾	Singapore	Provides management consultancy services	100	100	–
Thomson Pre-Natal Diagnostic Laboratory Pte. Ltd.	Singapore	Operates pre-natal diagnostic laboratory	100	100	100
Thomson Women Cancer Centre Pte. Ltd.	Singapore	Operates a specialist medical clinic	55	55	55
Thomson Chinese Medicine Pte. Ltd.	Singapore	Operates a Chinese medical clinic	100	100	100
Thomson Paediatric Centre Pte. Ltd.	Singapore	Operates a specialist medical clinic	80	80	80
Thomson Dental Centre Pte. Ltd. ⁽²⁾	Singapore	Operates a dental clinic	100	100	–
Thomson Specialist Skin Centre Pte. Ltd.	Singapore	Operates a specialist skin clinic	100	100	100
Thomson Cardiology Centre Pte. Ltd. (formerly known as Thomson IPC Pte. Ltd.)	Singapore	Operates a specialist cardiology clinic	100	100	100
Thomson Women's Clinic Holdings Pte Ltd	Singapore	Investment holding and operates a specialist medical clinic	100	100	100

APPENDIX D: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY31/08/2015, FY31/08/2016 AND FY31/08/2017

Sasteria Pte. Ltd. and its Subsidiaries

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13. Investment in subsidiaries (cont'd)

(a) Details of significant investments in subsidiaries (cont'd)

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest		
			2015	2016	2017
Held through Thomson Medical Pte. Ltd.: (cont'd)					
Thomson Wellth Company Pte. Ltd.	Singapore	Wellness and health screening (dormant)	100	100	100
PCC Products Pte. Ltd.	Singapore	Sale and distribution of products and provision of services and training	100	100	100
Thomson Diagnostic Imaging Pte. Ltd. ⁽³⁾	Singapore	Operates x-ray laboratories and other diagnostic imaging centres	–	–	100
Held through Thomson International Health Services Pte. Ltd.:					
Thomson International Sdn Bhd ⁽²⁾	Malaysia	Dormant	100	100	–
Held through Thomson Women's Clinic Holdings Pte Ltd:					
Thomson Women's Clinic (Toa Payoh) Pte. Ltd. (formerly known as Thomson Women's Clinic (AMK Hub) Pte. Ltd.)	Singapore	Operates a specialist medical clinic (dormant)	100	100	100
Thomson Women's Clinic (Bukit Batok) Pte. Ltd.	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Choa Chu Kang) Pte Ltd	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Katong) Pte. Ltd.	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Sengkang) Pte Ltd	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Sun Plaza) Pte. Ltd.	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Tiong Bahru) Pte Ltd	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Tampines) Pte. Ltd.	Singapore	Operates a specialist medical clinic	100	100	100
Thomson Women's Clinic (Serangoon Central) Pte. Ltd.	Singapore	Operates a specialist medical clinic	100	100	100

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Sasteria Pte. Ltd. and its Subsidiaries

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13. Investment in subsidiaries (cont'd)

(a) Details of significant investments in subsidiaries (cont'd)

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest		
			2015	2016	2017
<i>Held through Sasteria (M) Pte. Ltd.:</i>					
TMC Life Sciences Berhad	Malaysia	Investment holding	52.03	52.03	51.93
<i>Held through TMC Life Sciences Berhad:</i>					
Tropicana Medical Centre (M) Sdn Bhd	Malaysia	Multi-disciplinary tertiary care services	100	100	100
IVF Technologies Sdn Bhd	Malaysia	Provision of fertility services and operation of women's clinic	100	100	100
TMC Biotech Sdn Bhd	Malaysia	Provision of fertility consultancy, laboratory and embryology services and research and development	100	100	100
TMC Lifestyle Sdn Bhd	Malaysia	Development, marketing and management of healthcare programs	100	100	100
TMC Properties Sdn Bhd	Malaysia	Property investment	100	100	100
TMC Women's Specialist (Kuantan) Sdn Bhd	Malaysia	Provision of healthcare services (dormant)	100	100	100
BB Waterfront Sdn Bhd ⁽⁵⁾	Malaysia	Provision of healthcare services	100	100	100
TMC Care Sdn. Bhd. ⁽⁴⁾	Malaysia	Provision of pharmacy services and products	—	100	100
<i>Held through Tropicana Medical Centre (M) Sdn Bhd:</i>					
TMC Women's Specialist Holdings Sdn Bhd	Malaysia	Business of operating fertility centres and providing related services	100	100	100
PT Tropicana Healthcare Indonesia	Indonesia	Marketing and promoting of healthcare products	65	65	65

⁽¹⁾ Struck off on 5 June 2017

⁽²⁾ Disposed of during the financial year ended 31 August 2017.

⁽³⁾ Newly incorporated during the financial year ended 31 August 2017

⁽⁴⁾ Newly incorporated during the financial year ended 31 August 2016

⁽⁵⁾ Acquired during the financial year ended 31 August 2015 as described in Note 13(d)

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13. Investment in subsidiaries (cont'd)

(b) Interest in subsidiary with material non-controlling interest (NCI)

The following subsidiary has NCI that is material to the Group.

	TMC Life Sciences Berhad and its subsidiaries		
	2015	2016	2017
Proportion of ownership interest held by NCI (%)	47.97	47.97	48.07
Profit after taxation allocated to NCI during the reporting period (\$'000)	1,787	1,773	3,943
Accumulated NCI at the end of reporting period (\$'000)	109,133	110,495	109,161
Dividends paid to NCI (\$'000)	210	390	408

(c) Summarised financial information about subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

	TMC Life Sciences Berhad and its subsidiaries		
	2015	2016	2017
	\$'000	\$'000	\$'000
Current			
Assets	78,872	81,266	78,966
Liabilities	(12,033)	(16,390)	(13,572)
Net current assets	66,839	64,876	65,394
Non-current			
Assets	179,717	186,376	180,490
Liabilities	(3,242)	(5,141)	(4,677)
Net non-current assets	176,475	181,235	175,813
Net assets	243,314	246,111	241,207

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13. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	TMC Life Sciences Berhad and its subsidiaries		
	2015	2016	2017
	\$'000	\$'000	\$'000
Revenue	40,762	43,886	48,934
Profit before income tax	4,365	6,183	8,549
Income tax credit/(expense)	524	(2,487)	(347)
Profit after tax, representing total comprehensive income	4,889	3,696	8,202

Other summarised information

	TMC Life Sciences Berhad and its subsidiaries		
	2015	2016	2017
	\$'000	\$'000	\$'000
Net cash flows from operations	5,793	12,632	3,142

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Sasteria Pte. Ltd. and its Subsidiaries

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13. Investment in subsidiaries (cont'd)

(d) *Acquisition of subsidiaries*

BB Waterfront Sdn Bhd (BBWF)

On 23 June 2015, the Group's subsidiary company, TMCLS acquired the entire equity interest of BBWF, a healthcare service provider which owns Thomson Iskandar, a medical hub project in Malaysia.

The acquisition is in line with the Group's strategy to expand its presence in the healthcare sector in Malaysia.

The fair value of the identifiable assets and liabilities of BBWF as at the acquisition date were:

	2015
	\$'000
Property and equipment	60,518
Cash and cash equivalents	386
	<hr/> 60,904
Trade and other payables	(19)
Deferred tax liabilities	(2,413)
	<hr/> (2,432)
Total identifiable net assets at fair value	58,472
Goodwill arising from acquisition	64,904
	<hr/> 123,376

Consideration transferred for the acquisition

Equity instruments issued (533,333,333 ordinary shares and 266,666,666 warrants of TMCLS)

123,376

Effect of the acquisition on cash flows

Consideration settled in cash

—

Less: Cash and cash equivalents of subsidiary acquired

(386)

Net cash inflow on acquisition

386

Equity instruments issued as part of consideration transferred

In connection with the acquisition of the entire equity interest in BBWF, TMCLS issued 533,333,333 ordinary shares valued at RM0.60 per share (equivalent to \$0.20 per share), together with 266,666,666 warrants valued at RM0.1761 each (equivalent to \$0.0592 per warrant) based on market closing price of the shares and warrants on the date of legal completion of the acquisition.

The attributable cost of the issuance of the shares and warrants as consideration of \$55,000 has been recognised directly in equity as a deduction from share capital.

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13. Investment in subsidiaries (cont'd)

(d) Acquisition of subsidiaries (cont'd)

BB Waterfront Sdn Bhd (BBWF) (cont'd)

Transaction costs

Transaction costs related to the acquisition amounting to \$932,000 have been recognised in the "Other expenses" line item in the Group's profit or loss for the financial year ended 31 August 2015.

Goodwill arising from acquisition

The goodwill of \$64,904,000 represents the expected synergies derived from market positioning of the Group after the completion of the construction and the operations of the new medical hub in Malaysia. The goodwill recognised is not expected to be deductible for income tax purposes.

Impact of the acquisition on profit or loss

BBWF's contribution to the Group's profit or loss for the financial year ended 31 August 2015 is not significant to the financial statements as the subsidiary has not commenced its business activity.

(e) Acquisition and deemed dilution of ownership interest in subsidiary, without loss of control

In 2015, the Group acquired an additional 343,995,274 ordinary shares in TMCLS, of which 206,867,950 ordinary shares were received through the exercise of the warrants held and 137,127,324 ordinary shares acquired from non-controlling interests. The acquisition of shares and conversion of warrants were made through a series of transactions during the year. As a result of the transactions, the Group's shareholding in TMCLS increased from 59.49% to 68.47%.

The Group then acquired an additional 80,333,333 ordinary shares from the non-controlling interests. Despite the additional acquisition, the overall Group's shareholding in TMCLS decreased from 68.47% to 52.03% as at 31 August 2015 as a result of the new ordinary shares issued in connection with the acquisition of BBWF as described in Note 13(d).

The net effect of the change in the Group's ownership interest in TMCLS on the equity attributable to owners of the Company is as follows:

	2015
	\$'000
Increase in equity attributable to non-controlling interests	84,985
Net discount on dilution of non-controlling interests	3,608
	<u>88,593</u>

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Sasteria Pte. Ltd. and its Subsidiaries

**Notes to the consolidated financial statements
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13. Investment in subsidiaries (cont'd)

(f) Disposal of subsidiaries

On 1 March 2017, a wholly-owned subsidiary of the Group entered into a sale agreement to dispose of 100% of its equity interest in its wholly-owned subsidiary, Thomson International Health Services Pte Ltd, at its carrying value.

On 1 April 2017, a wholly-owned subsidiary of the Group entered into a sale agreement to dispose of 100% of its equity interest in its wholly-owned subsidiary, Thomson Dental Centre Pte Ltd, at its carrying value.

The considerations for the above disposals were fully settled in cash. The disposals were completed on the respective dates of the sale agreements, on which date control of the entities were passed to the acquirer, a director-related company of the Group.

The value of assets and liabilities of these subsidiaries recorded in the consolidated financial statements as at the date of disposal, and the effects of the disposals were:

	Thomson International Health Services Pte Ltd	Thomson Dental Centre Pte Ltd
	As at 1 March 2017 \$'000	As at 1 April 2017 \$'000
Property and equipment	5	1,852
Inventories	–	179
Trade and other receivables	364	369
Prepaid operating expenses	3	157
Cash and cash equivalents	470	551
	842	3,108
Trade and other payables	(549)	(2,446)
Other liabilities	(118)	(598)
Income tax payable	(61)	(8)
Provisions	–	(56)
Carrying value of net assets	114	*
Cash consideration	114	*
Cash and cash equivalents of subsidiaries	(470)	(551)
Net cash outflow on disposal of subsidiaries	(356)	(551)

* Amount less than \$1,000

There is no gain or loss arising from the disposal of subsidiaries as the subsidiaries were sold at their respective carrying values.

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Sasteria Pte. Ltd. and its Subsidiaries

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14. Inventories

	2015	2016	2017
	\$'000	\$'000	\$'000
Drugs and pharmaceutical products	3,852	4,052	4,313

During the financial years ended 31 August 2015, 2016 and 2017, there has been no inventory written off or allowance for inventory obsolescence.

Inventories amounting to \$27,453,000 (2016: \$26,459,000; 2015: \$24,585,000) were recognised as an expense in cost of sales during the year.

15. Trade and other receivables

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade receivables	16,273	15,053	13,978
Other receivables	695	1,074	3,406
Deposits	1,690	1,604	1,559
GST receivables	653	–	–
Amounts due from director-related companies (non-trade)	–	–	239
Total trade and other receivables	19,311	17,731	19,182
Add: Cash and short-term deposits (Note 16)	118,583	123,062	114,968
Less: GST receivables	(653)	–	–
Total loans and receivables	137,241	140,793	134,150

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from director-related companies (non-trade)

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

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Sasteria Pte. Ltd. and its Subsidiaries

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15. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$7,237,000 (2016: \$7,149,000; 2015: \$10,544,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade receivables past due but not impaired:			
Lesser than 30 days	4,038	2,168	2,955
30 to 60 days	2,219	1,156	917
61 to 90 days	1,643	735	681
More than 90 days	2,644	3,090	2,684
	10,544	7,149	7,237

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade receivables - nominal amounts	968	1,329	1,681
Less: Allowance for impairment	(968)	(1,329)	(1,681)
	—	—	—
At 1 September	913	968	1,329
Charge for the year	353	654	421
Write back	(154)	(34)	(16)
Written off	(144)	(259)	(31)
Disposal of subsidiaries	—	—	(22)
At 31 August	968	1,329	1,681

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

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Sasteria Pte. Ltd. and its Subsidiaries

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16. Cash and short-term deposits

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2015	2016	2017
	\$'000	\$'000	\$'000
Cash at banks and on hand	20,601	29,570	35,545
Short-term deposits	97,982	93,492	79,423
Cash and short-term deposits	118,583	123,062	114,968
Less: Pledged deposits	(1,458)	(1,407)	(1,730)
Cash and cash equivalents	117,125	121,655	113,238

Cash at banks are non-interest bearing. Short-term deposits are made for varying periods of between three months to twelve months depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 August 2017 for the Group are 3.70% (2016: 3.20%; 2015: 2.24%) per annum respectively.

There were no pledged deposits (2016: \$15,000; 2015: \$15,000) placed with financial institutions for bankers' guarantees issued in favour of a third party during the year. Pledged deposits of \$1,568,000 (2016: \$1,221,000; 2015: \$1,272,000) are pledged as security for the interest-bearing loans and borrowings as disclosed in Note 19. The remaining pledged deposits of \$162,000 (2016: \$171,000; 2015: \$171,000) are placed with financial institutions for the supply of electricity.

Cash and short-term deposits denominated in foreign currencies at the end of the reporting period are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
United States Dollar	6,913	102	5
Malaysian Ringgit	663	693	1,048

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Sasteria Pte. Ltd. and its Subsidiaries

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17. Trade and other payables

	2015	2016	2017
	\$'000	\$'000	\$'000
Trade payables	5,511	5,552	5,717
Other payables	14,380	13,590	13,721
Amount due to director-related companies (non-trade)	—	—	31
GST payable	1,483	1,629	1,722
Deposits received	505	1,015	1,256
Total trade and other payables	21,879	21,786	22,447
Add: Amounts due to a shareholder	512,644	484,642	447,141
Add: Accrued operating expenses (Note 18)	13,624	16,696	12,955
Add: Interest-bearing loans and borrowings (Note 19)	99,797	99,801	99,893
Less: GST payable	(1,483)	(1,629)	(1,722)
Total financial liabilities carried at amortised cost	646,461	621,296	580,714

Trade and other payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days' terms.

Related party balances

Amounts due to director-related companies and a shareholder are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

18. Other liabilities

	2015	2016	2017
	\$'000	\$'000	\$'000
Accrued operating expenses	13,624	16,696	12,955
Deferred revenue	2,338	2,802	3,875
	15,962	19,498	16,830

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19. Interest-bearing loans and borrowings

	Maturity	2015 \$'000	2016 \$'000	2017 \$'000
Current:				
RM loan at base lending rate - 1.60% per annum	2030	20	22	22
Obligations under finance leases (Note 24(d))		7	7	7
		<u>27</u>	<u>29</u>	<u>29</u>
Non-current:				
RM loan at base lending rate - 1.60% per annum	2030	605	586	531
SGD loan at swap offer rate + 2.25% per annum (2016: swap offer rate + 2.00% per annum; 2015: swap offer rate + 1.75% per annum)	2019	99,138	99,166	99,321
Obligations under finance leases (Note 24(d))		27	20	12
		<u>99,770</u>	<u>99,772</u>	<u>99,864</u>
Total interest-bearing loans and borrowings		<u>99,797</u>	<u>99,801</u>	<u>99,893</u>

RM loan at base lending rate - 1.60% per annum

This loan is secured by a first legal charge over certain of the Group's building and improvements (Note 11) and a corporate guarantee provided by a subsidiary of the Group. Repayment of this loan is via instalments with the final payment due on May 2030.

SGD loan at swap offer rate + 2.25% per annum

The loan is secured by a fixed charge over part of the Group's pledged bank deposits (Note 16), a total of 821,304,822 ordinary shares and 410,652,474 warrants held in TMCLS, and a personal guarantee provided by a shareholder.

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 11). The average discount rate implicit in the leases is 2.65% (2016: 4.90%; 2015: 4.90%) per annum.

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20. Deferred tax

Deferred tax as at 31 August relates to the following:

	Consolidated statement of financial position			Consolidated profit or loss		
	2015	2016	2017	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Deferred tax liabilities:</i>						
Differences in depreciation for tax purposes	(4,364)	(4,242)	(4,124)	2,274	(116)	6
Revaluations to fair value for freehold land and buildings	—	—	(1,175)	—	—	—
Fair value adjustments on acquisition of subsidiaries	(3,407)	(3,965)	(3,742)	(59)	560	(9)
	<u>(7,771)</u>	<u>(8,207)</u>	<u>(9,041)</u>			
<i>Deferred tax assets:</i>						
Unabsorbed capital allowances	1,863	80	—	(1,625)	1,769	77
Unutilised tax losses	795	794	751	(731)	—	—
Provisions	633	713	700	(698)	(79)	(26)
Others	—	—	143	—	—	(145)
	<u>3,291</u>	<u>1,587</u>	<u>1,594</u>			
Net deferred tax liabilities	<u>(4,480)</u>	<u>(6,620)</u>	<u>(7,447)</u>			
Deferred tax expense (Note 10)				<u>(839)</u>	<u>2,134</u>	<u>(97)</u>

Unrecognised capital allowances and tax losses

At the end of the reporting period, the Group had unutilised capital allowances and tax losses amounting to approximately \$762,000 (2016: \$776,000; 2015: \$888,000) and \$2,014,000 (2016: \$2,486,000; 2015: \$2,070,000) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these unutilised capital allowances and unabsorbed tax losses is subject to agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

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21. Provision			
	2015	2016	2017
	\$'000	\$'000	\$'000
At 1 September	103	165	172
- Arose during the financial year	62	7	22
- Disposal of subsidiaries (Note 13(f))	—	—	(56)
At 31 August	165	172	138

The provision for restoration costs is the estimated costs to dismantle or remove plant and equipment or restore rented operating premises to their original condition arising from the return of the leases of rented operating premises to the landlords pursuant to lease agreements.

22. Share capital

	2015		2016		2017	
	No. of shares	\$'000	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid ordinary shares:						
At beginning and end of year	100,000	100	100,000	100	100,000	100

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

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23. Other reserves

	2015	2016	2017
	\$'000	\$'000	\$'000
Asset revaluation reserve	61,770	84,231	89,462
Net discount on dilution of non-controlling interests	3,608	3,608	3,390
Warrant reserves	15,788	15,788	15,788
Employee share option reserve	144	299	354
Foreign currency translation reserve	(17,519)	(17,818)	(27,497)
	<u>63,791</u>	<u>86,108</u>	<u>81,497</u>

Asset revaluation reserve

The asset revaluation reserve represents changes in the fair values of freehold land and buildings, net of tax.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to the employees of the subsidiary (Note 8). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Warrant reserves

	2015		2016		2017	
	No. of warrants '000	\$'000	No. of warrants '000	\$'000	No. of warrants '000	\$'000
At beginning of year	—	—	866,427	15,788	866,427	15,788
Issued during the financial year	866,427	15,788	—	—	—	—
Exercised during the year	—	—	—	—	(82)	—
At end of year	<u>866,427</u>	<u>15,788</u>	<u>866,427</u>	<u>15,788</u>	<u>866,345</u>	<u>15,788</u>

In 2015, the Group's subsidiary company, TMCLS issued 266,666,666 warrants valued at RM0.1761 per warrant (equivalent to \$0.0592 per warrant) as part of the purchase consideration to acquire the entire equity interest in BB Waterfront Sdn Bhd. Each warrant carries the right to subscribe for 1 new ordinary share in the capital of TMCLS at an exercise price of RM0.75. TMCLS has also issued 599,760,718 bonus warrants to all entitled shareholders on the basis of one bonus warrant for every two shares for no consideration. The expiry date of the warrants is 21 June 2019.

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24. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Capital commitment in respect of property and equipment	1,539	7,706	12,467

(b) Operating lease commitments - as lessee

The Group entered into commercial leases relating to the rental of medical clinics, warehouse, office premises and equipment. These leases have an average tenure of between one to three years, with options to renew for one to three years.

Minimum lease payments recognised as an expense in profit or loss at the end of the reporting period amounted to \$5,180,000 (2016: \$5,322,000; 2015: \$4,754,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Not later than one year	4,477	4,640	3,804
Later than one year but not later than five years	3,772	3,361	3,409
	<u>8,249</u>	<u>8,001</u>	<u>7,213</u>

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24. Commitments (cont'd)

(c) Operating lease commitments - as lessor

The Group has entered into commercial property leases relating to clinic premises. These non-cancellable leases have remaining lease terms of between 0.5 and 7.5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2016	2017
	\$'000	\$'000	\$'000
Not later than one year	1,618	1,727	1,620
Later than one year but not later than five years	1,948	1,354	1,074
More than five years	203	156	79
	3,769	3,237	2,773

(d) Finance lease commitments

The Group has finance leases for certain items of motor vehicles (Note 11).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2015		2016		2017	
	Minimum lease payment	Present value of payments	Minimum lease payment	Present value of payments	Minimum lease payment	Present value of payments
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not later than one year	8	7	8	7	8	7
Later than one year but not later than five years	29	27	21	20	12	12
Total minimum lease payments	37	34	29	27	20	19
Less: Amounts representing finance charges	(3)	—	(2)	—	(1)	—
Present value of minimum lease payments	34	34	27	27	19	19

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25. Contingent liabilities

In the matter of the case in September 2007 involving a patient who passed away during childbirth in TMPL's hospital and the child who was delivered with certain medical conditions, the claim filed by the deceased's family (the Plaintiffs) against the deceased's obstetrician, with TMPL being named as a second defendant, is ongoing. TMPL has filed its defence refuting the claim. The Plaintiffs have not yet quantified their claims. The director, having sought legal advice, is of the opinion some of the claims may be time-barred. As at the date of this report, except as disclosed above, the director is not aware of further action being taken against the Group by any party in relation to this matter. In the opinion of the director, the claim is not expected to have a material impact on the Group's financial statements.

26. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can assess at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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26. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of the assets measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using		
	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
	\$'000	\$'000	\$'000
2015			
Non-financial assets:			
Property and equipment			
- Freehold land	60,518	133,200	193,718
- Freehold building and improvements	–	41,800	41,800
2016			
Non-financial assets:			
Property and equipment			
- Freehold land	60,418	154,300	214,718
- Freehold building and improvements	–	40,700	40,700
2017			
Non-financial assets:			
Property and equipment			
- Freehold land	57,141	159,400	216,541
- Freehold building and improvements	–	39,600	39,600

(c) Level 2 fair value measurements

The following is a description of the valuation technique and inputs used in the fair value measurement for the freehold land that is categorised within Level 2 of the fair value hierarchy:

Freehold land

The valuation of freehold land is based on the valuation report prepared by an independent valuer, Knight Frank Malaysia Sdn Bhd. The fair value of the freehold land is determined by reference to market based evidence. This means that valuations performed by the valuer are based on active market prices, adjusted for any difference in the nature, location or condition of the specific land.

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26. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 August	Valuation techniques	Unobservable inputs	Range (weighted average)
\$'000				
2015				
Recurring fair value measurements				
<i>Property, plant and equipment:</i>				
Freehold land	133,200	Profits method	Terminal capitalisation rate	5.75%
Buildings and improvements	41,800	Profits method	Terminal capitalisation rate	5.75%
2016				
Recurring fair value measurements				
<i>Property, plant and equipment:</i>				
Freehold land	154,300	Profits method	Terminal capitalisation rate	5.75%
Buildings and improvements	40,700	Profits method	Terminal capitalisation rate	5.75%
2017				
Recurring fair value measurements				
<i>Property, plant and equipment:</i>				
Freehold land	159,400	Profits method	Terminal capitalisation rate	5.75%
Buildings and improvements	39,600	Profits method	Terminal capitalisation rate	5.75%

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26. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

For freehold land and buildings and improvements, a significant increase/(decrease) in terminal capitalisation rate based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
	Property and equipment		
	Freehold land	Buildings and improvement	Total
	\$'000	\$'000	\$'000
2015			
Opening balance	132,500	42,500	175,000
Total gains or losses for the period			
Included in profit or loss	–	(2,366)	(2,366)
Included in other comprehensive income	700	1,666	2,366
Closing balance	133,200	41,800	175,000
2016			
Opening balance	133,200	41,800	175,000
Total gains or losses for the period			
Included in profit or loss	–	(2,461)	(2,461)
Included in other comprehensive income	21,100	1,361	22,461
Closing balance	154,300	40,700	195,000
2017			
Opening balance	154,300	40,700	195,000
Total gains or losses for the period			
Included in profit or loss	–	(2,406)	(2,406)
Included in other comprehensive income	5,100	1,306	6,406
Closing balance	159,400	39,600	199,000

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26. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The Head of Finance oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	2015		2016		2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial liabilities:</i>						
- Obligations under finance leases	34	29	27	24	19	17

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27. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The director reviews and agrees policies and procedures for the management of each of these risks. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks during the financial years ended 31 August 2015, 2016 and 2017.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy that all customers who wish to obtain services on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

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27. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$'000	Over 1 year \$'000	Total \$'000
2015			
Financial assets			
Trade and other receivables	18,658	–	18,658
Cash and short-term deposits	118,583	–	118,583
Total undiscounted financial assets	137,241	–	137,241
Financial liabilities			
Trade and other payables	20,396	–	20,396
Amount due to a shareholder	512,644	–	512,644
Accrued operating expenses	13,624	–	13,624
Interest-bearing loans and borrowings	2,741	102,567	105,308
Total undiscounted financial liabilities	549,405	102,567	651,972
Total net undiscounted financial liabilities	(412,164)	(102,567)	(514,731)
2016			
Financial assets			
Trade and other receivables	17,731	–	17,731
Cash and short-term deposits	123,062	–	123,062
Total undiscounted financial assets	140,793	–	140,793
Financial liabilities			
Trade and other payables	20,157	–	20,157
Amount due to a shareholder	484,642	–	484,642
Accrued operating expenses	16,696	–	16,696
Interest-bearing loans and borrowings	2,504	102,541	105,045
Total undiscounted financial liabilities	523,999	102,541	626,540
Total net undiscounted financial liabilities	(383,206)	(102,541)	(485,747)

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27. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	1 year or less \$'000	Over 1 year \$'000	Total \$'000
2017			
Financial assets			
Trade and other receivables	19,182	–	19,182
Cash and short-term deposits	114,968	–	114,968
Total undiscounted financial assets	134,150	–	134,150
Financial liabilities			
Trade and other payables	20,725	–	20,725
Amount due to a shareholder	447,141	–	447,141
Accrued operating expenses	12,955	–	12,955
Interest-bearing loans and borrowings	3,080	102,910	105,990
Total undiscounted financial liabilities	483,901	102,910	586,811
Total net undiscounted financial liabilities	(349,751)	(102,910)	(452,661)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its interest-bearing loans and borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2016: 100; 2015: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$1,002,000 (2016: \$1,003,000; 2015: \$1,003,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

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28. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2015, 2016 and 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity of the Group plus net debt. Net debt includes amount due to a shareholder, interest-bearing loans and borrowings, less cash and short-term deposits.

	Note	2015	2016	2017
		\$'000	\$'000	\$'000
Amount due to a shareholder	17	512,644	484,642	447,141
Interest-bearing loans and borrowings	19	99,797	99,801	99,893
Less: Cash and short-term deposits	16	(118,583)	(123,062)	(114,968)
Net debt		493,858	461,381	432,066
Total equity		281,165	331,466	357,688
Total equity and net debt		775,023	792,847	789,754
Gearing ratio		63.72%	58.19%	54.71%

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29. Events occurring after the reporting period

Prior to the acquisition of TMPL group, an error occurred in October 2010 involving an in-vitro fertilisation procedure in Thomson Fertility Centre Pte Ltd (TFC), a subsidiary of TMPL, that led to the baby acquiring the genes of a person other than the mother's husband. The mother took a case against TMPL and TFC in which it was judged that the mother should be compensated for what the Court of Appeal ruled as a "loss in genetic affinity". Since then the matter has been concluded. As TMPL and TFC are covered by insurance in place during the relevant period, there is no impact on the Group's financial statements.

30. Authorisation of financial statements for issue

The financial statements for the financial years ended 31 August 2015, 2016 and 2017 were authorised for issue in accordance with a resolution of the director on 28 February 2018.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
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**INDEPENDENT AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA COMBINED
FINANCIAL INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER
2017**

The Board of Directors
Rowsley Ltd.
1 Kallang Junction
#03-01
Singapore 339263

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Rowsley Ltd. (the "Company") and its subsidiaries (collectively, the "Group") by management. The pro forma financial information consists of the pro forma combined statements of financial position as at 31 December 2016 and 30 September 2017, the pro forma combined statements of comprehensive income for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017, the pro forma combined statements of cash flows for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017, and related notes as set out in pages E-5 to E-35 of the Circular issued by the Company. The applicable criteria on the basis of which management has compiled the pro forma financial information are described in Note 3.

The pro forma financial information has been compiled by management to illustrate the impact of the events set out in Note 2 on the Group's financial position as at 31 December 2016 and 30 September 2017 as if the events had taken place on 31 December 2016 and 30 September 2017, respectively; and its financial performance and cash flows for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017 as if the events had taken place on 1 January 2016. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by management from the Group's financial statements for the financial year ended 31 December 2016, on which an audit report has been published, and from the Group's financial statements for the nine-month period ended 30 September 2017, on which no review report has been published.

Management's Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the pro forma financial information on the basis as described in Note 3.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply *Singapore Standard on Quality Control 1* and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**INDEPENDENT AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA COMBINED
FINANCIAL INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER
2017 (CONT'D)**

Auditor's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the pro forma financial information on the basis as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction on 1 January 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related pro forma adjustments give appropriate effect to those criteria; and
- (ii) The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**INDEPENDENT AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA COMBINED
FINANCIAL INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER
2017 (CONT'D)**

Opinion

In our opinion,

- (a) The unaudited pro forma combined financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by Rowsley Ltd. and its subsidiaries in its audited consolidated financial statements as included in Appendix C of the Circular, which are in accordance with Singapore Financial Reporting Standards;
 - (ii) on the basis of the applicable criteria stated in Note 3 to the pro forma combined financial information; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

Restriction on Distribution and Use

This report has been prepared solely for inclusion in the Circular of the Company to be issued in connection with the Company's proposed acquisition of Sasteria Pte. Ltd. and its subsidiaries.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

28 February 2018

Partner-in-charge: Max Loh Khum Whai

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**UNAUDITED PRO FORMA COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	9 months ended 30.9.2017	Year ended 31.12.2016
	\$'000	\$'000
Revenue	219,460	296,614
Other income	12,718	19,083
Materials and consumables used	(29,827)	(39,619)
Staff costs	(95,197)	(125,871)
Professional fees to doctors	(25,039)	(33,092)
Operating expenses	(42,330)	(66,111)
Foreign exchange loss, net	(597)	(1,883)
Share of profit of associates, net of tax	1,690	789
Fair value changes in purchase consideration payable	(830)	8,532
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	—	4,338
Impairment loss on investment in available-for-sale financial assets	—	(636)
Impairment loss on goodwill relating to subsidiaries	—	(42,445)
Impairment loss on property, plant and equipment	—	(30,444)
Acquisition-related expenses	—	(6,621)
Profit/(loss) before interest, tax, depreciation and amortisation (EBITDA)	40,048	(17,366)
Interest income	2,037	3,336
Finance costs	(14,690)	(22,295)
Depreciation and amortisation expenses	(11,525)	(22,614)
Results from operating activities	15,870	(58,939)
Tax expense	(4,333)	(450)
Profit/(loss) for the period/year	<u>11,537</u>	<u>(59,389)</u>
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss:</i>		
Net surplus on revaluation of freehold land and buildings	5,231	22,461
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences for foreign operations	291	(21,985)
Net change in fair value of available-for-sale financial assets	(604)	(563)
Net change in fair value of available-for-sale financial assets reclassified to profit and loss	—	636
Other comprehensive income for the period/year, net of tax	<u>4,918</u>	<u>549</u>
Total comprehensive income for the period/year	<u>16,455</u>	<u>(58,840)</u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
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**UNAUDITED PRO FORMA COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	9 months ended 30.9.2017 \$'000	Year ended 31.12.2016 \$'000
Profit/(loss) attributable to:		
Equity holders of the Company	9,573	(54,784)
Non-controlling interests	<u>1,964</u>	<u>(4,605)</u>
Profit/(loss) for the period/year	<u><u>11,537</u></u>	<u><u>(59,389)</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	14,653	(50,975)
Non-controlling interests	<u>1,802</u>	<u>(7,865)</u>
Total comprehensive income for the period/year	<u><u>16,455</u></u>	<u><u>(58,840)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the unaudited pro forma combined financial information.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
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ENDED 30 SEPTEMBER 2017**

**UNAUDITED PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 AND 30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	30.9.2017	31.12.2016
	\$'000	\$'000
Non-current assets		
Property, plant and equipment	397,385	387,408
Intangible assets and goodwill	582,266	568,909
Investment properties	148,447	148,444
Investment in associates	25,905	26,866
Other investments	1,437	2,041
Deferred tax assets	537	548
	<u>1,155,977</u>	<u>1,134,216</u>
Current assets		
Development properties	140,163	140,163
Work-in-progress	38,276	35,863
Inventories	4,701	4,459
Trade and other receivables	52,457	51,697
Prepaid operating expenses	4,040	3,972
Cash and short-term deposits	141,938	148,463
	<u>381,575</u>	<u>384,617</u>
Total assets	<u>1,537,552</u>	<u>1,518,833</u>
Current liabilities		
Excess of progress billings over work-in-progress	6,046	3,714
Trade and other payables	36,092	41,844
Amounts due to a shareholder	3,377	3,377
Purchase consideration payable	800	—
Other liabilities	32,549	30,886
Interest-bearing loans and borrowings	137,338	38,524
Income tax payable	7,551	8,888
	<u>223,753</u>	<u>127,233</u>
Net current assets	157,822	257,384
Non-current liabilities		
Provisions	138	189
Deferred tax liabilities	10,650	10,185
Interest-bearing loans and borrowings	462,264	558,414
Purchase consideration payable	22,183	11,513
	<u>495,235</u>	<u>580,301</u>
Total liabilities	<u>718,988</u>	<u>707,534</u>
Net assets	<u>818,564</u>	<u>811,299</u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
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ENDED 30 SEPTEMBER 2017**

**UNAUDITED PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 AND 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	30.9.2017	31.12.2016
	\$'000	\$'000
Equity		
Share capital	3,220,107	3,214,807
Accumulated losses	(156,055)	(171,430)
Other reserves	<u>(2,316,011)</u>	<u>(2,300,052)</u>
Equity attributable to equity holders of the Company	748,041	743,325
Non-controlling interests	<u>70,523</u>	<u>67,974</u>
Total equity	<u>818,564</u>	<u>811,299</u>
Total equity and liabilities	<u>1,537,552</u>	<u>1,518,833</u>

The accompanying accounting policies and explanatory notes form an integral part of the unaudited pro forma combined financial information.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2017**

**UNAUDITED PRO FORMA COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	9 months ended 30.9.2017 \$'000	Year ended 31.12.2016 \$'000
Operating activities		
Profit/(loss) before tax	15,870	(58,939)
Adjustments for:		
Depreciation of property, plant and equipment	10,142	14,284
Amortisation of intangible assets	1,383	8,330
Gain on disposal of available-for-sale financial assets	—	(32)
Gain on disposal of property, plant and equipment	(31)	165
Interest income	(2,037)	(3,336)
Finance costs	14,690	22,295
Share of profit of associates, net of tax	(1,690)	(789)
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	—	(4,338)
Impairment loss on trade and other receivables	528	1,622
Reversal of impairment loss on trade and other receivables	(178)	(347)
Impairment loss on goodwill relating to subsidiaries	—	42,445
Impairment loss on available-for-sale financial assets	—	636
Impairment loss on property, plant and equipment	—	30,444
Fair value changes in purchase consideration payable	830	(8,532)
Reversal of allowance for foreseeable losses	(29)	(1,180)
Unrealised foreign exchange loss	4	1,705
Share-based payments (Employee share option plans)	343	534
Acquisition-related costs	—	6,621
Operating cash flows before changes in working capital	39,825	51,588
<u>Changes in working capital</u>		
Inventories	(421)	(457)
Work-in-progress	(2,384)	6,571
Trade and other receivables	415	3,848
Prepaid operating expenses	(227)	(232)
Excess of progress billings over work-in-progress	2,332	(42)
Trade and other payables	(2,796)	(3,384)
Other liabilities	2,379	412
Cash flows from operations	39,123	58,304
Interest received	2,006	3,337
Income taxes paid	(6,559)	(8,660)
Net cash flows from operating activities	34,570	52,981

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2017**

**UNAUDITED PRO FORMA COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	9 months ended 30.9.2017	Year ended 31.12.2016
	\$'000	\$'000
Investing activities		
Net cash inflow on acquisition of subsidiaries	877	3,290
Net cash outflow on acquisition of warrants held in a subsidiary	–	(30,000)
Net cash outflow on disposal of subsidiaries	(907)	–
Investment in associate	(70)	–
Additions to property, plant and equipment	(13,648)	(12,834)
Proceeds from disposal of property, plant and equipment	264	307
Additions to investment property	(3)	(739)
Additions to intangible assets	(695)	–
Net proceeds from disposal of available-for-sale financial assets	–	32
Dividends received	2,873	1,746
Changes in fixed deposits	1,336	(1,384)
Net cash flows used in investing activities	<u>(9,973)</u>	<u>(39,582)</u>
Financing activities		
Proceeds from exercise of employee share options	592	204
Proceeds from exercise of warrants	12	–
Proceeds from interest-bearing loans and borrowings	1,653	380,000
Repayment of interest-bearing loans and borrowings	(21)	(8,531)
Payment of bank loan extension fees	–	(498)
Decrease in amounts due to a shareholder	(22,001)	(392,501)
Changes in pledged deposits	(366)	16
Share issuance expenses	(60)	–
Dividends paid to non-controlling interests of subsidiaries	(413)	(1,238)
Interest paid	(16,288)	(20,336)
Net cash flows used in financing activities	<u>(36,892)</u>	<u>(42,884)</u>
Net decrease in cash and cash equivalents	(12,295)	(29,485)
Effect of exchange rate changes on cash and cash equivalents	(323)	(3,149)
Cash and cash equivalents at beginning of period/year	<u>124,521</u>	<u>157,155</u>
Cash and cash equivalents at end of period/year	<u><u>111,903</u></u>	<u><u>124,521</u></u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
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ENDED 30 SEPTEMBER 2017**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017	Pro Forma Adjustments relating to the Target Group⁽¹⁾ 30.9.2017	Other Pro Forma Adjustments⁽²⁾	Unaudited Pro Forma Combined Statement of Comprehensive Income 30.9.2017
	\$'000	\$'000	\$'000	\$'000
Revenue	71,246	148,214	—	219,460
Other income	6,891	5,827	—	12,718
Materials and consumables used	—	(29,827)	—	(29,827)
Staff costs	(53,980)	(41,217)	—	(95,197)
Professional fees to doctors	—	(25,039)	—	(25,039)
Operating expenses	(25,113)	(17,217)	—	(42,330)
Foreign exchange loss, net	(584)	(13)	—	(597)
Share of profit of associates, net of tax	1,690	—	—	1,690
Fair value changes in purchase consideration payable	(830)	—	—	(830)
(Loss)/profit before interest, tax, depreciation and amortisation (EBITDA)	(680)	40,728	—	40,048
Interest income	116	1,921	—	2,037
Finance costs	(5,546)	(2,129)	(7,015)	(14,690)
Depreciation and amortisation expenses	(4,120)	(7,405)	—	(11,525)
Results from operating activities	(10,230)	33,115	(7,015)	15,870
Tax expense	(406)	(3,927)	—	(4,333)
(Loss)/profit for the period	(10,636)	29,188	(7,015)	11,537

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2017**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group ⁽¹⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments ⁽²⁾ \$'000	Unaudited Pro Forma Combined Statement of Comprehensive Income 30.9.2017 \$'000
Other comprehensive income				
<i>Item that will not be reclassified to profit or loss:</i>				
Net surplus on revaluation of freehold land and buildings	—	5,231	—	5,231
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	1,146	(855)	—	291
Net change in fair value of available-for-sale financial assets	(604)	—	—	(604)
Other comprehensive income for the period, net of tax	542	4,376	—	4,918
Total comprehensive income for the period	<u>(10,094)</u>	<u>33,564</u>	<u>(7,015)</u>	<u>16,455</u>

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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017	Pro Forma Adjustments relating to the Target Group⁽¹⁾ 30.9.2017	Other Pro Forma Adjustments⁽²⁾	Unaudited Pro Forma Combined Statement of Comprehensive Income 30.9.2017
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit attributable to:				
Equity holders of the Company	(10,156)	25,530	(5,801)	9,573
Non-controlling interests	(480)	3,658	(1,214)	1,964
(Loss)/profit for the period	<u>(10,636)</u>	<u>29,188</u>	<u>(7,015)</u>	<u>11,537</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(9,785)	30,239	(5,801)	14,653
Non-controlling interests	(309)	3,325	(1,214)	1,802
Total comprehensive income for the period	<u>(10,094)</u>	<u>33,564</u>	<u>(7,015)</u>	<u>16,455</u>

Note to the Pro Forma Adjustments:

- ⁽¹⁾ The pro forma adjustments relate to the unaudited consolidated statement of comprehensive income of Sasteria Pte. Ltd. (the "Target Company") and its subsidiaries (collectively, the "Target Group") for the nine-month period ended 30 September 2017.
- ⁽²⁾ The pro forma adjustments relate to (i) the Company's proposed acquisition of the Target Group (the "Proposed Acquisition"), (ii) the Target Group's acquisition of 18.43% of the issued share capital of TMC Life Sciences Berhad ("TMCLS"), (iii) the Company's acquisition of 597,319,140 warrants of TMCLS, and (iv) the Target Company's repayment of amounts due to a shareholder of \$350,000,000 as described in Note 2.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

(Amounts expressed in Singapore Dollars)

	Audited Financial Statements of the Group 31.12.2016	Pro Forma Adjustments relating to the Target Group⁽³⁾ 31.12.2016	Other Pro Forma Adjustments⁽⁴⁾	Unaudited Pro Forma Combined Statement of Comprehensive Income 31.12.2016
	\$'000	\$'000	\$'000	\$'000
Revenue	103,135	197,968	(4,489)	296,614
Other income	12,202	6,881	—	19,083
Materials and consumables used	—	(39,619)	—	(39,619)
Staff costs	(69,250)	(58,484)	1,863	(125,871)
Professional fees to doctors	—	(33,092)	—	(33,092)
Operating expenses	(41,032)	(25,841)	762	(66,111)
Foreign exchange loss, net	(1,843)	(40)	—	(1,883)
Share of profit of associates, net of tax	789	—	—	789
Fair value changes in purchase consideration payable	8,532	—	—	8,532
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	4,338	—	—	4,338
Impairment loss on investment in available-for- sale financial assets	(636)	—	—	(636)
Impairment loss on goodwill relating to subsidiaries	(42,445)	—	—	(42,445)
Impairment loss on property, plant and equipment	(30,444)	—	—	(30,444)
Acquisition-related costs	—	—	(6,621)	(6,621)
(Loss)/profit before interest, tax, depreciation and amortisation (EBITDA)	(56,654)	47,773	(8,485)	(17,366)
Interest income	306	3,030	—	3,336
Finance costs	(7,559)	(3,299)	(11,437)	(22,295)
Depreciation and amortisation expenses	(13,024)	(9,590)	—	(22,614)
Results from operating activities	(76,931)	37,914	(19,922)	(58,939)
Tax credit/(expense)	7,108	(7,558)	—	(450)
(Loss)/profit for the year	(69,823)	30,356	(19,922)	(59,389)

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
INFORMATION OF ROWSLEY LTD. AND ITS SUBSIDIARIES
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Audited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group ⁽³⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments ⁽⁴⁾ \$'000	Unaudited Pro Forma Combined Statement of Comprehensive Income 31.12.2016 \$'000
Other comprehensive income				
<i>Item that will not be reclassified to profit or loss:</i>				
Net surplus on revaluation of freehold land and buildings	–	22,461	–	22,461
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	(16,548)	(5,437)	–	(21,985)
Net change in fair value of available-for-sale financial assets	(563)	–	–	(563)
Net change in fair value of available-for-sale financial assets reclassified to profit and loss	636	–	–	636
Other comprehensive income for the year, net of tax	<u>(16,475)</u>	<u>17,024</u>	<u>–</u>	<u>549</u>
Total comprehensive income for the year	<u><u>(86,298)</u></u>	<u><u>47,380</u></u>	<u><u>(19,922)</u></u>	<u><u>(58,840)</u></u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Audited Financial Statements of the Group 31.12.2016	Pro Forma Adjustments relating to the Target Group⁽³⁾ 31.12.2016	Other Pro Forma Adjustments⁽⁴⁾	Unaudited Pro Forma Combined Statement of Comprehensive Income 31.12.2016
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit attributable to:				
Equity holders of the Company	(63,298)	27,572	(19,058)	(54,784)
Non-controlling interests	<u>(6,525)</u>	<u>2,784</u>	<u>(864)</u>	<u>(4,605)</u>
(Loss)/profit for the year	<u>(69,823)</u>	<u>30,356</u>	<u>(19,922)</u>	<u>(59,389)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(78,643)	46,726	(19,058)	(50,975)
Non-controlling interests	<u>(7,655)</u>	<u>654</u>	<u>(864)</u>	<u>(7,865)</u>
Total comprehensive income for the year	<u>(86,298)</u>	<u>47,380</u>	<u>(19,922)</u>	<u>(58,840)</u>

Note to the Pro Forma Adjustments:

- ⁽³⁾ The pro forma adjustments relate to the unaudited consolidated statement of comprehensive income of the Target Group for the financial year ended 31 December 2016.
- ⁽⁴⁾ The pro forma adjustments relate to (i) the Proposed Acquisition, (ii) acquisition-related costs amounting to \$6,781,000, of which \$160,000 was capitalised against share capital of the Company, (iii) the Target Group's acquisition of 18.43% of the issued share capital of TMCLS, (iv) the Company's acquisition of 597,319,140 warrants of TMCLS, and (v) the Target Company's repayment of amounts due to a shareholder of \$350,000,000 as described in Note 2. The pro forma adjustments also relate to consultancy services provided by Rowsley Ltd. (the "Company") and its subsidiaries (collectively, the "Group") to the Target Group during the financial year ended 31 December 2016.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF
FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group ⁽⁵⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments ⁽⁶⁾ \$'000	Unaudited Pro Forma Combined Statement of Financial Position 30.9.2017 \$'000
Non-current assets				
Property, plant and equipment	62,005	335,380	—	397,385
Intangible assets and goodwill	96,421	485,845	—	582,266
Investment properties	148,447	—	—	148,447
Investment in associates	25,905	—	—	25,905
Other investments	1,437	—	—	1,437
Deferred tax assets	537	—	—	537
	334,752	821,225	—	1,155,977
Current assets				
Development properties	140,163	—	—	140,163
Work-in-progress	38,276	—	—	38,276
Inventories	290	4,411	—	4,701
Trade and other receivables	33,480	18,977	—	52,457
Prepaid operating expenses	2,191	1,849	—	4,040
Cash and short-term deposits	26,695	115,243	—	141,938
	241,095	140,480	—	381,575
Total assets	<u>575,847</u>	<u>961,705</u>	<u>—</u>	<u>1,537,552</u>
Current liabilities				
Excess of progress billings over work-in-progress	6,046	—	—	6,046
Trade and other payables	11,465	17,846	6,781	36,092
Amounts due to a shareholder	—	445,141	(441,764)	3,377
Purchase consideration payable	800	—	—	800
Other liabilities	9,651	20,758	2,140	32,549
Interest-bearing loans and borrowings	99,808	30	37,500	137,338
Income tax payable	399	7,152	—	7,551
	128,169	490,927	(395,343)	223,753
Net current assets/(liabilities)	112,926	(350,447)	395,343	157,822

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF
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AS AT 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group ⁽⁵⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments ⁽⁶⁾ \$'000	Unaudited Pro Forma Combined Statement of Financial Position 30.9.2017 \$'000
Non-current liabilities				
Provisions	–	138	–	138
Deferred tax liabilities	3,046	7,604	–	10,650
Interest-bearing loans and borrowings	19,883	99,881	342,500	462,264
Purchase consideration payable	22,183	–	–	22,183
	45,112	107,623	342,500	495,235
Total liabilities	173,281	598,550	(52,843)	718,988
Net assets	402,566	363,155	52,843	818,564
Equity				
Share capital	788,267	100	2,431,740	3,220,107
(Accumulated losses)/retained earnings	(316,067)	168,773	(8,761)	(156,055)
Other reserves	(71,425)	83,168	(2,327,754)	(2,316,011)
Equity attributable to equity holders of the Company	400,775	252,041	95,225	748,041
Non-controlling interests	1,791	111,114	(42,382)	70,523
Total equity	402,566	363,155	52,843	818,564
Total equity and liabilities	575,847	961,705	–	1,537,552

Note to the Pro Forma Adjustments:

⁽⁵⁾ The pro forma adjustments relate to the unaudited consolidated statement of financial position of the Target Group as at 30 September 2017.

⁽⁶⁾ The pro forma adjustments relate to (i) the Proposed Acquisition, (ii) acquisition-related costs amounting to \$6,781,000, of which \$160,000 was capitalised against share capital of the Company, (iii) the Target Group's acquisition of 18.43% of the issued share capital of TMCLS, (iv) the Company's acquisition of 597,319,140 warrants of TMCLS, and (v) the Target Company's repayment of amounts due to a shareholder of \$350,000,000, as described in Note 2.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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(Amounts expressed in Singapore Dollars)

	Audited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group⁽⁷⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments⁽⁸⁾ \$'000	Unaudited Pro Forma Combined Statement of Financial Position 31.12.2016 \$'000
Non-current assets				
Property, plant and equipment	56,173	331,235	—	387,408
Intangible assets and goodwill	83,316	485,593	—	568,909
Investment properties	148,444	—	—	148,444
Investment in associates	26,866	—	—	26,866
Other investments	2,041	—	—	2,041
Deferred tax assets	548	—	—	548
	317,388	816,828	—	1,134,216
Current assets				
Development properties	140,163	—	—	140,163
Work-in-progress	35,863	—	—	35,863
Inventories	302	4,157	—	4,459
Trade and other receivables	35,691	16,328	(322)	51,697
Prepaid operating expenses	1,458	2,514	—	3,972
Cash and short-term deposits	37,580	110,883	—	148,463
	251,057	133,882	(322)	384,617
Total assets	<u>568,445</u>	<u>950,710</u>	<u>(322)</u>	<u>1,518,833</u>
Current liabilities				
Excess of progress billings over work-in-progress	3,714	—	—	3,714
Trade and other payables	13,498	21,887	6,459	41,844
Amounts due to a shareholder	—	467,142	(463,765)	3,377
Other liabilities	11,348	17,398	2,140	30,886
Interest-bearing loans and borrowings	995	29	37,500	38,524
Income tax payable	706	8,182	—	8,888
	30,261	514,638	(417,666)	127,233
Net current assets/(liabilities)	220,796	(380,756)	417,344	257,384

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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF
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AS AT 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Audited Financial Statements of the Group 31.12.2016	Pro Forma Adjustments relating to the Target Group⁽⁷⁾ 31.12.2016	Other Pro Forma Adjustments⁽⁸⁾	Unaudited Pro Forma Combined Statement of Financial Position 31.12.2016
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Provisions	–	189	–	189
Deferred tax liabilities	3,171	7,014	–	10,185
Interest-bearing loans and borrowings	116,100	99,814	342,500	558,414
Purchase consideration payable	11,513	–	–	11,513
	<u>130,784</u>	<u>107,017</u>	<u>342,500</u>	<u>580,301</u>
Total liabilities	<u>161,045</u>	<u>621,655</u>	<u>(75,166)</u>	<u>707,534</u>
Net assets	<u>407,400</u>	<u>329,055</u>	<u>74,844</u>	<u>811,299</u>
Equity				
Share capital	782,967	100	2,431,740	3,214,807
(Accumulated losses)/retained earnings	(305,911)	143,242	(8,761)	(171,430)
Other reserves	(71,796)	78,627	(2,306,883)	(2,300,052)
Equity attributable to equity holders of the Company	<u>405,260</u>	<u>221,969</u>	<u>116,096</u>	<u>743,325</u>
Non-controlling interests	2,140	107,086	(41,252)	67,974
Total equity	<u>407,400</u>	<u>329,055</u>	<u>74,844</u>	<u>811,299</u>
Total equity and liabilities	<u>568,445</u>	<u>950,710</u>	<u>(322)</u>	<u>1,518,833</u>

Note to the Pro Forma Adjustments:

⁽⁷⁾ The pro forma adjustments relate to the unaudited consolidated statement of financial position of the Target Group as at 31 December 2016.

⁽⁸⁾ The pro forma adjustments relate to (i) the Proposed Acquisition, (ii) acquisition-related costs amounting to \$6,781,000, of which \$160,000 was capitalised against share capital of the Company, (iii) the Target Group's acquisition of 18.43% of the issued share capital of TMCLS, (iv) the Company's acquisition of 597,319,140 warrants of TMCLS, and (v) the Target Company's repayment of amounts due to a shareholder of \$350,000,000, as described in Note 2. The pro forma adjustments also relate to intercompany balances for consultancy services provided by the Group to the Target Group during the financial year ended 31 December 2016.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017	Pro Forma Adjustments relating to the Target Group⁽⁹⁾ 30.9.2017	Other Pro Forma Adjustments⁽¹⁰⁾	Unaudited Pro Forma Combined Statement of Cash Flows 30.9.2017
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/profit before tax	(10,230)	33,115	(7,015)	15,870
Adjustments for:				
Depreciation of property, plant and equipment	2,847	7,295	–	10,142
Amortisation of intangible assets	1,273	110	–	1,383
Gain on disposal of property, plant and equipment	(2)	(29)	–	(31)
Interest income	(116)	(1,921)	–	(2,037)
Finance costs	5,546	2,129	7,015	14,690
Share of profit of associates, net of tax	(1,690)	–	–	(1,690)
Impairment loss on trade and other receivables	149	379	–	528
Reversal of impairment loss on trade and other receivables	(178)	–	–	(178)
Fair value changes in purchase consideration payable	830	–	–	830
Reversal of allowance for foreseeable losses	(29)	–	–	(29)
Unrealised foreign exchange loss	(9)	13	–	4
Share-based payments (Employee share option plans)	–	343	–	343
Operating cash flows before changes in working capital	(1,609)	41,434	–	39,825

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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group ⁽⁹⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments ⁽¹⁰⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 30.9.2017 \$'000
Operating activities (cont'd)				
Operating cash flows before changes in working capital	(1,609)	41,434	—	39,825
<u>Changes in working capital</u>				
Inventories	12	(433)	—	(421)
Work-in-progress	(2,384)	—	—	(2,384)
Trade and other receivables	4,177	(3,762)	—	415
Prepaid operating expenses	(733)	506	—	(227)
Excess of progress billings over work-in-progress	2,332	—	—	2,332
Trade and other payables	(1,125)	(1,671)	—	(2,796)
Other liabilities	(1,697)	4,076	—	2,379
Cash flows (used in)/generated from operations	(1,027)	40,150	—	39,123
Interest received	85	1,921	—	2,006
Income taxes paid	(1,025)	(5,534)	—	(6,559)
Net cash flows (used in)/generated from operating activities	(1,967)	36,537	—	34,570

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group⁽⁹⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments⁽¹⁰⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 30.9.2017 \$'000
Investing activities				
Net cash inflow on acquisition of subsidiaries	877	–	–	877
Net cash outflow on disposal of subsidiaries	–	(907)	–	(907)
Investment in associate	(70)	–	–	(70)
Additions to property, plant and equipment	(6,747)	(6,901)	–	(13,648)
Proceeds from disposal of property, plant and equipment	2	262	–	264
Additions to investment property	(3)	–	–	(3)
Additions to intangible assets	–	(695)	–	(695)
Dividends received	2,873	–	–	2,873
Changes in fixed deposits	1,336	–	–	1,336
Net cash flows used in investing activities	<u>(1,732)</u>	<u>(8,241)</u>	<u>–</u>	<u>(9,973)</u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 30.9.2017 \$'000	Pro Forma Adjustments relating to the Target Group ⁽⁹⁾ 30.9.2017 \$'000	Other Pro Forma Adjustments ⁽¹⁰⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 30.9.2017 \$'000
Financing activities				
Proceeds from exercise of employee share options	—	592	—	592
Proceeds from exercise of warrants	—	12	—	12
Proceeds from interest-bearing loans and borrowings	1,653	—	—	1,653
Repayment of interest-bearing loans and borrowings	—	(21)	—	(21)
Decrease in amounts due to a shareholder	—	(22,001)	—	(22,001)
Changes in pledged deposits	—	(366)	—	(366)
Share issuance expenses	(60)	—	—	(60)
Dividends paid to non- controlling interests of subsidiaries	—	(413)	—	(413)
Interest paid	(7,185)	(2,040)	(7,063)	(16,288)
Net cash flows used in financing activities	<u>(5,592)</u>	<u>(24,237)</u>	<u>(7,063)</u>	<u>(36,892)</u>
Net (decrease)/increase in cash and cash equivalents	(9,291)	4,059	(7,063)	(12,295)
Effect of exchange rate changes on cash and cash equivalents	(258)	(65)	—	(323)
Cash and cash equivalents at beginning of period	<u>32,929</u>	<u>109,504</u>	<u>(17,912)</u>	<u>124,521</u>
Cash and cash equivalents at end of period	<u><u>23,380</u></u>	<u><u>113,498</u></u>	<u><u>(24,975)</u></u>	<u><u>111,903</u></u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)**

Note to the Pro Forma Adjustments:

- ⁽⁹⁾ The pro forma adjustments relate to the unaudited consolidated statement of cash flows of the Target Group for the nine-month period ended 30 September 2017.
- ⁽¹⁰⁾ The pro forma adjustments relate to (i) the Company's acquisition of 597,319,140 warrants of TMCLS, and (ii) the Target Company's repayment of amounts due to a shareholder of \$350,000,000, as described in Note 2.

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
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(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group⁽¹¹⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments⁽¹²⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 31.12.2016 \$'000
Operating activities				
(Loss)/profit before tax	(76,931)	37,914	(19,922)	(58,939)
Adjustments for:				
Depreciation of property, plant and equipment	4,694	9,590	—	14,284
Amortisation of intangible assets	8,330	—	—	8,330
Gain on disposal of available- for-sale financial assets	(32)	—	—	(32)
Loss on disposal of property, plant and equipment	61	104	—	165
Interest income	(306)	(3,030)	—	(3,336)
Finance costs	7,559	3,299	11,437	22,295
Share of profit of associates, net of tax	(789)	—	—	(789)
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	(4,338)	—	—	(4,338)
Impairment loss on trade and other receivables	971	651	—	1,622
Reversal of impairment loss on trade and other receivables	(347)	—	—	(347)
Impairment loss on goodwill relating to subsidiaries	42,445	—	—	42,445
Impairment loss on available- for-sale financial assets	636	—	—	636
Impairment loss on property, plant and equipment	30,444	—	—	30,444
Fair value changes in purchase consideration payable	(8,532)	—	—	(8,532)
Reversal of allowance for foreseeable losses	(1,180)	—	—	(1,180)
Unrealised foreign exchange loss	1,665	40	—	1,705

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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group ⁽¹¹⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments ⁽¹²⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 31.12.2016 \$'000
Operating activities (cont'd)				
Share-based payments (Employee share option plans)	–	534	–	534
Acquisition-related costs	–	–	6,621	6,621
Operating cash flows before changes in working capital	4,350	49,102	(1,864)	51,588
<u>Changes in working capital</u>				
Inventories	(65)	(392)	–	(457)
Work-in-progress	6,571	–	–	6,571
Trade and other receivables	2,262	1,586	–	3,848
Prepaid operating expenses	260	(492)	–	(232)
Excess of progress billings over work-in-progress	(42)	–	–	(42)
Trade and other payables	(2,277)	(1,107)	–	(3,384)
Other liabilities	(512)	924	–	412
Cash flows from operations	10,547	49,621	(1,864)	58,304
Interest received	307	3,030	–	3,337
Income taxes paid	(3,220)	(5,440)	–	(8,660)
Net cash flows from operating activities	7,634	47,211	(1,864)	52,981

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ENDED 30 SEPTEMBER 2017**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group ⁽¹¹⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments ⁽¹²⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 31.12.2016 \$'000
Investing activities				
Net cash inflow on acquisition of subsidiaries	3,290	–	–	3,290
Net cash outflow on acquisition of warrants held in a subsidiary	–	–	(30,000)	(30,000)
Additions to property, plant and equipment	(2,434)	(12,264)	1,864	(12,834)
Proceeds from disposal of property, plant and equipment	248	59	–	307
Additions to investment property	(739)	–	–	(739)
Net proceeds from disposal of available-for-sale financial assets	32	–	–	32
Dividends received	1,746	–	–	1,746
Changes in fixed deposits	(1,384)	–	–	(1,384)
Net cash flows generated from/(used in) investing activities	<u>759</u>	<u>(12,205)</u>	<u>(28,136)</u>	<u>(39,582)</u>

**APPENDIX E: UNAUDITED PRO FORMA COMBINED FINANCIAL
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ENDED 30 SEPTEMBER 2017**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

(Amounts expressed in Singapore Dollars)

	Unaudited Financial Statements of the Group 31.12.2016 \$'000	Pro Forma Adjustments relating to the Target Group⁽¹¹⁾ 31.12.2016 \$'000	Other Pro Forma Adjustments⁽¹²⁾ \$'000	Unaudited Pro Forma Combined Statement of Cash Flows 31.12.2016 \$'000
Financing activities				
Proceeds from exercise of employee share options	—	204	—	204
Proceeds from exercise of warrants	—	—	—	—
Proceeds from interest-bearing loans and borrowings	—	—	380,000	380,000
Repayment of interest-bearing loans and borrowings	(994)	(37)	(7,500)	(8,531)
Payment of bank loan extension fees	—	(498)	—	(498)
Decrease in amounts due to a shareholder	—	(42,501)	(350,000)	(392,501)
Changes in pledged deposits	—	16	—	16
Dividends paid to non-controlling interests of subsidiaries	—	(1,238)	—	(1,238)
Interest paid	(7,203)	(2,721)	(10,412)	(20,336)
Net cash flows used in financing activities	<u>(8,197)</u>	<u>(46,775)</u>	<u>12,088</u>	<u>(42,884)</u>
Net increase/(decrease) in cash and cash equivalents	196	(11,769)	(17,912)	(29,485)
Effect of exchange rate changes on cash and cash equivalents	(1,326)	(1,823)	—	(3,149)
Cash and cash equivalents at beginning of year	<u>34,059</u>	<u>123,096</u>	<u>—</u>	<u>157,155</u>
Cash and cash equivalents at end of year	<u><u>32,929</u></u>	<u><u>109,504</u></u>	<u><u>(17,912)</u></u>	<u><u>124,521</u></u>

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**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

Note to the Pro Forma Adjustments:

- (11) The pro forma adjustments relate to the unaudited consolidated statement of cash flows of the Target Group for the financial year ended 31 December 2016.
- (12) The pro forma adjustments relate to (i) acquisition-related costs amounting to \$6,781,000, of which \$160,000 was capitalised against share capital of the Company, (ii) the Company's acquisition of 597,319,140 warrants of TMCLS, and (iii) the Target Company's repayment of amounts due to a shareholder of \$350,000,000, as described in Note 2. The pro forma adjustments also relate to consultancy services provided by the Group to the Target Group during the financial year ended 31 December 2016.

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1. Corporate information

The Company is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in the Republic of Singapore. The address of its registered office is 1 Kallang Junction, #03-01, Singapore 339263.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are disclosed in Note 7 to the audited consolidated financial statements of the Group for the financial years ended 31 December 2014, 2015 and 2016 as included in Appendix C of the Circular.

2. Significant events

The unaudited pro forma combined financial information of the Group, because of their nature, are not necessarily indicative of the financial position and of the financial performance that would have been attained had the significant events actually occurred earlier. Save as disclosed in this report, management, for the purpose of preparing this set of unaudited pro forma combined financial information of the Group, have not considered the effects of other events.

Save for the following significant events discussed below, the directors, as at the date of this report, are not aware of other significant events subsequent to 30 September 2017 that would have a significant effect on the Group's financial statements.

(a) The Proposed Acquisition

On 18 December 2017, the Company entered into an agreement (the "Acquisition Agreement") with Mr. Lim Eng Hock (the "Vendor") in respect of the acquisition of the Target Group. The consideration for the Proposed Acquisition is to be satisfied by way of allotment and issuance of 21,333,333,334 ordinary shares (the "Consideration Shares") of the Company to the Vendor.

Directly attributable costs related to the Proposed Acquisition amounted to \$6,781,000, of which \$160,000 was capitalised against share capital of the Company. The attributable costs comprises stamp fees of \$3,200,000 and professional fees and miscellaneous expenses of \$3,421,000.

(b) The Target Restructuring

In connection with the Proposed Acquisition, the Target Company (or its wholly-owned subsidiary) will, prior to completion of the Proposed Acquisition, acquire the 320,000,000 ordinary shares in one of the Target Company's subsidiaries, TMC Life Sciences Berhad ("TMCLS"), held by Incanto Investment Ltd ("Incanto") and Best Blend Sdn Bhd (representing approximately 18.43% of the issued share capital of TMCLS), which will be an addition to the 901,638,155 shares of TMCLS currently held by the Target Group (representing approximately 51.93% of the issued share capital of TMCLS), resulting in an aggregate shareholding of 70.36% in TMCLS.

The Target Company (or its wholly-owned subsidiary) will also, prior to the completion of the Proposed Warrants Acquisition as described in Note 2(c), acquire 186,666,666 TMCLS Warrants held by Incanto (the "Incanto Warrants").

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2. Significant events (cont'd)

(c) The Proposed Warrants Acquisition

The proposed acquisition of an aggregate of 597,319,140 warrants in TMCLS (the "Sale Warrants") comprise:

- (i) 410,652,474 TMCLS Warrants held by one of the Target Company's subsidiaries Sasteria (M) Pte Ltd ("Sasteria (M)"); and
- (ii) 186,666,666 Incanto Warrants.

The purchase consideration for the Sale Warrants shall be a sum equivalent to (i) the volume weighted average price of TMCLS Warrants traded on Bursa Malaysia Securities Berhad ("Bursa Securities") for the one-month period immediately preceding the date falling four market days (of Bursa Securities) prior to the date of the EGM as stated in the Circular, multiplied by (ii) the number of Sale Warrants. The purchase consideration for the Sale Warrants will be satisfied in cash.

The Company has signed a letter of offer with Malayan Banking Berhad for a banking facility, of which \$30,000,000 (the "Rowsley facility") will be utilised in connection with the Proposed Warrants Acquisition. As at the date of this report, the Company is in negotiation with the bank in relation to the terms of the definitive agreement to be entered into in relation to the facility.

(d) The Shareholder Loan Repayment and Excess Shareholder Loan Assignment

One of the conditions precedent to the Proposed Acquisition is upon the satisfaction of the following:

- (i) the Target Company having repaid \$350,000,000 of the existing amounts owing by it to the Vendor (such amounts, the "Shareholder Loan") by replacing the Shareholder Loan to the extent repaid with a new loan from a financial institution on terms and conditions reasonably acceptable to the Company, and the irrevocable assignment of all rights, title, interests and benefits of the Shareholder Loan to the extent not repaid from the Vendor to the Company (such assignment, the "Excess Shareholder Loan Assignment") on terms and conditions reasonably acceptable to the Vendor and the Company.

The Target Company has signed a letter of offer with Malayan Banking Berhad for a banking facility (the "Sasteria facility") of \$350,000,000 for the purposes of the Shareholder Loan Repayment. As at the date of this report, the Target Company is in negotiation with the bank in relation to the terms of the definitive agreement to be entered into in relation to the facility.

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3. Basis of preparation of the unaudited pro forma combined financial information

- (a) The unaudited pro forma combined financial information of the Group pursuant to the Proposed Acquisition set out in this report is expressed in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000) except as otherwise indicated. The financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what:
- (i) the unaudited pro forma combined statements of comprehensive income of the Group for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017 would have been if the Group structure pursuant to the Proposed Acquisition as described in Note 2 had been in place since 1 January 2016;
 - (ii) the unaudited pro forma combined statements of financial position of the Group as at 31 December 2016 and 30 September 2017 would have been if the Group structure pursuant to the Proposed Acquisition as described in Note 2 had been in place on those dates; and
 - (iii) the unaudited pro forma combined statements of cash flows of the Group for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017 would have been if the Group structure pursuant to the Proposed Acquisition as described in Note 2 had been in place since 1 January 2016.

Both the Company and the Target Company were under common control and the Group has applied the pooling of interest method for the purpose of the preparation of the unaudited pro forma combined financial statements of the Group for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017.

The objective of the unaudited pro forma combined financial information of the Group is to show what the historical financial information would have been had the Group structure pursuant to the Proposed Acquisition existed since 1 January 2016. However, the unaudited pro forma combined financial information of the Group is not necessarily indicative of the results of operations or related effects on the financial position that would have been obtained had the Group structure pursuant to the Proposed Acquisition actually existed earlier.

- (b) In presenting the unaudited pro forma combined financial information of the Group, the following key assumptions and adjustments were taken into account:

(i) The Proposed Acquisition

The Proposed Acquisition would result in the Target Company becoming a subsidiary of the Company.

For the purposes of the preparation of the unaudited pro forma combined financial information, the consideration for the Proposed Acquisition is assumed to be \$2,432,000,000 being a sum equivalent to (i) the closing share price of the Company's shares traded on the Singapore Exchange as at 15 February 2018 of \$0.114, multiplied by (ii) the number of Consideration Shares.

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3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

(ii) The Target Restructuring

The Target Restructuring would result in an increase in profit attributable to equity holders of the company, and a corresponding decrease in profit attributable to non-controlling interests for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017. The Target Restructuring would also result in a decrease in the carrying value of non-controlling interests as at 31 December 2016 and 30 September 2017.

(iii) The Proposed Warrants Acquisition

The Proposed Warrants Acquisition would result in an increase in interest-bearing loans and borrowings and amounts due to a shareholder.

For the purposes of the preparation of the unaudited pro forma combined financial information, the purchase consideration for the Sale Warrants is assumed to be \$33,378,000 being a sum equivalent to (i) the volume weighted average price of TMCLS warrants traded on Bursa Securities for the one-month period immediately preceding 15 February 2018 of MYR 0.1659 (equivalent to approximately \$0.0559), multiplied by (ii) the number of Sale Warrants.

For the purposes of the preparation of the unaudited pro forma combined financial information, interest on the Rowsley facility is assumed to be at an interest rate of SGD swap offer rate + interest margin. An upfront fee is also chargeable on the Rowsley facility amount. For the financial year ended 31 December 2016, the interest expense and upfront fees for the Rowsley facility of \$30,000,000 to be undertaken by the Company in connection with the Proposed Warrants Acquisition is estimated to be \$942,000 and \$225,000 respectively. Legal advisory fees relating to the Rowsley facility is estimated at \$165,000 for the financial year ended 31 December 2016. For the nine-month period ended 30 September 2017, the interest expense is estimated to be \$720,000.

(iv) The Shareholder Loan Repayment and Excess Shareholder Loan Assignment

The Shareholder Loan Repayment would result in an increase in interest-bearing loans and borrowings, and a corresponding decrease in amounts due to a shareholder. The Excess Shareholder Loan Assignment leads to a further decrease in amounts due to a shareholder.

For the purposes of the preparation of the unaudited pro forma combined financial information, interest on the Sasteria facility is assumed to be at SGD swap offer rate + interest margin. An upfront fee is also chargeable on the Sasteria facility amount. For the financial year ended 31 December 2016, the interest expense and upfront fees for the Sasteria facility of \$350,000,000 to be undertaken by the Target Company in connection with the Shareholder Loan Repayment is estimated to be \$8,355,000 and \$1,750,000 respectively. For the nine-month period ended 30 September 2017, the interest expense is estimated to be \$6,295,000.

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3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

(c) The unaudited pro forma combined financial information of the Group is based on the following:

- (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2016, which have been prepared in accordance with Singapore Financial Reporting Standards ("FRS");
- (ii) the unaudited interim consolidated financial statements of the Group for the nine-month period ended 30 September 2017, which have been prepared in accordance with FRS; and
- (iii) the unaudited consolidated financial statements of the Target Group for the financial year ended 31 December 2016 and the nine-month period ended 30 September 2017, which have been prepared in accordance with FRS.

The audited consolidated financial statements of the Group for the financial year ended 31 December 2016 were audited by KPMG LLP, Public Accountants and Chartered Accountants, Singapore, and their audit opinion on the audited consolidated financial statements was unqualified.

4. Significant accounting policies

The unaudited pro forma combined financial information is prepared using the same accounting policies as the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 as disclosed in Note 3 to the audited consolidated financial statements of the Group for the financial years ended 31 December 2014, 2015 and 2016 as included in Appendix C of the Circular.

The audited consolidated financial statements of the Group for the financial years ended 31 December 2014, 2015 and 2016 were audited by KPMG LLP, Public Accountants and Chartered Accountants, Singapore, and their audit opinions on the audited consolidated financial statements were unqualified.

APPENDIX F: TERMS AND CONDITIONS OF THE WARRANTS

A. TERMS AND CONDITIONS OF THE BONUS WARRANTS

The warrants to subscribe for new ordinary shares in the capital of Rowsley Ltd. (the "**Company**" and such warrants, the "**Bonus Warrants**"), are issued subject to the benefit of a deed poll to be executed by the Company (the "**Bonus Warrants Deed Poll**"). The issue of the Bonus Warrants is to be authorised by resolutions of the board of directors of the Company and of the shareholders of the Company. Approval in-principle has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for the Bonus Warrants and the new Shares (as defined below) arising from the exercise of the Bonus Warrants subject to, inter alia, a sufficient spread of holdings for the Bonus Warrants. The statements in the terms and conditions ("**Conditions**") include summaries of, and are subject to, the detailed provisions of the Bonus Warrants Deed Poll. Copies of the Bonus Warrants Deed Poll are available for inspection at the registered office for the time being of the Company and at the specified office of the Warrant Agent (as defined below) referred to in Condition 4(G) and the Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Bonus Warrants Deed Poll.

1. Definitions

For the purposes of these Conditions and subject as otherwise provided herein:

"**Act**" means the Companies Act, Chapter 50 of Singapore, as amended from time to time;

"**Approved Bank**" means any bank or merchant bank in Singapore of international repute and selected by the Directors;

"**Auditors**" means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Bonus Warrants Deed Poll or the Conditions, such other auditors as may be nominated by the Company;

"**Bonus Warrants Exercise Period**" means the period commencing on (and including) the date of issue of the Bonus Warrants and expiring at 5.00 p.m. on the Market Day immediately preceding the first (1st) anniversary of the date of issue of the Bonus Warrants, but excluding such period(s) during which the Register may be closed pursuant to Condition 4(F) below;

"**Bonus Warrant Exercise Price**" means, in respect of each Bonus Warrant, S\$0.09, subject to adjustment in accordance with Condition 5 below;

"**Business Day**" means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore, the SGX-ST, the Depository and the Warrant Agent are open for business;

"**CPF**" means the Central Provident Fund;

"**CPF Act**" means the Central Provident Fund Act, Chapter 36 of Singapore, as amended from time to time;

APPENDIX F: TERMS AND CONDITIONS OF THE WARRANTS

"**CPF Approved Bank**" means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations;

"**CPF Board**" means the board of the CPF established pursuant to the CPF Act;

"**CPF Investment Account**" means an account opened by a member of CPF with a CPF Approved Bank from which money can be withdrawn for, *inter alia*, payment of the Bonus Warrant Exercise Price in connection with the exercise of the Bonus Warrants;

"**CPF Regulations**" means the Central Provident Fund (Investment Schemes) Regulations as amended from time to time;

"**Depositor**" and "**Depository**" shall have the respective meanings ascribed to them in Section 81SF of the SFA;

"**Depository Register**" means the register maintained by the Depository pursuant to Part IIIAA of the SFA in respect of the Bonus Warrants registered in the name of the Depository;

"**Directors**" means the directors for the time being of the Company;

"**Exercise Date**" means, in relation to the exercise of a Bonus Warrant, the Business Day on which the applicable conditions referred to in Condition 4(A) are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members of the Company is closed, then the "**Exercise Date**" shall be earlier of the next Business Day on which the Register of Members of the Company is open and the Expiration Date;

"**Exercise Notice**" means a notice (for the time being current) for the exercise of the Bonus Warrants, copies of which may be obtained from the Warrant Agent;

"**Expiration Date**" means the last day of the Bonus Warrants Exercise Period;

"**Extraordinary Resolution**" shall have the meaning set out in paragraph 20 of Schedule 2 of the Bonus Warrants Deed Poll;

"**Global Warrant Certificate**" means the global Warrant Certificate in respect of such Bonus Warrants held through CDP, in such number as required by CDP, which will be deposited with CDP;

"**Market Day**" shall have the meaning ascribed to it in the Listing Manual of the SGX-ST;

"**Piggyback Warrants**" means up to 9,476,834,822 additional free Company warrants and such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Piggyback Warrants, each Piggyback Warrant carrying the right to subscribe for one (1) new Share at an exercise price of S\$0.12 for each new Share on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant which is validly exercised, fractional entitlements (if any) to be disregarded;

APPENDIX F: TERMS AND CONDITIONS OF THE WARRANTS

"Piggyback Warrants Bonus Warrants Deed Poll" means the deed poll of even date executed by the Company constituting the Piggyback Warrants, as the same may be amended, modified or supplemented from time to time;

"Register" means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to Condition 4(F) below;

"Registrar" means M & C Services Private Limited or such other person, firm or company as may be appointed as such from time to time by the Company;

"Securities Account" means a securities account maintained by a Depositor with the Depository;

"SFA" means the Securities and Futures Act, Chapter 289 of Singapore as amended from time to time;

"SGX-ST" means the Singapore Exchange Securities Trading Limited;

"Shares" means ordinary shares in the capital of the Company;

"Special Account" means the account maintained by the Company with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Bonus Warrant Exercise Price in relation to the Bonus Warrants exercised by such exercising Warrantholders;

"S\$" means the lawful currency of Singapore;

"unexercised" means, in relation to the Bonus Warrants, all the Bonus Warrants which have been issued pursuant to the shareholders' resolution passed at an extraordinary general meeting of the Company and all the Bonus Warrants which are issued pursuant to Condition 5 for so long as the Bonus Warrants shall not have lapsed in accordance with Condition 3 other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Bonus Warrants in respect of which replacement Bonus Warrants have been duly issued pursuant to Condition 10, and (c) for the purpose of ascertaining the number of Bonus Warrants unexercised at any time (but not for the purpose of ascertaining whether any Bonus Warrants are unexercised), those Bonus Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Bonus Warrants have been issued pursuant to Condition 10; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Bonus Warrants for the time being remain unexercised for the purposes of Condition 12 and paragraphs 1, 3, 4 and 8 of Schedule 2 of the Bonus Warrants Deed Poll, those Bonus Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not to remain unexercised;

"Warrant Agency Agreement" means the warrant agency agreement dated the same date as the Bonus Warrants Deed Poll appointing, *inter alia*, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

APPENDIX F: TERMS AND CONDITIONS OF THE WARRANTS

"Warrant Agent" means M & C Services Private Limited or such other person as may be appointed as such from time to time by the Company pursuant to the Warrant Agency Agreement;

"Warrant Certificates" means the certificates (in registered form) to be issued in respect of the Bonus Warrants substantially in the form set out in Schedule 1 of the Bonus Warrants Deed Poll, as from time to time modified in accordance with the provisions set out herein; and

"Warrantholders" means the registered holders of the Bonus Warrants, except that where the registered holder is the Depository, the term **"Warrantholders"** shall, in relation to Bonus Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Account(s) with the Depository are credited with Bonus Warrants, Provided that for the purposes of Schedule 2 of the Bonus Warrants Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those Depositors having Bonus Warrants credited to their Securities Account(s) as shown in the records of the Depository as at a time not earlier than seventy-two (72) hours prior to the time of a meeting of Warrantholders supplied by the Depository to the Company. The word **"holder"** or **"holders"** in relation to Bonus Warrants shall (where appropriate) be construed accordingly.

2. **Form and Title**

(A) The Bonus Warrants are issued in registered form. Title to the Bonus Warrants shall be transferable in accordance with Condition 9. The Warrant Agent shall maintain the Register on behalf of the Company and except as required or provided by law:

- (i) the registered holder of the Bonus Warrants (other than the Depository); and
- (ii) (where the registered holder of the Bonus Warrants is the Depository) each Depositor for the time being appearing in the Depository Register maintained by the Depository as having Bonus Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Bonus Warrants so entered (whether or not the Company shall be in default in respect of the Bonus Warrants or its covenants contained in the Bonus Warrants Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Warrant Certificate or any irregularity or error in the records of the Depository or any express notice to the Company or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Bonus Warrants and for all other purposes.

(B) The executors and administrators of a deceased Warrantholder shall be the only persons recognised by the Company and the Warrant Agent as having title to Bonus Warrants registered in the name of a deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title and on the payment of such fees and expenses referred to in Condition 9, be entitled to be registered as a holder of the Bonus Warrants or to make such transfer as the deceased Warrantholder could have made.

APPENDIX F: TERMS AND CONDITIONS OF THE WARRANTS

- (C) If two (2) or more persons are entered in the Register or the Depository Register (as the case may be) as joint holders of any Bonus Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- (i) the Company shall not be bound to register more than three (3) persons as the registered joint holders of any Bonus Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warrantholder;
 - (ii) joint holders of any Bonus Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be treated as one (1) Warrantholder;
 - (iii) the Company shall not be bound to issue more than one (1) Warrant Certificate for a Bonus Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register or the Depository Register (as the case may be) shall be sufficient delivery to all; and
 - (iv) the joint holders of any Bonus Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be, jointly and severally, liable in respect of all payments which ought to be made in respect of such Bonus Warrants.

3. Exercise Rights

- (A) Each Warrantholder shall have the right, by way of exercise of each Bonus Warrant, at any time during normal business hours on any Business Day during the Bonus Warrants Exercise Period in the manner set out in Condition 4 and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Share at the Bonus Warrant Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Bonus Warrant. The Bonus Warrant Exercise Price shall, on the Exercise Date, be applied towards payment for the Share to be issued on the exercise of the relevant Bonus Warrant. Each Bonus Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Company. No payments shall be refunded and no fraction of a Share shall be allotted.
- (B) The valid exercise by a Warrantholder of one (1) Bonus Warrant shall entitle the Warrantholder to receive one (1) free Piggyback Warrant, such Piggyback Warrant being subject to the provisions of the Piggyback Warrants Bonus Warrants Deed Poll. No fraction of a Piggyback Warrant shall be allotted.
- (C) At the expiry of the Bonus Warrants Exercise Period, any Bonus Warrant which has not been exercised in accordance with Condition 4 will lapse and cease to be valid for any purpose.
- (D) Any Bonus Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.

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4. Procedure for Exercise of Bonus Warrants

(A) Lodgement Conditions

In order to exercise one or more Bonus Warrants, a Warrantholder must fulfil the following conditions:

- (i) lodgement before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiration Date during the Bonus Warrants Exercise Period, of the relevant Warrant Certificate registered in the name of the exercising Warrantholder for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Bonus Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent and which are in the form or substantially in the form prescribed by the Bonus Warrants Deed Poll, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided that the Warrant Agent may dispense with the production of the Global Warrant Certificate where such Bonus Warrants being exercised are registered in the name of the Depository;
- (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise ensure the due exercise of the Bonus Warrants and such other evidence as the Company may require to verify due compliance for the purposes of administering and implementing the provisions set out in these Conditions;
- (iii) the payment or satisfaction of the Bonus Warrant Exercise Price in accordance with the provisions of Condition 4(B) below;
- (iv) the payment of deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Bonus Warrants as the Warrant Agent may require; and
- (v) the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the new Shares in the name of the exercising Warrantholder or the Depository, as the case may be, and the delivery of the certificates for such new Shares and any property or other securities to be delivered upon the exercise of the relevant Bonus Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depository, as the case may be.

Any exercise by a Warrantholder in respect of Bonus Warrants registered in the name of the Depository shall be further conditional on:

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- (i) the number of Bonus Warrants so exercised being available in the "Free Balance" of the Securities Account of the exercising Warrantholder with the Depository and remain so credited until the relevant Exercise Date; and
- (ii) the relevant Exercise Notice specifying that the new Shares arising on exercise of the Bonus Warrants are to be credited to the Securities Account of the exercising Warrantholder, or in the case where funds standing to the credit of a CPF Investment Account are to be used for the payment of the Bonus Warrant Exercise Price, are to be credited to the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Bonus Warrants are registered in the name of the Depository irrevocably authorise the Company and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these conditions and the Bonus Warrants Deed Poll and to take such steps as may be required by the Depository (including steps set out in the Depository's procedures for the exercise of warrants as set out in its website <http://www.cdp.com.sg> or such other website, as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder, Provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by any Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the Depository Register or the records of and information supplied by or statements or certificates of the Depository.

Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Bonus Warrant Exercise Price in accordance with Condition 4(B) below may not be withdrawn without the consent in writing of the Company.

(B) Payment of Bonus Warrant Exercise Price

Payment of the Bonus Warrant Exercise Price shall be made to the specified office of the Warrant Agent:

- (i) by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the credit of the Special Account for the full amount of the Bonus Warrant Exercise Price payable in respect of the Bonus Warrants exercised;
- (ii) subject to the Bonus Warrants being listed on the Main Board of the SGX-ST, by debiting the relevant Warrantholder's CPF Investment Account with the CPF

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Approved Bank as specified in the Exercise Notice, for the credit of the Special Account for the full amount of the Bonus Warrant Exercise Price payable in respect of the Bonus Warrants exercised; or

- (iii) subject to the Bonus Warrants being listed on the Main Board of the SGX-ST, partly in the form of remittance and/or partly by debiting such Warrantholder's CPF Investment Account with the CPF Approved Bank for the credit of the Special Account such that the aggregate amount of such remittance and/or the amount credited to the Special Account by the CPF Approved Bank is equal to the full amount of the Bonus Warrant Exercise Price payable in respect of the Bonus Warrants exercised.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and any banker's drafts or cashier's orders shall be endorsed on the reverse side with (i) the number of Bonus Warrants exercised, (ii) the name of the exercising Warrantholder and (iii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of the Depository, the Securities Account(s) of the exercising Warrantholder which is to be debited with the Bonus Warrants being exercised and in each case compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Bonus Warrant, and the exercise of the relevant Bonus Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Bonus Warrant Exercise Price relating to all the relevant Bonus Warrants lodged with the Warrant Agent is less than the full amount of such Bonus Warrant Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Bonus Warrant Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to Condition 4(D) below) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4(B) in an amount sufficient to cover the deficiency provided that the Company will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

(C) Exercise Date

A Bonus Warrant shall (provided the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Bonus Warrants Exercise Period) on which all the conditions for and provisions relating to the exercise of the Bonus Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Bonus Warrant is exercised on a date when the Register is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register is open and the Expiration Date.

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The relevant Bonus Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of the Depository, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the Bonus Warrants and the said Warrant Certificates.

(D) Special Account

Payment of the Bonus Warrant Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Bonus Warrants in payment for the Shares to be delivered in consequence of the exercise of such Bonus Warrants. The relevant Bonus Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, the Global Warrant Certificate in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Bonus Warrants so exercised. The original Global Warrant Certificate shall be cancelled and replaced with a new Global Warrant Certificate representing the Bonus Warrants that are held through the Depository which remain unexercised, as soon as possible after receipt by the Warrant Agent from the Depository of the original Global Warrant Certificate, accompanied by instructions from the Depository as to the cancellation of such original Global Warrant Certificate in lieu of the new Global Warrant Certificate.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Bonus Warrants or the relevant payment is less than the full amount of the Bonus Warrant Exercise Price or the conditions set out in Condition 4(A) above have not then all been fulfilled in relation to the exercise of such Bonus Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgement conditions set out in Condition 4(A), as the case may be, but on whichever is the earlier of:

- (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent; and
- (ii) the Expiration Date,

such payment will (if the Exercise Date in respect of such Bonus Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.

The Warrant Agent will, if it is possible to relate the payment so received to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company and the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned fourteen (14) day period with the consent in writing of the Company.

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(E) Allotment of New Shares and Issue of Balancing Warrant Certificates

A Warrantholder exercising Bonus Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of new Shares arising from the exercise of such Bonus Warrants to be effected by crediting such New Shares to the Securities Account of such Warrantholder or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice within five (5) Market Days of the date on which the Warrant Agent confirms with the Depository that the Bonus Warrants which have been tendered for exercise are available for exercise in the relevant Securities Account of the exercising Warrantholder.

A Warrantholder exercising Bonus Warrants which are registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the new Shares arising from the exercise of such Bonus Warrants or to have the delivery of such new Shares effected by crediting such new Shares to his Securities Account with the Depository.

The Company shall allot and issue the new Shares arising from the exercise of the relevant Bonus Warrants by a Warrantholder and deliver such new Shares in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:

- (i) where such Warrantholder has elected in the Exercise Notice to receive physical share certificates in respect of the new Shares arising from the exercise of the relevant Bonus Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warrantholder, the certificates relating to such new Shares registered in the name of such Warrantholder; or
- (ii) where such Warrantholder has elected in the Exercise Notice to have the delivery of new Shares arising from the exercise of the relevant Bonus Warrants to be effected by the crediting of the Securities Account of such Warrantholder as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Business Days after the relevant Exercise Date despatch the certificates relating to such new Shares in the name of, and to, the Depository for the credit of the Securities Account of such Warrantholder as specified in the Exercise Notice (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such new Shares at his address specified in the Register).

Where a Warrantholder exercises part only (and not all) of the subscription rights represented by Bonus Warrants which are registered in the name of the Depository, the number of Bonus Warrants represented by the Global Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Bonus Warrants so exercised. Where a Warrantholder exercises part only (but

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not all) of the subscription rights represented by Bonus Warrants which are registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warrantholder in respect of any Bonus Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warrantholder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the new Shares arising upon exercise of such Bonus Warrants.

Where a Warrantholder exercises Bonus Warrants in accordance with this Condition 4, the Company shall further despatch within five (5) Business Days, to such Warrantholder or nominee company of the CPF Approved Bank specified in the Exercise Notice, as the case may be, a certificate (in registered form and substantially in the form as set out in the Piggyback Warrants Bonus Warrants Deed Poll) in respect of the relevant number of Piggyback Warrants (the "**Piggyback Warrant Certificate**") which shall be issued to the exercising Warrantholder or nominee company of the CPF Approved Bank specified in the Exercise Notice, as the case may be, arising from the exercise of such Bonus Warrants. Such despatch of the Piggyback Warrant Certificate shall be done by way of ordinary post or in such other manner as may be decided by the Company at its discretion to the address in Singapore specified in the Exercise Notice and at the risk of such Warrantholder.

(F) Register of Warrantholders

The Warrant Agent shall maintain a register (the "**Register**") containing particulars of the Warrantholders (other than Warrantholders who are Depositors) and if the Depository holds any Bonus Warrants, the Depository and such other information relating to the Bonus Warrants as the Company may require. The Register shall be closed during such periods as the Register of Transfers of the Company may be closed and during such periods as may be required to determine the adjustments to the Bonus Warrant Exercise Price and/or the number of Bonus Warrants under Condition 5 or during such other period as the Company may determine. Not less than fourteen (14) days' notice of each closure of the Register will be given to the Warrantholders in accordance with Condition 13.

Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Register (where the registered holder of a Bonus Warrant is a person other than the Depository) or the Depository Register (where the Depository is the registered holder of a Bonus Warrant) or any statement or certificate issued by the Depository to the Company or any Warrantholder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantholders, the number of Bonus Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Bonus Warrants and for all other purposes in connection with the Bonus Warrants (whether or not the Company shall be in default in respect of the Bonus Warrants or any of the terms and conditions contained herein or in the Bonus Warrants Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Bonus Warrant or Warrant Certificate).

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(G) Warrant Agent and Registrar

The name of the initial Warrant Agent and Registrar and its specified office is set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and Registrar and to appoint an additional or another Warrant Agent and/or another Registrar, Provided that it shall at all times maintain a Warrant Agent and a Registrar having a specified office in Singapore so long as the Bonus Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent and/or the Registrar shall be given to the Warrantholders in accordance with Condition 13.

Warrant Agent and Registrar:

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

5. Adjustments of Bonus Warrant Exercise Price and Number of Bonus Warrants

- (A) The Bonus Warrant Exercise Price and the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and/or the Auditors and certified to be in accordance with Condition 5(B) below by the Auditors. The Bonus Warrant Exercise Price and/or the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Bonus Warrants Deed Poll in all or any of the following cases:
- (i) any consolidation or subdivision of Shares (including a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves); or
 - (ii) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its members ("**Members**") who had an option to take cash or other dividend in lieu of the relevant Shares); or
 - (iii) a Capital Distribution (as defined below) made by the Company to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (iv) an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
 - (v) an issue (otherwise than pursuant to a rights issue available to all Members, requiring an adjustment under Condition 5(A)(iv) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90.0%) of the Current Market Price (as defined below) for each Share

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(calculated as provided below).

- (B) Subject to these Conditions and the Bonus Warrants Deed Poll, the Bonus Warrant Exercise Price and the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 5(A)(i) to (v) above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or Auditors shall determine):

(i) Consolidation or Subdivision of Shares

If, and whenever, consolidation or subdivision (including a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves) of the Shares occurs, the Bonus Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrant Exercise Price} = \frac{A}{B} \times X$$

and the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Bonus Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = the existing Bonus Warrant Exercise Price; and

W = the existing number of Bonus Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

(ii) Capitalisation Issues

If and whenever the Company shall make any issue of Shares to its Members credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares), the Bonus Warrant Exercise Price and/or the number of Bonus Warrants shall be adjusted in the following manner:

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$$\text{New Bonus Warrant Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Members credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Members must be registered as such to participate therein.

(iii) Capital Distribution or Rights Issues

If and whenever the Company shall make:

- (a) a Capital Distribution (as defined below) to its Members whether on a reduction of capital or otherwise; or
- (b) any offer or invitation to Members by way of rights whereunder they may acquire or subscribe for Shares;

then the Bonus Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrant Exercise Price} = \frac{C - D}{C} \times X$$

and, in the case of Condition 5(B)(iii)(b), the number of Bonus Warrants held by

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each Warrantholders shall be adjusted in the following manner:

$$\text{Adjusted number of Bonus Warrants} = \frac{C}{(C - D)} \times W$$

where:

C = the Current Market Price on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (1) in the case of a transaction falling within Condition 5(B)(iii)(a), the fair market value, as determined by an Approved Bank and/or Auditors, of that portion of the Capital Distribution attributable to one (1) Share; and

(2) in the case of a transaction falling within Condition 5(B)(iii)(b), the value of rights attributable to one (1) Share (as defined below) or of the nil paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

For the purpose of sub-paragraph (2) of D above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and

F = the number of Share(s) which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) Share.

For the purposes of Conditions 5(A)(iii) and 5(B)(iii), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5(B)(ii) above) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made

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where the Members had an option to take cash or other dividend in lieu of the relevant Shares). Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

For the purpose of this Condition 5, the "**Current Market Price**" in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on the Main Board of the SGX-ST for the five (5) consecutive Market Days (on each of which trading of the Shares on the Main Board of the SGX-ST has been transacted) immediately preceding that Market Day.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such Capital Distribution or such offer or invitation, as the case may be.

(iv) Concurrent Capitalisation Issue and Rights Issue

If and whenever the Company makes any allotment to its Members as provided in Condition 5(B)(ii) above and also makes any offer or invitation to its Members as provided in Condition 5(B)(iii)(b) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Bonus Warrant Exercise Price and/or the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{New Bonus Warrant Exercise Price} = \frac{(I \times C) + (J \times E)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times E)} \times W$$

where:

B = as in B above;

C = as in C above;

E = as in E above;

I = the aggregate number of issued and fully paid-up Shares on the record date;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

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W = as in W above; and

X = as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of and payment for the Shares are to be made under the terms of such offer or invitation.

(v) Issues at Discount other than by way of Rights Issue

If and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5(B)(iii)(b) or 5(B)(iv) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90.0%) of the Current Market Price for each Share on the SGX-ST on the date on which the issue price of such Shares is determined or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Bonus Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrant Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

K = the number of Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);

M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

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For the purposes of Conditions 5(A)(v) and 5(B)(v), the "**Total Effective Consideration**" shall be determined by the Directors with the concurrence of an Approved Bank and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration for each Share**" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- (C) Notwithstanding any of the provisions contained in Condition 5(A) and (B), no adjustment to the Bonus Warrant Exercise Price and the number of Bonus Warrants will be required in respect of:
- (i) an issue by the Company of Shares to officers, including directors or employees of the Company or any of its subsidiaries, related corporations and/or associated companies pursuant to any scheme approved by the Members in any general meeting; or
 - (ii) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
 - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Bonus Warrants; or
 - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
 - (v) any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Bonus Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.
- (D) Any adjustment to the Bonus Warrant Exercise Price will be rounded upwards to the nearest one (1) cent and in no event shall any adjustment involve an increase in the Bonus Warrant Exercise Price (other than upon the consolidation of Shares). No adjustments to the Bonus Warrant Exercise Price shall be made unless it has been certified to be in accordance with Condition 5(B) above by the Auditors. No adjustment will be made to the Bonus Warrant Exercise Price in any case in which the amount by which the same would be adjusted would be less than one (1) cent but any such adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- (E) Any adjustment to the number of Bonus Warrants held by each Warrantholder will be rounded downwards to the nearest whole Bonus Warrant. No adjustment to the number of Bonus Warrants shall be made unless (i) it has been certified to be in accordance with

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Condition 5(B) above by the Auditors and (ii) on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of any of such Bonus Warrants.

- (F) Notwithstanding the provisions referred to in this Condition 5, in any circumstance where the Directors consider that any adjustments to the Bonus Warrant Exercise Price and/or the number of Bonus Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Bonus Warrant Exercise Price and/or the number of Bonus Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or if such Approved Bank and/or Auditors shall consider an adjustment to be appropriate, an adjustment shall be made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or Auditors to be in its opinion appropriate. Any adjustment made pursuant to this Condition 5 (unless otherwise provided under the rules of the SGX-ST from time to time) shall be announced as soon as practicable by the Company provided always that any adjustments or any modifications thereto (or the absence of an adjustment) pursuant to this Condition 5 shall be subject to Shareholders' approval if such adjustments or modifications (or the absence of adjustments) are prejudicial to Shareholders.
- (G) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheolders in accordance with Condition 13 below that the Bonus Warrant Exercise Price and/or the number of Bonus Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Bonus Warrant Exercise Price and/or the number of Bonus Warrants in effect prior to such adjustment, the adjusted Bonus Warrant Exercise Price and/or adjusted number of Bonus Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Bonus Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Bonus Warrant Exercise Price and/or the number of Bonus Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Bonus Warrant Exercise Price and/or number of Bonus Warrants in effect prior to such adjustment, the adjusted Bonus Warrant Exercise Price and/or number of Bonus Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantheolder. Whenever there is an adjustment to the number of Bonus Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Bonus Warrants issued to each Warrantheolder, at the risk and expense of that Warrantheolder, to his address appearing in the Register or, in respect of Bonus Warrants registered in the name of the Depository, to the Depository.

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- (H) If the Directors, the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank and/or Auditors acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- (I) If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank and/or Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or Auditors and the Directors shall determine that any adjustment is appropriate, the Bonus Warrant Exercise Price and/or the number of Bonus Warrants shall be adjusted accordingly.
- (J) Any new Bonus Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Bonus Warrants constituted by the Bonus Warrants Deed Poll, and shall be issued subject to and with the benefit of the Bonus Warrants Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Bonus Warrants.
- (K) In giving any certificate or making any adjustment hereunder, the Approved Bank and/or Auditors shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Bonus Warrants.
- (L) Notwithstanding anything herein contained, any adjustment to the Bonus Warrant Exercise Price and/or the number of Bonus Warrants other than in accordance with the provisions of this Condition 5 shall be subject to the approval of the SGX-ST (if required) and agreed to by the Company, the Approved Bank and/or the Auditors.
- (M) Any adjustments made pursuant to this Condition 5 shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNET.

6. Status of Allotted Shares

Shares allotted and issued upon the exercise of the Bonus Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Record Date for which is before the relevant Exercise Date of the Bonus Warrants. For the purpose of this Condition 6, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

7. Winding-Up of the Company

If a resolution is passed for a members' voluntary winding-up of the Company, then:

- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a

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scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders and all persons having an interest in the Bonus Warrants; and

- (ii) if notice is given by the Company to its Members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Bonus Warrants to the extent of the number of Bonus Warrants exercised and had on such date been the holder of the New Shares, Provided that the Warrant Agent may dispense with the production of the Global Warrant Certificate where such Bonus Warrants are registered in the name of the Depository. The New Shares will be allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound-up for any other reason, all Bonus Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Bonus Warrants shall cease to be valid for any purpose.

8. Further Issues

Subject to these Conditions, the Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

9. Transfer of Bonus Warrants

- (A) In order to transfer Bonus Warrants, the Warrantholder must fulfil the following conditions:
 - (i) lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the "**Transfer Form**"), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Bonus Warrants to it;
 - (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantholder;

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- (iii) the payment of the registration fee of S\$2.00 excluding any Goods and Services Tax (or such other amount as may be determined by the Directors) for every Warrant Certificate issued together with any stamp duty (if any) specified by the Warrant Agent to the Warrantholder; and
 - (iv) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Warrant Certificate(s) to be issued in the name of the transferee.
- (B) The Warrantholder specified in the Register shall remain the registered holder of the Bonus Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent.
- (C) If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the transferring Warrantholder accompanied by written notice of the omission(s) and/or error(s) and requesting the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.
- (D) If the Transfer Form has been fully and correctly completed, the Warrant Agent shall, as agent for and on behalf of the Company:
 - (i) register the person's name in the Transfer Form as transferee in the Register as the registered holder of the Bonus Warrant in place of the transferring Warrantholder;
 - (ii) cancel the Warrant Certificate(s) in the name of the transferring Warrantholder; and
 - (iii) issue new Warrant Certificate(s) in respect of the Bonus Warrants in the name of the transferee.
- (E) The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Bonus Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses referred to in sub-paragraphs 9(A)(iii) and (iv) above be entitled to be registered as a holder of the Bonus Warrants or to make such transfer as the deceased Warrantholder could have made.
- (F) Where the Bonus Warrants are registered in the name of the Depository and the Bonus Warrants are to be transferred between Depositors, such Bonus Warrants must be transferred in the Depository Register by the Depository by way of book-entry.

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- (G) A transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Bonus Warrant until the name of the transferee is entered in the Register by the Warrant Agent or the Depository Register by the Depository, as the case may be.

10. **Replacement of Warrant Certificates**

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 excluding any Goods and Services Tax (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law or requirement of the SGX-ST) for every Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Bonus Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Bonus Warrants at the time of the replacement thereof) as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate(s) will be issued in the name of the registered holder of the Warrant Certificate(s) being replaced.

11. **Warrant Agent not Acting for the Warranholders**

In acting under the Warrant Agency Agreement, the Warrant Agent is, subject to the terms and conditions therein, acting solely as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

12. **Meetings of Warranholders and Modification**

- (A) The Bonus Warrants Deed Poll contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonus Warrants or the Bonus Warrants Deed Poll. Such a meeting may be convened by the Company or by Warranholders holding not less than ten per cent. (10.0%) of the Bonus Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over fifty per cent. (50.0%) of the Bonus Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warranholders whatever the number of Bonus Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Bonus Warrants or of the Bonus Warrants Deed Poll affecting the rights of the Warranholders (including cancelling the subscription rights constituted by the Bonus Warrants), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than seventy-five per cent. (75.0%), or at any adjournment of such meeting, over fifty per cent. (50.0%), of the Bonus Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warranholders shall be binding on all Warranholders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be

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counted in the quorum for any meeting of Warrantheolders.

- (B) The Company may, without the consent of the Warrantheolders but in accordance with the terms and conditions of the Bonus Warrants Deed Poll and subject to the approval of the SGX-ST, effect any modification to the Bonus Warrants, the Warrant Agency Agreement or the Bonus Warrants Deed Poll which, in the opinion of the Company:
- (i) is not materially prejudicial to the interests of the Warrantheolders;
 - (ii) is of a formal, technical or minor nature;
 - (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
 - (iv) is to vary or replace provisions relating to the transfer or exercise of the Bonus Warrants including the issue of new Shares arising from the exercise thereof or meetings of the Warrantheolders in order to facilitate trading in or the exercise of the Bonus Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Main Board of the SGX-ST.

Any such modification shall be binding on the Warrantheolders and shall be notified to them in accordance with Condition 13 as soon as practicable thereafter. Unless made pursuant to sub-paragraphs (i) to (iv) above, any alteration to the terms of the Bonus Warrants to the advantage of the Warrantheolders is subject to the approval of the Members and the SGX-ST.

Notwithstanding any other provisions as set out in the Bonus Warrants Deed Poll, any material alteration to the terms and/or conditions of the Bonus Warrants after the issue thereof to the advantage of the Warrantheolders and prejudicial to the shareholders of the Company must be approved by the shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Bonus Warrants.

Except where the alterations are made pursuant to these Conditions (including but not limited to alterations made pursuant to and in accordance with Condition 5 above or the foregoing provisions of this Condition 12(B)), the Company shall not:

- (a) change the Bonus Warrant Exercise Price; or
- (b) change the exercise ratio of the Bonus Warrants.

For avoidance of doubt, the Company shall not:

- (a) extend the Bonus Warrants Exercise Period; or
- (b) issue new warrants to replace the Bonus Warrants.

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13. Notices

- (A) All notices to Warrantholders shall be valid if published in any leading daily English language newspaper for general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices shall be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.
- (B) All notices required to be given pursuant to these Conditions shall also be announced by the Company on the internet website of the SGX-ST on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

14. Notice of Bonus Warrant Exercise Price and the Notice of Expiration Date

- (A) The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warrantholders in accordance with Condition 13, of the Expiration Date.
- (B) Additionally, the Company shall take reasonable steps to notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warrantholders as recorded in the Register or in the case of Warrantholders whose Bonus Warrants are registered in the name of the Depository, their addresses as shown in the records of the Depository. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

15. Governing Law and Jurisdiction

- (A) The Bonus Warrants and the Bonus Warrants Deed Poll are governed by, and shall be construed in accordance with, the laws of Singapore.
- (B) The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonus Warrants and the Bonus Warrants Deed Poll and accordingly any legal action or proceedings arising out of or in connection with the Bonus Warrants and the Bonus Warrants Deed Poll (the "**Proceedings**") may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Notes:

- (1) The attention of Warrantholders is drawn to Rule 14 of The Singapore Code on Take-Over and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In particular, a Warrantholder should note that he may be under an obligation to extend a take-over offer of the Company if:
 - (a) he intends to acquire, by the exercise of the Bonus Warrants, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of the Company; or
 - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights of the Company, and either alone or together with persons acting in

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concert with him, intends to acquire additional Shares by the exercise of the Bonus Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1.0%).

- (2) The attention of Warrantheolders is drawn to Condition 3(B) and 3(C) of the Bonus Warrants relating to restrictions on the exercise of the Bonus Warrants.
- (3) A Warrantheolder who holds not less than five per cent. (5.0%) of the aggregate amount of the issued share capital of the Company (assuming all the Bonus Warrants he holds are fully exercised), is under an obligation to notify the Company of his interest in the manner set out in Sections 82, 83 and 84 of the Act, and to notify the SGX-ST of his interest in the manner set out in Section 137 of the Securities and Futures Act, Chapter 289 of Singapore.

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B. TERMS AND CONDITIONS OF THE PIGGYBACK WARRANTS

The warrants to subscribe for new ordinary shares in the capital of Rowsley Ltd. (the "**Company**" and such warrants, the "**Piggyback Warrants**"), are issued subject to the benefit of a deed poll to be executed by the Company (the "**Piggyback Warrants Deed Poll**"). The issue of the Piggyback Warrants is to be authorised by resolutions of the board of directors of the Company and of the shareholders of the Company. Approval in-principle has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for the Piggyback Warrants and the new Shares (as defined below) arising from the exercise of the Piggyback Warrants **subject to, *inter alia*, a sufficient spread of holdings for the Piggyback Warrants**. The Piggyback Warrants will only be listed when the Company has satisfied the requirements under, *inter alia*, Chapter 8 of the Listing Manual of the SGX-ST, and subject to (i) a written confirmation from the Company that there is a satisfactory spread of Warrantholders to provide an orderly market for the Piggyback Warrants in compliance with Rule 826 of the Listing Manual of the SGX-ST; and (ii) the Company only applying for the creation of a new counter when there are at least 100 Warrantholders. The statements in the terms and conditions ("**Conditions**") include summaries of, and are subject to, the detailed provisions of the Piggyback Warrants Deed Poll. Copies of the Piggyback Warrants Deed Poll are available for inspection at the registered office for the time being of the Company and at the specified office of the Warrant Agent (as defined below) referred to in Condition 4(G) and the Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Piggyback Warrants Deed Poll.

1. Definitions

For the purposes of these Conditions and subject as otherwise provided herein:

"**Act**" means the Companies Act, Chapter 50 of Singapore, as amended from time to time;

"**Approved Bank**" means any bank or merchant bank in Singapore of international repute and selected by the Directors;

"**Auditors**" means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Piggyback Warrants Deed Poll or the Conditions, such other auditors as may be nominated by the Company;

"**Bonus Warrants**" means the warrants referred to as "Bonus Warrants" issued by the Company pursuant to a deed poll in respect of the Bonus Warrants on the basis of two (2) Bonus Warrants for every one (1) Share held by shareholders of the Company as at a books closure date to be determined;

"**Business Day**" means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore, the SGX-ST, the Depository and the Warrant Agent are open for business;

"**CPF**" means the Central Provident Fund;

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"**CPF Act**" means the Central Provident Fund Act, Chapter 36 of Singapore, as amended from time to time;

"**CPF Approved Bank**" means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations;

"**CPF Board**" means the board of the CPF established pursuant to the CPF Act;

"**CPF Investment Account**" means an account opened by a member of CPF with a CPF Approved Bank from which money can be withdrawn for, *inter alia*, payment of the Piggyback Warrant Exercise Price in connection with the exercise of the Piggyback Warrants;

"**CPF Regulations**" means the Central Provident Fund (Investment Schemes) Regulations as amended from time to time;

"**Depositor**" and "**Depository**" shall have the respective meanings ascribed to them in Section 81SF of the SFA;

"**Depository Register**" means the register maintained by the Depository pursuant to Part IIIAA of the SFA in respect of the Piggyback Warrants registered in the name of the Depository;

"**Directors**" means the directors for the time being of the Company;

"**Exercise Date**" means, in relation to the exercise of a Piggyback Warrant, the Business Day on which the applicable conditions referred to in Condition 4(A) are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members of the Company is closed, then the "**Exercise Date**" shall be earlier of the next Business Day on which the Register of Members of the Company is open and the Expiration Date;

"**Exercise Notice**" means a notice (for the time being current) for the exercise of the Piggyback Warrants, copies of which may be obtained from the Warrant Agent;

"**Expiration Date**" means the last day of the Piggyback Warrants Exercise Period;

"**Extraordinary Resolution**" shall have the meaning set out in paragraph 20 of Schedule 2 of the Piggyback Warrants Deed Poll;

"**Global Warrant Certificate**" means the global Warrant Certificate in respect of such Piggyback Warrants held through CDP, in such number as required by CDP, which will be deposited with CDP;

"**Market Day**" shall have the meaning ascribed to it in the Listing Manual of the SGX-ST;

"**Piggyback Warrants Exercise Period**" means the period commencing on (and including) the date of issue of the Piggyback Warrants and expiring at 5.00 p.m. on the Market Day immediately preceding the fourth anniversary of the date of issue of the Bonus Warrants (and, for the avoidance of doubt, not the fourth anniversary of the date of issue of the Piggyback Warrant), but

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excluding such period(s) during which the Register may be closed pursuant to Condition 4(F) below;

"Piggyback Warrant Exercise Price" means, in respect of each Piggyback Warrant, S\$0.12, subject to adjustment in accordance with Condition 5 below;

"Register" means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to Condition 4(F) below;

"Registrar" means M & C Services Private Limited or such other person, firm or company as may be appointed as such from time to time by the Company;

"Securities Account" means a securities account maintained by a Depositor with the Depository;

"SFA" means the Securities and Futures Act, Chapter 289 of Singapore as amended from time to time;

"SGX-ST" means the Singapore Exchange Securities Trading Limited;

"Shares" means ordinary shares in the capital of the Company;

"Special Account" means the account maintained by the Company with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Piggyback Warrant Exercise Price in relation to the Piggyback Warrants exercised by such exercising Warrantholders;

"S\$" means the lawful currency of Singapore;

"unexercised" means, in relation to the Piggyback Warrants, all the Piggyback Warrants which have been issued pursuant to the shareholders' resolution passed at an extraordinary general meeting of the Company and all the Piggyback Warrants which are issued pursuant to Condition 5 for so long as the Piggyback Warrants shall not have lapsed in accordance with Condition 3 other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Piggyback Warrants in respect of which replacement Piggyback Warrants have been duly issued pursuant to Condition 10, and (c) for the purpose of ascertaining the number of Piggyback Warrants unexercised at any time (but not for the purpose of ascertaining whether any Piggyback Warrants are unexercised), those Piggyback Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Piggyback Warrants have been issued pursuant to Condition 10; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Piggyback Warrants for the time being remain unexercised for the purposes of Condition 12 and paragraphs 1, 3, 4 and 8 of Schedule 2 of the Piggyback Warrants Deed Poll, those Piggyback Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not to remain unexercised;

"Warrant Agency Agreement" means the warrant agency agreement dated the same date as the Piggyback Warrants Deed Poll appointing, *inter alia*, the Warrant Agent, as the same may be

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modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

"Warrant Agent" means M & C Services Private Limited or such other person as may be appointed as such from time to time by the Company pursuant to the Warrant Agency Agreement;

"Warrant Certificates" means the certificates (in registered form) to be issued in respect of the Piggyback Warrants substantially in the form set out in Schedule 1 of the Piggyback Warrants Deed Poll, as from time to time modified in accordance with the provisions set out herein; and

"Warrantholders" means the registered holders of the Piggyback Warrants, except that where the registered holder is the Depository, the term **"Warrantholders"** shall, in relation to Piggyback Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Account(s) with the Depository are credited with Piggyback Warrants, Provided that for the purposes of Schedule 2 of the Piggyback Warrants Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those Depositors having Piggyback Warrants credited to their Securities Account(s) as shown in the records of the Depository as at a time not earlier than seventy-two (72) hours prior to the time of a meeting of Warrantholders supplied by the Depository to the Company. The word **"holder"** or **"holders"** in relation to Piggyback Warrants shall (where appropriate) be construed accordingly.

2. Form and Title

(A) The Piggyback Warrants are issued in registered form. Title to the Piggyback Warrants shall be transferable in accordance with Condition 9. The Warrant Agent shall maintain the Register on behalf of the Company and except as required or provided by law:

- (i) the registered holder of the Piggyback Warrants (other than the Depository); and
- (ii) (where the registered holder of the Piggyback Warrants is the Depository) each Depositor for the time being appearing in the Depository Register maintained by the Depository as having Piggyback Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Piggyback Warrants so entered (whether or not the Company shall be in default in respect of the Piggyback Warrants or its covenants contained in the Piggyback Warrants Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Warrant Certificate or any irregularity or error in the records of the Depository or any express notice to the Company or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Piggyback Warrants and for all other purposes.

(B) The executors and administrators of a deceased Warrantholder shall be the only persons recognised by the Company and the Warrant Agent as having title to Piggyback Warrants registered in the name of a deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove

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their title and on the payment of such fees and expenses referred to in Condition 9, be entitled to be registered as a holder of the Piggyback Warrants or to make such transfer as the deceased Warrantholder could have made.

- (C) If two (2) or more persons are entered in the Register or the Depository Register (as the case may be) as joint holders of any Piggyback Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- (i) the Company shall not be bound to register more than three (3) persons as the registered joint holders of any Piggyback Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warrantholder;
 - (ii) joint holders of any Piggyback Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be treated as one (1) Warrantholder;
 - (iii) the Company shall not be bound to issue more than one (1) Warrant Certificate for a Piggyback Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register or the Depository Register (as the case may be) shall be sufficient delivery to all; and
 - (iv) the joint holders of any Piggyback Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be, jointly and severally, liable in respect of all payments which ought to be made in respect of such Piggyback Warrants.

3. **Exercise Rights**

- (A) Each Warrantholder shall have the right, by way of exercise of each Piggyback Warrant, at any time during normal business hours on any Business Day during the Piggyback Warrants Exercise Period in the manner set out in Condition 4 and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Share at the Piggyback Warrant Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Piggyback Warrant. The Piggyback Warrant Exercise Price shall, on the Exercise Date, be applied towards payment for the Share to be issued on the exercise of the relevant Piggyback Warrant. Each Piggyback Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Company. No payments shall be refunded and no fraction of a Share shall be allotted.
- (B) At the expiry of the Piggyback Warrants Exercise Period, any Piggyback Warrant which has not been exercised in accordance with Condition 4 will lapse and cease to be valid for any purpose.
- (C) Any Piggyback Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.

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4. Procedure for Exercise of Piggyback Warrants

(A) Lodgement Conditions

In order to exercise one or more Piggyback Warrants, a Warrantholder must fulfil the following conditions:

- (i) lodgement before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiration Date during the Piggyback Warrants Exercise Period, of the relevant Warrant Certificate registered in the name of the exercising Warrantholder for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Piggyback Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent and which are in the form or substantially in the form prescribed by the Piggyback Warrants Deed Poll, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided that the Warrant Agent may dispense with the production of the Global Warrant Certificate where such Piggyback Warrants being exercised are registered in the name of the Depository;
- (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise ensure the due exercise of the Piggyback Warrants and such other evidence as the Company may require to verify due compliance for the purposes of administering and implementing the provisions set out in these Conditions;
- (iii) the payment or satisfaction of the Piggyback Warrant Exercise Price in accordance with the provisions of Condition 4(B) below;
- (iv) the payment of deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Piggyback Warrants as the Warrant Agent may require; and
- (v) the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the new Shares in the name of the exercising Warrantholder or the Depository, as the case may be, and the delivery of the certificates for such new Shares and any property or other securities to be delivered upon the exercise of the relevant Piggyback Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depository, as the case may be.

Any exercise by a Warrantholder in respect of Piggyback Warrants registered in the name of the Depository shall be further conditional on:

- (i) the number of Piggyback Warrants so exercised being available in the "Free Balance" of the Securities Account of the exercising Warrantholder with the Depository and remain so credited until the relevant Exercise Date; and

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- (ii) the relevant Exercise Notice specifying that the new Shares arising on exercise of the Piggyback Warrants are to be credited to the Securities Account of the exercising Warrantholder, or in the case where funds standing to the credit of a CPF Investment Account are to be used for the payment of the Piggyback Warrant Exercise Price, are to be credited to the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Piggyback Warrants are registered in the name of the Depository irrevocably authorise the Company and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these conditions and the Piggyback Warrants Deed Poll and to take such steps as may be required by the Depository (including steps set out in the Depository's procedures for the exercise of warrants as set out in its website <http://www.cdp.com.sg> or such other website, as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder, Provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by any Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the Depository Register or the records of and information supplied by or statements or certificates of the Depository. Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Piggyback Warrant Exercise Price in accordance with Condition 4(B) below may not be withdrawn without the consent in writing of the Company.

(B) Payment of Piggyback Warrant Exercise Price

Payment of the Piggyback Warrant Exercise Price shall be made to the specified office of the Warrant Agent:

- (i) by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the credit of the Special Account for the full amount of the Piggyback Warrant Exercise Price payable in respect of the Piggyback Warrants exercised;
- (ii) subject to the Piggyback Warrants being listed on the Main Board of the SGX-ST, by debiting the relevant Warrantholder's CPF Investment Account with the CPF Approved Bank as specified in the Exercise Notice, for the credit of the Special Account for the full amount of the Piggyback Warrant Exercise Price payable in respect of the Piggyback Warrants exercised; or

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- (iii) subject to the Piggyback Warrants being listed on the Main Board of the SGX-ST, partly in the form of remittance and/or partly by debiting such Warrantholder's CPF Investment Account with the CPF Approved Bank for the credit of the Special Account such that the aggregate amount of such remittance and/or the amount credited to the Special Account by the CPF Approved Bank is equal to the full amount of the Piggyback Warrant Exercise Price payable in respect of the Piggyback Warrants exercised.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and any banker's drafts or cashier's orders shall be endorsed on the reverse side with (i) the number of Piggyback Warrants exercised, (ii) the name of the exercising Warrantholder and (iii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of the Depository, the Securities Account(s) of the exercising Warrantholder which is to be debited with the Bonus Warrants being exercised and in each case compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Piggyback Warrant, and the exercise of the relevant Piggyback Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Piggyback Warrant Exercise Price relating to all the relevant Piggyback Warrants lodged with the Warrant Agent is less than the full amount of such Piggyback Warrant Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Piggyback Warrant Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to Condition 4(D) below) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4(B) in an amount sufficient to cover the deficiency provided that the Company will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

(C) Exercise Date

A Piggyback Warrant shall (provided the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Piggyback Warrants Exercise Period) on which all the conditions for and provisions relating to the exercise of the Piggyback Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Piggyback Warrant is exercised on a date when the Register is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register is open and the Expiration Date.

The relevant Piggyback Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of the Depository, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the

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Piggyback Warrants and the said Warrant Certificates.

(D) Special Account

Payment of the Piggyback Warrant Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Piggyback Warrants in payment for the Shares to be delivered in consequence of the exercise of such Piggyback Warrants. The relevant Piggyback Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, the Global Warrant Certificate in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Piggyback Warrants so exercised. The original Global Warrant Certificate shall be cancelled and replaced with a new Global Warrant Certificate representing the Piggyback Warrants that are held through the Depository which remain unexercised, as soon as possible after receipt by the Warrant Agent from the Depository of the original Global Warrant Certificate, accompanied by instructions from the Depository as to the cancellation of such original Global Warrant Certificate in lieu of the new Global Warrant Certificate.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Piggyback Warrants or the relevant payment is less than the full amount of the Piggyback Warrant Exercise Price or the conditions set out in Condition 4(A) above have not then all been fulfilled in relation to the exercise of such Piggyback Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgement conditions set out in Condition 4(A), as the case may be, but on whichever is the earlier of:

- (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent; and
- (ii) the Expiration Date,

such payment will (if the Exercise Date in respect of such Piggyback Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.

The Warrant Agent will, if it is possible to relate the payment so received to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company and the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned fourteen (14) day period with the consent in writing of the Company.

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(E) Allotment of New Shares and Issue of Balancing Warrant Certificates

A Warrantholder exercising Piggyback Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of new Shares arising from the exercise of such Piggyback Warrants to be effected by crediting such New Shares to the Securities Account of such Warrantholder or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice within five (5) Market Days of the date on which the Warrant Agent confirms with the Depository that the Piggyback Warrants which have been tendered for exercise are available for exercise in the relevant Securities Account of the exercising Warrantholder.

A Warrantholder exercising Piggyback Warrants which are registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the new Shares arising from the exercise of such Piggyback Warrants or to have the delivery of such new Shares effected by crediting such new Shares to his Securities Account with the Depository.

The Company shall allot and issue the new Shares arising from the exercise of the relevant Piggyback Warrants by a Warrantholder and deliver such new Shares in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:

- (i) where such Warrantholder has elected in the Exercise Notice to receive physical share certificates in respect of the new Shares arising from the exercise of the relevant Piggyback Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warrantholder, the certificates relating to such new Shares registered in the name of such Warrantholder; or
- (ii) where such Warrantholder has elected in the Exercise Notice to have the delivery of new Shares arising from the exercise of the relevant Piggyback Warrants to be effected by the crediting of the Securities Account of such Warrantholder as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Business Days after the relevant Exercise Date despatch the certificates relating to such new Shares in the name of, and to, the Depository for the credit of the Securities Account of such Warrantholder as specified in the Exercise Notice (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such new Shares at his address specified in the Register).

Where a Warrantholder exercises part only (and not all) of the subscription rights represented by Piggyback Warrants which are registered in the name of the Depository, the number of Piggyback Warrants represented by the Global Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Piggyback Warrants so exercised. Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Piggyback Warrants which are

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registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warrantholder in respect of any Piggyback Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warrantholder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the new Shares arising upon exercise of such Piggyback Warrants.

(F) Register of Warrantholders

The Warrant Agent shall maintain a register (the "**Register**") containing particulars of the Warrantholders (other than Warrantholders who are Depositors) and if the Depository holds any Piggyback Warrants, the Depository and such other information relating to the Piggyback Warrants as the Company may require. The Register shall be closed during such periods as the Register of Transfers of the Company may be closed and during such periods as may be required to determine the adjustments to the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants under Condition 5 or during such other period as the Company may determine. Not less than fourteen (14) days' notice of each closure of the Register will be given to the Warrantholders in accordance with Condition 13.

Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Register (where the registered holder of a Piggyback Warrant is a person other than the Depository) or the Depository Register (where the Depository is the registered holder of a Piggyback Warrant) or any statement or certificate issued by the Depository to the Company or any Warrantholder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantholders, the number of Piggyback Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Piggyback Warrants and for all other purposes in connection with the Piggyback Warrants (whether or not the Company shall be in default in respect of the Piggyback Warrants or any of the terms and conditions contained herein or in the Piggyback Warrants Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Piggyback Warrant or Warrant Certificate).

(G) Warrant Agent and Registrar

The name of the initial Warrant Agent and Registrar and its specified office is set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and Registrar and to appoint an additional or another Warrant Agent and/or another Registrar, Provided that it shall at all times maintain a Warrant Agent and a Registrar having a specified office in Singapore so long as the Piggyback Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent and/or the Registrar shall be given to the Warrantholders in accordance with Condition 13.

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Warrant Agent and Registrar:

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

5. Adjustments of Piggyback Warrant Exercise Price and Number of Piggyback Warrants

- (A) The Piggyback Warrant Exercise Price and the number of Piggyback Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and/or the Auditors and certified to be in accordance with Condition 5(B) below by the Auditors. The Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Piggyback Warrants Deed Poll in all or any of the following cases:
- (i) any consolidation or subdivision of Shares (including a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves); or
 - (ii) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its members ("**Members**") who had an option to take cash or other dividend in lieu of the relevant Shares); or
 - (iii) a Capital Distribution (as defined below) made by the Company to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (iv) an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
 - (v) an issue (otherwise than pursuant to a rights issue available to all Members, requiring an adjustment under Condition 5(A)(iv) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90.0%) of the Current Market Price (as defined below) for each Share (calculated as provided below).
- (B) Subject to these Conditions and the Piggyback Warrants Deed Poll, the Piggyback Warrant Exercise Price and the number of Piggyback Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 5(A)(i) to (v) above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or Auditors shall determine):

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(i) Consolidation or Subdivision of Shares

If, and whenever, consolidation or subdivision (including a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves) of the Shares occurs, the Piggyback Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrant Exercise Price} = \frac{A}{B} \times X$$

and the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Piggyback Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = the existing Piggyback Warrant Exercise Price; and

W = the existing number of Piggyback Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

(ii) Capitalisation Issues

If and whenever the Company shall make any issue of Shares to its Members credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares), the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{New Piggyback Warrant Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Piggyback Warrants} = \frac{A + B}{A} \times W$$

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where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Members credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Members must be registered as such to participate therein.

(iii) Capital Distribution or Rights Issues

If and whenever the Company shall make:

(c) a Capital Distribution (as defined below) to its Members whether on a reduction of capital or otherwise; or

(d) any offer or invitation to Members by way of rights whereunder they may acquire or subscribe for Shares;

then the Piggyback Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrant Exercise Price} = \frac{C - D}{C} \times X$$

and, in the case of Condition 5(B)(iii)(b), the number of Piggyback Warrants held by each Warranholders shall be adjusted in the following manner:

$$\text{Adjusted number of Piggyback Warrants} = \frac{C}{(C - D)} \times W$$

where:

C = the Current Market Price on the Market Day immediately preceding the

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date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

- D = (1) in the case of a transaction falling within Condition 5(B)(iii)(a), the fair market value, as determined by an Approved Bank and/or Auditors, of that portion of the Capital Distribution attributable to one (1) Share; and
- (2) in the case of a transaction falling within Condition 5(B)(iii)(b), the value of rights attributable to one (1) Share (as defined below) or of the nil paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

For the purpose of sub-paragraph (2) of D above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and

F = the number of Share(s) which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) Share.

For the purposes of Conditions 5(A)(iii) and 5(B)(iii), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5(B)(ii) above) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made where the Members had an option to take cash or other dividend in lieu of the relevant Shares). Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

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For the purpose of this Condition 5, the "**Current Market Price**" in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on the Main Board of the SGX-ST for the five (5) consecutive Market Days (on each of which trading of the Shares on the Main Board of the SGX-ST has been transacted) immediately preceding that Market Day.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such Capital Distribution or such offer or invitation, as the case may be.

(iv) Concurrent Capitalisation Issue and Rights Issue

If and whenever the Company makes any allotment to its Members as provided in Condition 5(B)(ii) above and also makes any offer or invitation to its Members as provided in Condition 5(B)(iii)(b) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{New Piggyback Warrant Exercise Price} = \frac{(I \times C) + (J \times E)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Piggyback Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times E)} \times W$$

where:

B = as in B above;

C = as in C above;

E = as in E above;

I = the aggregate number of issued and fully paid-up Shares on the record date;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

W = as in W above; and

X = as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

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For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of and payment for the Shares are to be made under the terms of such offer or invitation.

(v) Issues at Discount other than by way of Rights Issue

If and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5(B)(iii)(b) or 5(B)(iv) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90.0%) of the Current Market Price for each Share on the SGX-ST on the date on which the issue price of such Shares is determined or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Piggyback Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrant Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

K = the number of Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);

M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Conditions 5(A)(v) and 5(B)(v), the "**Total Effective Consideration**" shall be determined by the Directors with the concurrence of an Approved Bank and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration for each Share**" shall be the Total Effective Consideration divided by the number of

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Shares issued as aforesaid.

- (C) Notwithstanding any of the provisions contained in Condition 5(A) and (B), no adjustment to the Piggyback Warrant Exercise Price and the number of Piggyback Warrants will be required in respect of:
- (i) an issue by the Company of Shares to officers, including directors or employees of the Company or any of its subsidiaries, related corporations and/or associated companies pursuant to any scheme approved by the Members in any general meeting; or
 - (ii) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
 - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Piggyback Warrants; or
 - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
 - (v) any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Piggyback Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.
- (D) Any adjustment to the Piggyback Warrant Exercise Price will be rounded upwards to the nearest one (1) cent and in no event shall any adjustment involve an increase in the Piggyback Warrant Exercise Price (other than upon the consolidation of Shares). No adjustments to the Piggyback Warrant Exercise Price shall be made unless it has been certified to be in accordance with Condition 5(B) above by the Auditors. No adjustment will be made to the Piggyback Warrant Exercise Price in any case in which the amount by which the same would be adjusted would be less than one (1) cent but any such adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- (E) Any adjustment to the number of Piggyback Warrants held by each Warrantholder will be rounded downwards to the nearest whole Piggyback Warrant. No adjustment to the number of Piggyback Warrants shall be made unless (i) it has been certified to be in accordance with Condition 5(B) above by the Auditors and (ii) on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of any of such Piggyback Warrants.
- (F) Notwithstanding the provisions referred to in this Condition 5, in any circumstance where the Directors consider that any adjustments to the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants provided under the said provisions should not be

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made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or if such Approved Bank and/or Auditors shall consider an adjustment to be appropriate, an adjustment shall be made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or Auditors to be in its opinion appropriate. Any adjustment made pursuant to this Condition 5 (unless otherwise provided under the rules of the SGX-ST from time to time) shall be announced as soon as practicable by the Company provided always that any adjustments or any modifications thereto (or the absence of an adjustment) pursuant to this Condition 5 shall be subject to Shareholders' approval if such adjustments or modifications (or the absence of adjustments) are prejudicial to Shareholders.

- (G) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheolders in accordance with Condition 13 below that the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants in effect prior to such adjustment, the adjusted Piggyback Warrant Exercise Price and/or adjusted number of Piggyback Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Piggyback Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Piggyback Warrant Exercise Price and/or number of Piggyback Warrants in effect prior to such adjustment, the adjusted Piggyback Warrant Exercise Price and/or number of Piggyback Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantheolder. Whenever there is an adjustment to the number of Piggyback Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Piggyback Warrants issued to each Warrantheolder, at the risk and expense of that Warrantheolder, to his address appearing in the Register or, in respect of Piggyback Warrants registered in the name of the Depository, to the Depository.
- (H) If the Directors, the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank and/or Auditors acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- (I) If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any

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rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank and/or Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or Auditors and the Directors shall determine that any adjustment is appropriate, the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants shall be adjusted accordingly.

- (J) Any new Piggyback Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Piggyback Warrants constituted by the Piggyback Warrants Deed Poll, and shall be issued subject to and with the benefit of the Piggyback Warrants Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Piggyback Warrants.
- (K) In giving any certificate or making any adjustment hereunder, the Approved Bank and/or Auditors shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Piggyback Warrants.
- (L) Notwithstanding anything herein contained, any adjustment to the Piggyback Warrant Exercise Price and/or the number of Piggyback Warrants other than in accordance with the provisions of this Condition 5 shall be subject to the approval of the SGX-ST (if required) and agreed to by the Company, the Approved Bank and/or the Auditors.
- (M) Any adjustments made pursuant to this Condition 5 shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNET.

6. **Status of Allotted Shares**

Shares allotted and issued upon the exercise of the Piggyback Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Record Date for which is before the relevant Exercise Date of the Piggyback Warrants. For the purpose of this Condition 6, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

7. **Winding-Up of the Company**

If a resolution is passed for a members' voluntary winding-up of the Company, then:

- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Piggyback Warrants; and
- (ii) if notice is given by the Company to its Members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every

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Warrantholder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Piggyback Warrants to the extent of the number of Piggyback Warrants exercised and had on such date been the holder of the New Shares, Provided that the Warrant Agent may dispense with the production of the Global Warrant Certificate where such Piggyback Warrants are registered in the name of the Depository. The New Shares will be allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound-up for any other reason, all Piggyback Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Piggyback Warrants shall cease to be valid for any purpose.

8. **Further Issues**

Subject to these Conditions, the Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

9. **Transfer of Piggyback Warrants**

- (A) In order to transfer Piggyback Warrants, the Warrantholder must fulfil the following conditions:
- (i) lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the "**Transfer Form**"), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Piggyback Warrants to it;
 - (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantholder;
 - (iii) the payment of the registration fee of S\$2.00 excluding any Goods and Services Tax (or such other amount as may be determined by the Directors) for every Warrant Certificate issued together with any stamp duty (if any) specified by the Warrant Agent to the Warrantholder; and
 - (iv) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Warrant

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Certificate(s) to be issued in the name of the transferee.

- (B) The Warrantholder specified in the Register shall remain the registered holder of the Piggyback Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent.
- (C) If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the transferring Warrantholder accompanied by written notice of the omission(s) and/or error(s) and requesting the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.
- (D) If the Transfer Form has been fully and correctly completed, the Warrant Agent shall, as agent for and on behalf of the Company:
 - (i) register the person's name in the Transfer Form as transferee in the Register as the registered holder of the Piggyback Warrant in place of the transferring Warrantholder;
 - (ii) cancel the Warrant Certificate(s) in the name of the transferring Warrantholder; and
 - (iii) issue new Warrant Certificate(s) in respect of the Piggyback Warrants in the name of the transferee.
- (E) The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Piggyback Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses referred to in sub-paragraphs 9(A)(iii) and (iv) above be entitled to be registered as a holder of the Piggyback Warrants or to make such transfer as the deceased Warrantholder could have made.
- (F) Where the Piggyback Warrants are registered in the name of the Depository and the Piggyback Warrants are to be transferred between Depositors, such Piggyback Warrants must be transferred in the Depository Register by the Depository by way of book-entry.
- (G) A transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Piggyback Warrant until the name of the transferee is entered in the Register by the Warrant Agent or the Depository Register by the Depository, as the case may be.

10. **Replacement of Warrant Certificates**

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred

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in connection therewith and the replacement fee of S\$2.00 excluding any Goods and Services Tax (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law or requirement of the SGX-ST) for every Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Piggyback Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Piggyback Warrants at the time of the replacement thereof) as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate(s) will be issued in the name of the registered holder of the Warrant Certificate(s) being replaced.

11. **Warrant Agent not Acting for the Warranholders**

In acting under the Warrant Agency Agreement, the Warrant Agent is, subject to the terms and conditions therein, acting solely as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

12. **Meetings of Warranholders and Modification**

- (A) The Piggyback Warrants Deed Poll contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Piggyback Warrants or the Piggyback Warrants Deed Poll. Such a meeting may be convened by the Company or by Warranholders holding not less than ten per cent. (10.0%) of the Piggyback Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over fifty per cent. (50.0%) of the Piggyback Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warranholders whatever the number of Piggyback Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Piggyback Warrants or of the Piggyback Warrants Deed Poll affecting the rights of the Warranholders (including cancelling the subscription rights constituted by the Piggyback Warrants), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than seventy-five per cent. (75.0%), or at any adjournment of such meeting, over fifty per cent. (50.0%), of the Piggyback Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warranholders shall be binding on all Warranholders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warranholders.
- (B) The Company may, without the consent of the Warranholders but in accordance with the terms and conditions of the Piggyback Warrants Deed Poll and subject to the approval of the SGX-ST, effect any modification to the Piggyback Warrants, the Warrant Agency Agreement or the Piggyback Warrants Deed Poll which, in the opinion of the Company:
- (i) is not materially prejudicial to the interests of the Warranholders;

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- (ii) is of a formal, technical or minor nature;
- (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
- (iv) is to vary or replace provisions relating to the transfer or exercise of the Piggyback Warrants including the issue of new Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate trading in or the exercise of the Piggyback Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Main Board of the SGX-ST.

Any such modification shall be binding on the Warrantholders and shall be notified to them in accordance with Condition 13 as soon as practicable thereafter. Unless made pursuant to sub-paragraphs (i) to (iv) above, any alteration to the terms of the Piggyback Warrants to the advantage of the Warrantholders is subject to the approval of the Members and the SGX-ST.

Notwithstanding any other provisions as set out in the Piggyback Warrants Deed Poll, any material alteration to the terms and/or conditions of the Piggyback Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to the shareholders of the Company must be approved by the shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Piggyback Warrants.

Except where the alterations are made pursuant to these Conditions (including but not limited to alterations made pursuant to and in accordance with Condition 5 above or the foregoing provisions of this Condition 12(B)), the Company shall not:

- (a) change the Piggyback Warrant Exercise Price; or
- (b) change the exercise ratio of the Piggyback Warrants.

For avoidance of doubt, the Company shall not:

- (a) extend the Piggyback Warrants Exercise Period; or
- (b) issue new warrants to replace the Piggyback Warrants.

13. **Notices**

- (A) All notices to Warrantholders shall be valid if published in any leading daily English language newspaper for general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices shall be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

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- (B) All notices required to be given pursuant to these Conditions shall also be announced by the Company on the internet website of the SGX-ST on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

14. **Notice of Piggyback Warrant Exercise Price and the Notice of Expiration Date**

- (A) The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warrantholders in accordance with Condition 13, of the Expiration Date.
- (B) Additionally, the Company shall take reasonable steps to notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warrantholders as recorded in the Register or in the case of Warrantholders whose Piggyback Warrants are registered in the name of the Depository, their addresses as shown in the records of the Depository. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

15. **Governing Law and Jurisdiction**

- (A) The Piggyback Warrants and the Piggyback Warrants Deed Poll are governed by, and shall be construed in accordance with, the laws of Singapore.
- (B) The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Piggyback Warrants and the Piggyback Warrants Deed Poll and accordingly any legal action or proceedings arising out of or in connection with the Piggyback Warrants and the Piggyback Warrants Deed Poll (the "**Proceedings**") may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Notes:

- (1) The attention of Warrantholders is drawn to Rule 14 of The Singapore Code on Take-Overs and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In particular, a Warrantholder should note that he may be under an obligation to extend a take-over offer of the Company if:
- (a) he intends to acquire, by the exercise of the Piggyback Warrants, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights of the Company, and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Piggyback Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1.0%).
- (2) The attention of Warrantholders is drawn to Condition 3(B) and 3(C) of the Piggyback Warrants relating to restrictions on the exercise of the Piggyback Warrants.
- (3) A Warrantholder who holds not less than five per cent. (5.0%) of the aggregate amount of the issued share capital of the Company (assuming all the Piggyback Warrants he holds are fully exercised), is under an obligation to notify the Company of his interest in the manner set out in Sections 82, 83 and 84 of the Act, and to notify the SGX-ST of his interest in the manner set out in Section 137 of the Securities and Futures Act, Chapter 289 of Singapore.

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

The legislation, regulations and policies set out in this Appendix G are neither comprehensive nor exhaustive, and are only intended to provide brief and general information on the key healthcare legislations, regulations and policies relevant to the Target Group's operations in Singapore and Malaysia. As such, the summary is neither designed nor intended to constitute or be a substitute for independent professional advice. Prospective Shareholders are adv

Summary of Healthcare laws in Singapore

Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore

Private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore are regulated by the Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore (the “**PHMC Act**”) and relevant subsidiary legislations, primarily the Private Hospitals and Medical Clinics Regulations 2002 (the “**Private Hospitals Regulation**”) and the Private Hospitals and Medical Clinics (Publicity) Regulations 2004 (the “**PHMC Regulation**”).

The PHMC Act requires that a licence be obtained before any premises or conveyance is used as private hospitals, medical clinics, clinical laboratories and healthcare establishments.

Private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore hold licences issued by the Ministry of Health, Singapore which are subject to the provisions of the PHMC Act, the Private Hospitals Regulation and any directions or guidelines as may be given or issued from time to time by the Director of Medical Services (“**DMS**”).

The PHMC Act and PHMC Regulation provide for, *inter alia*, the factors that determine when a licence may be issued or refused, persons who may manage, *inter alia*, private hospitals and their duties, the suspension or revocation of licences, the establishment of quality assurance committees by the licensees of private hospitals or healthcare establishments and the powers of the DMS.

In determining whether to issue or refuse to issue a licence, the DMS shall have regard to, *inter alia*, the following:

- (a) the character and fitness of the applicant to be issued with a licence or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of trustees or other governing body of the body corporate;
- (b) the ability of the applicant to operate and maintain a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be, in accordance with the prescribed standards;
- (c) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital, medical clinic, clinical laboratory or healthcare establishment (as the case may be); and
- (d) the adequacy of the nursing and other staff that are to be employed at the premises or conveyance to be licensed.

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

The licence may be granted for a period of two years and is renewable at the discretion of the DMS and subject to such restrictions and conditions as the DMS may think fit. The licence may also be suspended or revoked if there is amongst others, a breach of any of the provisions of the PHMC Act.

Any changes in the appointment of any person as the manager or deputy manager of a licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operation or to let, sell or in any way dispose of a private hospital, medical clinic or clinical laboratory shall require notification to be made to the DMS.

In addition, the licensee of a private hospital, medical clinic or healthcare establishment is required to keep and maintain proper medical records. Such licensees are required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification.

Under the PHMC Regulations, every manager of a private hospital shall ensure that every patient be informed on or before his admission to the private hospital, of the estimated total charges which are likely to be incurred in respect of his hospitalisation and treatment. In addition, the Private Hospital and Medical Clinics Guidelines 1993 also requires all medical and dental clinics to make available to patients, prior to consultation, information on charges which are likely to be incurred for consultation, investigation and treatment.

Private Hospitals

A licensed private hospital under the PHMC Act must, according to the tenor of the licence, be of one of the following kinds:

- (a) a maternity hospital;
- (b) a medical hospital;
- (c) a surgical hospital;
- (d) a psychiatric hospital;
- (e) a convalescent hospital;
- (f) a children's hospital;
- (g) a hospital licensed for any two or more of the abovementioned purposes; or
- (h) such other kind of hospital as the Minister of Health may, by notification in the *Gazette*, specify.

The licensee must obtain prior written approval from the DMS if the licensee intends to increase the number of beds exceeding 10% of the maximum number of beds for which the private hospital is licensed.

The licensee must comply with specific regulations relating to intensive care units, anesthesia services, blood services, dietetic services, emergency services, medical services, radiology services and other services provided in the private hospital.

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

Medical Registration Act, Chapter 174 of Singapore (the “Medical Registration Act”)

The Medical Registration Act provides for, *inter alia*, the establishment of the Singapore Medical Council and the registration of medical practitioners in Singapore.

Some of the important functions of the Singapore Medical Council are:

- (a) to keep and maintain registers of registered medical practitioners;
- (b) to approve or reject applications for registration under the Medical Registration Act or to approve any such application subject to such restrictions as it may think fit;
- (c) to issue practising certificates to registered medical practitioners;
- (d) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and
- (e) to determine and regulate the conduct and ethics of registered medical practitioners.

No person shall practise as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practicing certificate. Any person who is not so qualified and, *inter alia*, (a) practices medicine (b) wilfully and falsely pretends to be a duly qualified medical practitioner (c) practices medicine or any branch of medicine, under the style or title of physician, surgeon, doctor (d) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding two years or to both.

Ancillary laws and regulations

The publicity of healthcare institutions is regulated under the PHMC Regulation. The licensee of a healthcare institution shall ensure that any publicity of the services of the healthcare institution conducted by him or any other person on his behalf in Singapore complies with certain requirements. Such requirements include:

- (a) the information contained in the publicity being factually accurate and capable of being substantiated, and must not be exaggerated, false, misleading or deceptive,
- (b) the publicity must not be offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession;
- (c) the publicity must not contain any information that implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or create an unjustified expectation from the treatment provided; or compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions;

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

- (d) the publicity must not contain any laudatory statements (including statements of prominence or uniqueness) or superlatives to describe the services of the healthcare institution;
- (e) the information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution; and
- (f) the publicity must not provide information to the public in such a manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution.

The operation of healthcare business in Singapore is also subject to other ancillary laws and regulations, including:

- (a) The Medicines Act, Chapter 176 of Singapore, which stipulates, *inter alia*, general provisions for the manufacturing of and dealing in medicinal products, the considerations of the licensing authority for granting licences, including wholesale dealer's licences, regulation of pharmacies, the labelling of medicines, the packaging of medicines and the content of materials advertising and/or promoting the sale of medical products;
- (b) The Radiation Protection Act, Chapter 262 of Singapore which regulates, *inter alia*, the import, export, manufacture, sale, disposal, transport, storage, use and possession of radioactive materials and irradiating apparatus;
- (c) The Poisons Act, Chapter 234 of Singapore, which requires that a licence be obtained before a person may import, possess for sale, sell or offer for sale any poison;
- (d) The Health Products Act, Chapter 122D of Singapore, which regulates the manufacture, import, supply, presentation and advertisement of health products and of active ingredients used in the manufacture of health products;
- (e) The Sale of Drugs Act, Chapter 282 of Singapore, which ensures that consumers are supplied with the quantity and quality of drugs demanded by them, explicitly or implicitly
- (f) The Nurses and Midwives Act, Chapter 209 of Singapore, which provides for the registration and enrolment of nurses and for matters connected herewith;
- (g) The Pharmacists Registration Act, Chapter 230 of Singapore, which stipulates the qualification requirements and application processes for registration, and regulates the practice of pharmacy in Singapore;
- (h) The Human Organ Transplant Act, Chapter 131A of Singapore, which sets out the provisions for the removal of organs for transplantation, including the removal of organ after death and organ transplants from living donors; and
- (i) The Infectious Diseases Act, Chapter 137 of Singapore, which governs the quarantine and the prevention of infectious diseases.

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Summary of Healthcare laws in Malaysia

Private Healthcare Facilities and Services Act, 1998

Section 2 of the Private Healthcare Facilities and Services Act, 1998 ("**PHFS Act**") defines "private healthcare facility" to mean any premises, other than a Government healthcare facility, used or intended to be used for the provision of healthcare services or health-related services, such as a private hospital, hospice, ambulatory care centre, nursing home, maternity home, psychiatric hospital, psychiatric nursing home, community mental health centre, haemodialysis centre, medical clinic, dental clinic and such other healthcare or health-related premises as the Minister of Health may from time to time, by notification in the *Gazette*, specify. The private healthcare facilities (as defined under the PHFS Act) operated by the Target Group in Malaysia are (i) a private hospital; (ii) a private medical clinic; and (iii) private ambulatory care centres.

(1) Private Hospitals

Private hospitals in Malaysia are closely regulated by the Director General of Health under the purview of the Ministry of Health Malaysia ("**MOH**") in accordance with the PHFS Act and the regulations promulgated thereunder.

The PHFS Act requires that approval from the MOH be obtained for the establishment and maintenance of any private hospital. Thereafter, a licence is required for the operation and provision of the same.

The duration of the licence to operate and provide private hospitals will be for a period of two years from the date of issuance. Any person who fails to renew the licence within six months before its expiration will be subject to a fine.

A licence to operate and provide private hospitals may also be suspended or revoked if there is a breach of any of the provisions of the PHFS Act or the terms and conditions imposed on the licence.

(2) Private Medical Clinics

Under the PHFS Act, no person shall establish, maintain, operate or provide a private medical clinic, unless it is registered by the Director of General of Health. The certificate of registration to operate a private medical clinic may only be issued to a registered medical practitioner (i.e. any person who is registered as such under the Medical Act 1971, and who holds a valid practising certificate). A certificate of registration can be revoked or suspended if a medical clinic does not comply with the standards and requirements prescribed under the PHFS Act and its relevant regulations.

(3) Private Ambulatory Care Centres

Under the PHFS Act, no person shall establish or maintain a private ambulatory care centre without approval being granted by the Director General of Health or operate or provide a private

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

ambulatory care centre without a licence to operate or to provide a private ambulatory care centre. The licence to operate and provide a private ambulatory care centre may be issued to, *inter alia*, a body corporate whose board of directors consists of at least one person who is a registered medical practitioner.

The duration of the licence to operate and provide private ambulatory care centres will be for a period of two years from the date of issuance of such a licence. Any application for renewal of the licence shall be made six months before the date of expiry of the licence, or such licensee shall be liable to a late payment fee.

(4) MOH Equity Policy

The MOH has published in the FAQ section of its website, its policies on foreign equity participation in private healthcare facilities in Malaysia ("**Equity Policy**"). The Equity Policy stipulates that, effective from 29 July 2015: (i) 100% foreign equity participation is allowed for new private hospitals; (ii) 100% foreign equity participation is allowed for new specialist medical clinics; and (iii) up to 70% foreign equity participation is allowed for new private ambulatory care centres.

The Equity Policy does not (i) provide any guidance as to how interest or ownership is being interpreted or construed; or (ii) specify whether it has any application to any upstream or indirect interest, *vice versa*. It is stated that the Equity Policy came into effect on 29 July 2015. It is however not clear whether the Equity Policy applies in respect of private healthcare facilities with existing approvals, licences or certificates of registration issued prior to 29 July 2015, or only to new facilities.

Unlike the PHFS Act and its regulations, the Equity Policy is not legislation. Non-compliance with the Equity Policy does not mean that a person has committed an offence under the PHFS Act. Nonetheless, as they represent the policy of the Malaysian Government, they are given effect by the MOH and its officers as and when certificates or licences under the PHFS Act are issued, renewed (if applicable) or as a continuing condition of the certificates or licences. The Director General of Health has the power to serve a show cause notice of his intention pursuant to Section 43 of the PHFS Act, to suspend, revoke or refuse to renew (as applicable) the approvals, licences or certificates issued in respect of the private healthcare facilities if the holder of the approval, licence or certificate of registration, as the case may be, among others: (i) has obtained the approval, licence or registration by any false or misleading statement; (ii) has breached any term or condition imposed by the Director General of Health on the approval, licence or registration; (iii) has been convicted for an offence under the PHFS Act or any other written law; (iv) has failed to comply with any direction, order or guideline given to him or it by the Minister of Health or the Director General of Health; or (v) has operated or used the private healthcare facility or service in a manner which is detrimental to the interest of the public as the Director General of Health may decide. It is unclear whether the Equity Policy comprises a "direction, order or guideline" to all entities regulated by the PHFS Act.

APPENDIX G: SUMMARY OF RELEVANT LAWS AND REGULATIONS

(5) Medical Act, 1971

The Medical Act, 1971 ("**Medical Act**") was enacted to consolidate and amend the laws relating to the registration and practice of medical practitioners. The Director General of Health must keep a register of medical practitioners, also known as the Malaysian Medical Register ("**MMR**"), and must be responsible for the maintenance and custody of the MMR.

A medical practitioner must be fully registered with the MMR and such fully registered person who desires to practice as a medical practitioner shall apply for a certificate to practice as a medical practitioner during the year for which the certificate is issued ("**Annual Practicing Certificate**"). A fully registered person with an Annual Practicing Certificate in force shall be entitled to practise medicine, surgery and midwifery and to recover in due course of law reasonable charges for professional aid, advice, visits and the value of any medicine or any medical or surgical appliances rendered, made or supplied by him to his patients.

The Malaysian Medical Council ("**MMC**") has the functions of registering medical practitioners and regulating the practice of medicine in Malaysia. All medical practitioners are expected to abide by the relevant codes and guidelines issued by the MMC which sets out the minimum standards of conduct by medical practitioners. Infringement of the minimum standards may subject the practitioners to disciplinary proceedings where he or she may be reprimanded, suspended, fined or struck off from the MMR.

(6) Registration of Pharmacists Act, 1951

The Registration of Pharmacists Act, 1951 ("**ROP**") provides for the establishment of a Pharmacy Board under the purview of the MOH and the registration of pharmacists. The Director of Pharmaceutical Services must keep a register of pharmacists and be responsible for the maintenance and custody of said register.

Only pharmacists or body corporates registered under the ROP shall be entitled to carry on a business of keeping, retailing, dispensing and compounding poisons, dangerous drugs or therapeutic substances. The registered pharmacists or body corporates requiring their names to be retained on the register shall, before the end of every year, make an application to retain their names on the register for the ensuing year.

The Pharmacy Board has the power to investigate any registered pharmacist or body corporate and if it thinks fit, may order the name of such registered pharmacist or body corporate to be removed or suspended from the register, or may order the registered pharmacist or body corporate to be reprimanded.

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(7) Ancillary Laws and Regulations

The provision of private healthcare by the TMCLS Group in Malaysia is also subject to other ancillary laws and regulations which include, amongst others, the following:

- a. the Medicines (Advertisement and Sale) Act, 1956, the Medicine Advertisements Board Regulations, 1976 and the Advertising Guidelines for Healthcare Facilities and Services (Private Hospitals, Clinics, Radiology Clinics and Medical Laboratories) that govern the advertisement or dissemination of information to the general public in relation to healthcare matters. Information in any advertisement must be accurate and able to be verified by the Medicine Advertisements Board. The public must not be misled with exaggerated, false or deceptive information on the services offered by healthcare operators;
- b. the Poisons Act, 1952 which regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons. All poison licences issued under the Poisons Act, 1952 are personal to the licensee named in the licence (who may only be a registered pharmacist who is registered as such under the ROP, and who holds a valid practising certificate);
- c. the Sale of Drugs Act, 1952 and the Control of Drugs and Cosmetics Regulations, 1984, which contain prohibitions against the manufacture, sale, supply, import or possession or administration of drugs;
- d. the Atomic Energy Licensing Act, 1984 (“AEL”) which provides for the regulation and control of atomic energy. Only a registered medical practitioner, registered veterinary surgeon, radiologist, radiotherapist or registered dentist may be issued a licence for using any radioactive material, nuclear material, prescribed substance or irradiating apparatus for diagnostic or therapeutic purposes. All such licences issued under the AEL may be restricted to a specified kind of material and/or irradiating apparatus;
- e. approvals, permits and licences which are also required for the premises, facilities and use of equipment of private hospitals and other private healthcare facilities which include, amongst others: (i) the certificate of fitness to occupy building issued by the relevant local authority; (ii) fire certificate issued by the relevant fire department in accordance with the Fire Services Act, 1998 and the Fire Services (Fire Certificate) Regulations, 2011; and (iii) certificates of fitness for autoclaves, steam boilers, unfired pressure vessels and lifts issued by the Department of Occupational Safety and Health pursuant to the Factories and Machinery Act, 1967;
- f. the Environmental Quality (Scheduled Wastes) Regulations, 2005, administered by the Department of Environment as authorised under the Environmental Quality Act, 1974 which controls clinical waste arising from medical, nursing, dental or similar practices; and

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- g. the Prevention and Control of Infectious Diseases Act, 1988, which regulates the surveillance and disease control and prevention activities.

Summary of Exchange Controls Laws and Regulations in Malaysia

Malaysia has exchange control restrictions pursuant to the Financial Services Act, 2013 (“**FSA**”) and the Islamic Financial Services Act, 2013 (“**IFSA**”). Bank Negara Malaysia (“**BNM**”), the central bank of Malaysia, administers the FSA and the IFSA which, together with the foreign exchange administration notices issued by BNM (“**Notices**”), form the regulatory framework for the Malaysian exchange control regime. The foreign exchange policies of Malaysia regulate both residents and non-residents.

1. Repatriation of Funds

The current foreign exchange administration rules of Malaysia allow non-residents to freely repatriate profits/dividends arising from investments or proceeds from divestment of Malaysian Ringgit assets. However, the repatriation must be made in foreign currency.

Notwithstanding the above, prior permission of the Controller of Foreign Exchange of Malaysia is required for any person to undertake or engage in any dealing or transaction with the State of Israel or its residents, any entity owned or controlled, directly or indirectly, by the State of Israel or its residents including any authority or agency of the State of Israel in whatever name or style, or any dealing or transaction using or involving the currency of the State of Israel.

Dividends are freely transferable out of the country and no exchange controls or approvals are required subject to any applicable reporting requirements and withholding tax.

2. Loans or Advances

BNM has issued foreign exchange administration notices pursuant to Section 214 of the FSA and Section 225 of the IFSA. While Section 214 and Schedule 14 of the FSA and Section 225 and Schedule 14 of the IFSA provide for comprehensive restrictions against various transactions related to exchange control, the Notices set out transactions that are allowed (which otherwise would be prohibited).

Briefly, the more relevant exchange control rules in the Notices applicable to borrowings or advances to and from the Malaysian incorporated companies within the Group, as resident entities, are as follows:

- (a) the Malaysian entities within the Group are allowed to borrow any amount of MYR to finance activities in the real sector from non-resident entities within its group of entities or its non-resident direct shareholders, and up to MYR 1 million in aggregate on a corporate group basis in MYR for use in Malaysia from any non-resident other than a non-resident financial institution or a non-resident special purpose vehicle which is used to obtain borrowings from any person which is not part of the resident entity’s group of entities. The Malaysian entities are allowed to borrow any amount in MYR from a non-resident through the issuance of MYR private debt securities or Islamic private debt securities under the

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Private Debt Securities Guidelines and Islamic Debt Securities Guidelines issued by the Securities Commission Malaysia, excluding non-tradable private debt securities or Islamic private debt securities issued to certain non-residents;

- (b) the Malaysian entities are free to obtain any amount of foreign currency borrowings from:
(i) licensed onshore banks; (ii) resident or non-resident entities within its group of entities or its direct shareholders (other than from a non-resident financial institution or a non-resident special purpose vehicle which is set-up to obtain borrowings from any person which is not part of the resident entity's group of entities); and (iii) another resident through the issuance of foreign currency debt securities. A prudential limit of RM100 million equivalent in aggregate on a corporate group basis is applicable to borrowings by the Malaysian entities from non-resident financial institutions and other non-residents;
- (c) the Malaysian entities are free to refinance outstanding approved MYR and foreign currency borrowings, including principal and accrued interest or profit; and
- (d) borrowings in MYR from the Malaysian entities by a non-resident are allowed: (i) through the issuance of private debt securities or Islamic private debt securities in MYR approved by BNM; or (ii) provided that the non-resident borrower is not a financial institution, to finance activities in the real sector in Malaysia.

APPENDIX H: TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of income tax, stamp duty, estate duty and goods and services tax consequences in Singapore with respect to the subscription for, purchase, holding or disposal of shares of the Company (the “**Shares**”) by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, hold and dispose of shares. Prospective investors should consult their tax advisers regarding Singapore tax and other tax consequences of purchasing, holding or disposing of shares. It is emphasised that neither the Company, the Directors nor any other persons involved in the Proposed Transactions accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of shares.

SINGAPORE INCOME TAX

Corporate income tax

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore. As a general rule, the place where the company is considered tax resident is where the company’s board of directors manage and control the business and where they hold their meetings to make strategic operational decisions for the company. Therefore, if the board of directors meets and conducts the company’s business in Singapore, the company should generally be regarded as a tax resident in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign sourced income received or deemed to be received in Singapore. A non-resident corporate taxpayer is liable to income tax on income that is accruing in or derived from Singapore. A non-resident corporate taxpayer is also liable to Singapore income tax on foreign-sourced income received or deemed received in Singapore but generally only where such taxpayer is considered to be operating in or from Singapore.

Presently, qualifying foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies are exempt from tax subject to meeting the following qualifying conditions:

- (i) the headline tax rate (i.e. highest corporate income tax rate) of the foreign jurisdiction from which the income is received is at least 15.0%;
- (ii) the specified foreign-sourced income has been subject to tax in the foreign jurisdiction from which it was received; and
- (iii) the Comptroller is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

Pursuant to a tax concession granted with effect from 30 July 2004, the above foreign-sourced income exemption has been extended to include specified foreign-sourced income which is exempted from tax

APPENDIX H: TAXATION

(i.e. underlying and withholding tax) in the foreign jurisdiction from which it was received as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities in that foreign jurisdiction, provided that the conditions in (i) and (iii) above are also met.

If the foreign-sourced income is not tax exempt in Singapore, Singapore tax resident companies are entitled to claim foreign tax credit (“**FTC**”) for the overseas tax paid on such foreign income, subject to meeting the relevant conditions. The amount of foreign tax credit available to a company is based on the lower of (i) the Singapore tax payable on the particular source of income which qualifies for foreign tax credit or (ii) the actual foreign tax suffered on the same income.

Under the FTC pooling system, Singapore resident companies may elect to claim FTC on a pooled basis on any items of its foreign-sourced income, rather than the usual source-by-source and country-by-country basis, subject to meeting the relevant conditions as follows:

- (i) income tax must have been paid on the income in the foreign jurisdiction from which the income is derived;
- (ii) at the time the foreign-sourced income is received in Singapore, the highest corporate tax rate (headline tax rate) of the foreign jurisdiction from which the income is derived is at least 15.0%;
- (iii) there must be Singapore income tax payable on the foreign-sourced income; and
- (iv) the taxpayer is entitled to claim foreign tax credits under sections 50, 50A or 50B of the Income Tax Act on its foreign-sourced income.

The amount of foreign tax credit to be granted under the FTC pooling system is based on the lower of the total Singapore tax payable on the pooled foreign-sourced income and the pooled foreign taxes paid on that income.

The corporate income tax rate in Singapore is currently 17%. However, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company’s chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate. New companies will also, subject to certain conditions and exceptions, be eligible for full exemption on their normal chargeable income of up to S\$100,000 a year and a 50% exemption on the next S\$200,000 of chargeable income for each of the company’s first three years of assessment.

Pursuant to the announcement made in the 2017 Budget by the Minister for Finance, all companies will be granted a 50% corporate income tax rebate, capped at \$25,000, for the year of assessment 2017 and a 20% corporate income tax rebate, capped at S\$10,000, for the year of assessment 2018.

Individual income tax

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore except for temporary absences.

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Individual taxpayers (both resident and non-resident) are liable to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received in Singapore by an individual, regardless of whether they are resident or non-resident in Singapore, will be exempt from Singapore income tax, except where such income is received by a resident individual taxpayer through a partnership in Singapore.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 22% with effect from the year of assessment 2017. A non-resident individual is subject to tax at 22% with effect from the year of assessment 2017, except for certain income which may be taxed at a lower rate. For example, employment income may be taxable at a flat rate of 15% or progressive rates as a tax resident, whichever is higher.

Dividend Distributions

All Singapore-resident companies are currently under the one-tier corporate tax system (“**one-tier system**”).

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a Shareholder, regardless of whether the Shareholder is a company or an individual and whether or not the Shareholder is a Singapore tax resident. Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that our Company is a tax resident of Singapore and under the one-tier system.

However, foreign shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Gains on Disposal of the Shares

Singapore currently does not impose tax on capital gains. Any gains made from the sale of the Shares considered to be of a capital nature will not be taxable in Singapore. Gains arising from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax, if they arise from or are otherwise connected with activities of a trade or business carried on in Singapore.

There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. The characterisation of gains arising from the sale of the Shares will depend primarily on the facts and circumstances of each shareholder.

Section 13Z of the Income Tax Act provides for certainty on non-taxability of gains derived by a corporate taxpayer from the disposal of ordinary shares during the period from 1 June 2012 to 31 May 2022 (both dates inclusive) where:

- the divesting company had legally and beneficially held a minimum shareholding of 20.0% of the ordinary shares of the company whose shares are being disposed; and
- the divesting company had maintained the minimum 20.0% shareholding for a continuous period of at least 24 months immediately prior to the disposal.

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The abovementioned “safe harbour rules” prescribed under Section 13Z of the Income Tax Act will not apply if the investee company is in the business of trading or holding Singapore immovable properties (excluding property development), where the shares are not listed on a stock exchange in Singapore or elsewhere.

Shareholders who have adopted, or who are required to adopt, the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Shares is made.

If so, the gain or loss on the shares may be taxed or allowed as a deduction for Singapore income tax purposes notwithstanding that they are unrealised. Shareholders who may be subject to this tax treatment should consult their accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

There is no stamp duty payable on the subscription and issue of the Shares. Where the Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration for, or market value of, the Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed, or if the instrument of transfer is executed outside Singapore and not brought into Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore. Stamp duty is not applicable however to electronic transfers of the Shares through the scripless trading system operated by CDP.

Estate duty

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

Goods and Services Tax (“GST”)

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST and becomes an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation.

Where the Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Consequently, any input GST incurred by the GST-registered investor in making such a zero-rated supply in the course

APPENDIX H: TAXATION

of or furtherance of a business, subject to the provisions of the GST legislations, may be recoverable as an input tax from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of the Shares.

Services consisting of arranging, brokering, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the Shares will be subject to GST at the prevailing standard rate of 7.0%. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%.

APPENDIX I: PROPOSED NEW CONSTITUTION OF THE COMPANY

THE COMPANIES ACT (CAP. 50)
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATIONCONSTITUTION
OF
ROWSLEY LTD.

(Adopted by special resolution on 23 March 2018)

TABLE A

1. ~~**TABLE A EXCLUDED.** The regulations in Table A in the Fourth Schedule to the Act shall not apply to the Company except so far as the same are repeated or contained in these Articles.~~

INTERPRETATION

- 2.1. **INTERPRETATION CLAUSE.** In ~~these Articles~~ this Constitution the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject of context.

WORDS		MEANINGS
Act	...	The Companies Act (Cap. 50), as may be amended or modified from time to time and every other Act for the time being in force concerning companies and affecting the Company.
<u>address or registered address</u>	...	<u>In respect of any Member, his physical address for service or delivery of notices or documents personally or by post, unless expressly provided in this Constitution.</u>
Articles	...	These Articles of Association <u>The provisions of this Constitution as originally framed or as altered from time to time by special resolution.</u>
<u>Company</u>	...	<u>The abovenamed company by whatever name from time to time called.</u>
<u>Constitution</u>	...	<u>The constitution of the Company as may be amended from time to time.</u>
<u>Chairman</u>	...	<u>The chairman of the Directors or the chairman of the general meeting as the case may be.</u>
<u>Chief Executive Officer</u>	...	<u>Any one or more persons, by whatever name described, who:</u> <u>(a) is in direct employment of, or acting for or by</u>

APPENDIX I: PROPOSED NEW CONSTITUTION OF THE COMPANY

		<u>arrangement with, the Company; and</u>
		<u>(b) is principally responsible for the management and conduct of the business of the Company, or part of the business of the Company, as the case may be.</u>
<u>current address</u>	...	<u>Shall have the meaning ascribed to it under section 387A of the Act.</u>
Depositor	...	An account holder or a depository agent but does not include a sub-account holder.
Depository	...	<u>The Central Depository (Pte) Limited or any other corporation approved by Monetary Authority of Singapore (established under the Monetary Authority of Singapore Act (Cap. 186)) as a depository company or corporation for the purposes of the Securities and Futures Act, which operates the Central Depository System for the holding and transfer of book-entry securities.</u> The Central Depository (Pte) Limited established by the Singapore Exchange, or any other corporation approved by the Minister as a depository company or corporation for the purposes of the Act, which as a bare trustee operates the Central Depository System for the holding and transfer of book-entry securities.
Depository Agent	...	<u>A member company of the Singapore Exchange, a trust company licensed under the Trust Companies Act (Cap. 336), any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186)</u> A member company of the Singapore Exchange, a trust company (registered under the Trust Companies Act), a banking corporation or merchant bank (approved by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act) or any other person or body approved by the Depository who or which (a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent; (b) deposits book-entry securities with the Depository on behalf of the sub-account holders; and (c) establishes an account in its name with the Depository.
Depository Register	...	The register of holders maintained by the Depository in respect of book-entry securities (as defined in the <u>Securities and Futures Act</u>).
Directors	...	The Directors for the time being of the Company.

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<u>electronic communication</u>	...	<p><u>Communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person):</u></p> <p>(a) <u>by means of a telecommunication system; or</u></p> <p>(b) <u>by other means but while in an electronic form,</u></p> <p><u>such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.</u></p>
<u>In writing or written</u>	...	<p><u>Written or produced by any substitute for writing or partly one and partly the other, and includes (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) printing, lithography, typewriting and any other mode of representing or reducing words, symbols or other information which may be displayed in visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u></p>
Market Day	...	<p>A day on which the Singapore Exchange is open for securities trading.</p>
Member (and any references to a shareholder)	...	<p>(a) <u>Where the Depository or its nominee (as the case may be) is named in the Depository Register as the holder of shares, a Depositor in respect of the number of shares which stand in credit against his name in the Depository Register as at seventy-two hours (or such time as may be prescribed by the Securities and Futures Act from time to time) before the time of the relevant general meeting of the Company as certified by the Depository to the Company; and</u></p> <p>(b) <u>in any other case, a person whose name appears on the Register of Members as a member of the Company,</u></p> <p><u>but shall exclude the Company itself where it is such a member by reason of its holding shares as treasury shares.</u></p>

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~~Any registered holder of shares in the Company, or where such registered references to a holder is the Depository, the Depositors on whose behalf the Depository shareholder) holds the shares PROVIDED ALWAYS THAT (a) a Depositor shall only be entitled to attend any general meeting and to speak and vote thereat if his name appears on the Depository Register forty-eight hours before the general meeting as a Depositor on whose behalf the Depository holds shares in the Company, the Company being entitled then to deem each such Depositor as holding such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of the Depository as supplied by the Depository to the Company, or where a Depositor has appointed a proxy, such proxy as representing such number of shares or where a Depositor has appointed two proxies and specified the proportion of his shares which each proxy is to represent, to apportion the said number of shares standing to his Securities Account between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; (b) the Company shall be entitled to reject any instrument of proxy lodged by any Depositor whose name does not appear on the Depository Register as a Depositor on whose behalf the Depository holds shares in the Company forty-eight hours before the general meeting at which the proxy is to act; (c) the Company shall not be obliged to enter the names and particulars of such Depositor in its Register of Members; (d) the Company shall be entitled to pay any dividends payable to such Depositor to the Depository and, to the extent of the payment made to the Depository, the Company shall be discharged from any and all liability in respect of that payment; and (e) the provisions in these Articles relating to the transfer, transmission or certification of shares shall not apply to any transactions affecting book-entry securities (as defined in the Act).~~

Office	...	The registered office for the time being of the Company.
Register of Members	...	The register of members of the Company maintained by the Company pursuant to Section 190 of the Act on which the Company shall enter the name of every person who is a registered holder of shares in the Company including the Depository PROVIDED ALWAYS that the Depository shall be deemed not to be a member of the Company.
<u>Registrar</u>	...	<u>The Registrar of Companies appointed under the Act and includes any Deputy or Assistant Registrar of Companies</u>

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<u>relevant intermediary</u>	...	<u>Shall have the meaning ascribed to it under section 181(6) of the Act.</u>
Seal	...	The Common Seal of the Company.
Securities Account	...	The securities account maintained by a Depositor with the Depository.
<u>Securities and Futures Act</u>	...	<u>The Securities and Futures Act (Cap. 289) of Singapore, as may be amended or modified from time to time.</u>
Statutes	...	The Act and every other legislation for the time being in force concerning companies and affecting the Company.
Singapore Exchange	...	The Singapore Exchange Securities Trading Limited.
<u>treasury shares</u>	...	<u>Shall have the meaning ascribed to it under the Act.</u>
<u>S\$</u>	...	<u>The lawful currency of the Republic of Singapore.</u>

The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary of the Company and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender only shall, where applicable, include the feminine and/or neuter gender(s). Words denoting persons shall, where applicable, include corporations.

Subject as aforesaid, any words or expressions defined in the Statutes shall, unless the context otherwise requires, bear the same meanings in ~~these Articles~~this Constitution.

THE COMPANY

2. **REGISTERED OFFICE.** The Office will be situated in Singapore.

3. **OBJECTS.** Subject to the provisions of the Act and any other written law and the Constitution of the Company, the Company has:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a) above, full rights, powers and privileges.

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4. **LIABILITY OF MEMBERS.** The liability of the members is limited.

SHARES

~~3.5.~~ **ISSUE OF SHARES.** ~~The shares taken by the subscribers to the Memorandum of Association shall be issued by the Directors. Subject as aforesaid and to these Articles, the shares shall be under the control of the Directors, who may allot and issue the same to such persons on such terms and conditions and at such times as the Directors think fit but so that no shares shall be issued at a discount except in accordance with Section 68 of the Act. The Company may issue shares for which no consideration is payable to the Company.~~

4.6. **RESTRICTION ON ISSUE OF SHARE TO TRANSFER A CONTROLLING INTEREST.** No share shall be issued so as to transfer a controlling interest in the Company without the prior approval of the shareholders in a general meeting.

7. **PAYMENT OF EXPENSES IN ISSUE OF SHARES.** Any expenses (including brokerage or commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company.

~~5.8.~~ **SPECIAL RIGHTS.** Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine; PROVIDED ALWAYS THAT the total ~~nominal value number~~ of issued preference shares shall not at any time exceed the total ~~nominal value number~~ of issued ordinary shares of the Company.

~~6.9.~~ **REDEEMABLE PREFERENCE SHARES.** Subject to Section 70 of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall also have the power to issue further preference shares ranking equally with or in priority to any preferences shares already issued.

~~7.10.~~ **RIGHTS OF PREFERENCE SHAREHOLDERS.** Holders of preference shares shall have the same rights as ordinary shareholders as regards receiving notices, reports and ~~balance sheets~~ financial statements, and attending general meetings of the Company. They shall have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears more than six months.

~~8.11.~~ **MODIFICATION OF RIGHTS OF PREFERENCE SHAREHOLDERS.** The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned; PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

~~9.12.~~ **RIGHTS NOT VARIED BY ISSUE OF ADDITIONAL SHARES.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

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- ~~40-13.~~ **COMMISSION ON SUBSCRIPTION.** The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company; PROVIDED ALWAYS THAT such commission shall not exceed ten per cent of the price at which such shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 67 of the Act shall be observed. Subject to the provisions of Section 63 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other.
- ~~41-14.~~ **NO TRUSTS RECOGNISED.** No person, other than the Depository, shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder, except only as by these Articles otherwise provided for or as required by the Statutes or law or pursuant to any order of Court.
- ~~42-15.~~ **OFFER OF NEW SHARES** Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the Singapore Exchange's listing rules, all new shares of whatever kind shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.
- ~~43-16.~~ **SHARE CERTIFICATES.** Unless otherwise resolved by the Directors, securities will be allotted and certificates issued in the name of and despatched to every person whose name is entered as a Member in the Register of Members within ten market days (or such other period as may be approved any stock exchange upon which the shares of the Company may be listed) of the final applications closing date for an issue of securities, or as the case may be after the lodgment of any registrable transfer. Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to one certificate under the seal of the Company in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class upon payment of \$2.00 (or such lesser sum as the Directors shall from time to time determine) for every certificate after the first. Stamp duty payable on such certificate shall be borne by such Member unless otherwise directed by the Directors; PROVIDED ALWAYS THAT in the case of joint holders the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders. PROVIDED FURTHER THAT the Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member.
- ~~44-17.~~ **RENEWAL OF CERTIFICATES.** Subject to the provisions of the Act, if a share certificate be worn out, defaced, destroyed, lost or stolen, it may be renewed on payment of such fee not exceeding \$24.00 or in the event of the Company being listed on the Singapore Exchange such other sum as may from time to time be prescribed by the Singapore Exchange and on such terms as the Directors think fit, if any, as to evidence and indemnity being given by the shareholder, transferee, person entitled, purchaser, member of the Singapore Exchange or on behalf of its/their client(s) and, in the case of destruction, loss or theft, on payment by the shareholder or

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person entitled to whom such renewed certificate is given of out-of-pocket expenses of the Company of investigating evidence including the payment of stamp duty on such certificate or in the case of defacement or wearing out, on delivery up of the old certificate.

18. **POWER TO PAY COMMISSION AND BROKERAGE.** The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment in cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit.
19. **POWER TO CHARGE INTEREST ON CAPITAL.** If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up (except treasury shares) and may charge the same to capital as part of the cost of the construction or provision.

LIEN

- ~~45-20.~~ **COMPANY TO HAVE LIEN ON SHARES AND DIVIDENDS.** The Company shall have a lien on every share not being a fully-paid share for all monies (whether presently payable or not) called or payable at a fixed time in respect of such share, and for all monies as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
- ~~46-21.~~ **LIEN MAY BE ENFORCED BY SALE OF SHARES.** The Directors may sell any shares subject to such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such Member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after such notice.
- ~~47-22.~~ **DIRECTORS MAY AUTHORISE TRANSFER AND ENTER PURCHASER'S NAME IN REGISTER.** To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register of Members as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- ~~48-23.~~ **APPLICATION OF PROCEEDS OF SALE.** The net proceeds of sale whether of a share forfeited by the Company or of a share over which the Company has a lien, shall be applied in or towards satisfaction of the amount due to the Company, or the liability, as the case may be, and any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid

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to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

- ~~19-24.~~ **MEMBER NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID.** No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, together with interest and expenses (if any).

CALLS ON SHARES

- ~~20-25.~~ **DIRECTORS MAY MAKE CALLS.** The Directors may, subject to the provisions of ~~these Articles~~ this Constitution, from time to time make such calls upon the Members in respect of all moneys unpaid on their shares as they think fit; PROVIDED ALWAYS THAT fourteen days' notice at least is given of each call and each Member shall be liable to pay the amount of every call so made upon him to the persons, by the instalments (if any) and at the times and places appointed by the Directors.

- ~~21-26.~~ **WHEN CALL DEEMED TO HAVE BEEN MADE.** A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

- ~~22-27.~~ **LIABILITY OF JOINT HOLDERS.** The joint holders of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.

- ~~23-28.~~ **INTEREST ON UNPAID CALL.** If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment as such rate as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

- ~~24-29.~~ **PAYMENTS IN ADVANCE OF CALLS.** Any Member may pay to the Company and the Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies for the time being remaining uncalled on his shares but the monies so paid in advance shall not, whilst carrying interest, confer a right to participate in the profits of the Company.

- ~~25-30.~~ **MONIES PAID IN ADVANCE OF CALLS.** In respect of any monies paid in advance of any call, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Director may pay or allow such interest as may be agreed between them and such Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up.

- ~~26-31.~~ **SUM PAYABLE ON ALLOTMENT DEEMED TO BE A CALL.** Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, ~~whether on account of the amount of the share or by way of premium,~~ shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of ~~these Articles~~ this Constitution as to payment of interest and expenses, forfeiture and the like, and all the relevant provisions of ~~these Articles~~ this Constitution, shall apply as if such sum were a call duly made and notified as hereby provided.

- ~~27-32.~~ **DIFFERENCE IN CALLS.** The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to paid and in the time of payment of such calls provided that the holders of shares in the same class shall be treated equally in the amount of calls to be paid and in the time of payment of such calls.

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TRANSFER OF SHARES

- ~~28-33.~~ **TRANSFER OF SHARES.** There shall be no restriction on the transfer of fully paid up shares (except where required by law or, where the Company is listed on the Singapore Exchange, the rules, bye-laws or listing rules of the Singapore Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, they shall within ~~one month~~ 30 days, or in the event of the Company being listed on the Singapore Exchange, within ten market days beginning with the day on which the application for such transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.
- ~~29-34.~~ **FORM OF TRANSFER.** Every transfer shall be in writing in the form approved by the Directors and in the event of the Company being listed on the Singapore Exchange, by the Singapore Exchange. Every instrument of transfer must be in respect of only one class of shares and must be duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and shall be left at the Office (or such other place as may be approved by the Directors from time to time) accompanied by the Certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer.
- ~~30-35.~~ **TRANSFERS TO BE EXECUTED BY BOTH PARTIES.** The instrument of transfer of any share shall be executed by or on behalf of both the transferor and the transferee and be witnessed, PROVIDED ALWAYS THAT the Depository shall not be required to sign, as transferee, any transfer form relating to the transfer of shares to it and PROVIDED FURTHER THAT, at the discretion of the Directors, the signature of any other transferee may be dispensed with. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- ~~31-36.~~ **TRANSFER FEE.** The Company shall be entitled to charge a fee not exceeding \$2.00 for each instrument of transfer or in the event of the Company being listed on the Singapore Exchange, such other sum as may from time to time be prescribed by the Singapore Exchange on the registration of every transfer.
- ~~32-37.~~ **REGISTRATION OF TRANSFERS.** The Directors may decline to register any transfer unless all the preceding requirements are fully complied with. All instruments of transfer which are registered may be retained by the Company.
- ~~33-38.~~ **REGISTRATION OF TRANSFERS MAY BE SUSPENDED.** The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine; PROVIDED ALWAYS THAT such registration shall not be suspended for more than thirty days in any year.

TRANSMISSION OF SHARES

- ~~34-39.~~ **ON DEATH OF MEMBER, SURVIVOR OR EXECUTOR ONLY RECOGNISED.** In the case of the death of a Member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares but the Directors may require such evidence as they may deem fit in relation to such title to the shares.

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~~but~~ However, nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

- ~~35-40.~~ **PERSON ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS A MEMBER, BUT MAY NOT EXERCISE OTHER RIGHTS.** A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until he shall become a Member in respect of the shares.

FORFEITURE OF SHARES

- ~~36-41.~~ **PAYMENT OF CALL WITH INTEREST AND EXPENSES.** If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment or such part thereof as remains unpaid, together with interest at such rate as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.
- ~~37-42.~~ **NOTICE REQUIRING PAYMENT TO CONTAIN CERTAIN PARTICULARS.** The notice shall name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.
- ~~38-43.~~ **ON NON-COMPLIANCE WITH NOTICE SHARES FORFEITED ON RESOLUTION OF DIRECTORS.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.
- ~~39-44.~~ **NOTICE OF FORFEITURE TO BE GIVEN AND ENTERED IN REGISTER OF MEMBERS.** When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members opposite to the shares; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- ~~40-45.~~ **DIRECTORS MAY ANNUL FORFEITURE UPON TERMS.** Notwithstanding any such forfeiture as aforesaid the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit to impose.
- ~~41-46.~~ **DIRECTORS MAY DISPOSE OF FORFEITED SHARES.** Every share which shall be forfeited may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person upon such terms and in such manner

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as the Directors shall think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.

42-47. FORMER HOLDER OF FORFEITED SHARES LIABLE FOR CALL MADE BEFORE FORFEITURE. A shareholder whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, without any deduction of allowance for the value of the shares at the time of forfeiture.

43-48. CONSEQUENCES OF FORFEITURE. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interests in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved or as are by the Statutes given or imposed in the case of past Members.

44-49. TITLE TO FORFEITED SHARE. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited in pursuance of these Articles and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to application of the purchase money (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

CONVERSION OF SHARES INTO STOCK

45-50. POWER TO CONVERT INTO STOCK. The Company may from time to time by ordinary resolution passed at a general meeting convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.

46-51. TRANSFER OF STOCK. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the normal amount of the shares from which the stock arose.

47-52. RIGHTS OF STOCKHOLDERS. The holders of stock shall according to the amount of the stock held by them have the same rights privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

48-53. INTERPRETATION. Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

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ALTERATION OF CAPITAL

~~49-54.~~ **COMPANY MAY INCREASE ITS CAPITAL.** The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

~~50-55.~~ **COMPANY MAY ALTER ITS CAPITAL.** The Company may by ordinary resolution:-

- (1) consolidate and divide all or any of its share capital ~~into shares of larger amount than its existing shares; or~~
- (2) sub-divide its existing shares, or any of them, ~~into shares of smaller amount than is fixed by the Memorandum of Association~~ subject, nevertheless, to the provisions of the Statutes and so that as between the resulting shares, one or more of such shares may be the resolution by which such subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; ~~or~~
- (3) cancel any shares not taken or agreed to be taken by any person or which have been forfeited; or-
- (4) subject to the provisions of this Constitution and the Statutes, convert its share capital or any class of shares from one currency to another currency.

~~51-56.~~ **COMPANY MAY REDUCE ITS CAPITAL.** The Company may by special resolution reduce its share capital ~~and any capital redemption reserve fund~~ in any manner authorised and subject to any conditions prescribed by the Statutes.

~~52-57.~~ **SHARE REPURCHASE.** Subject to and in accordance with the provisions of the Act, the listing rules of the Singapore Exchange, and other written law, the Company may purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act.

Where ordinary shares or stocks are purchased or acquired by the Company in accordance with the provisions of the Act, the Company may hold the shares or stocks (or any of them) or deal with any of them, at any time.

Any ordinary share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company unless held in treasury; preference shares that are purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire, ~~and the nominal amount of the share so cancelled.~~ In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

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58. TREASURY SHARES. If the Company has only one class of shares, the aggregate number of shares held as treasury shares shall not at any time exceed 10% of the total number of shares of the Company at that time.

Where the share capital of the Company is divided into shares of different classes, the aggregate number of shares of any class held as treasury shares shall not at any time exceed 10% of the total number of the shares in that class at that time.

In the event of contravention of the above, the Company shall dispose of or cancel the excess shares in the manner provided by the Act.

The Company shall not exercise any rights in respect of the treasury shares, including any right to attend or vote at meetings, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. Any purported exercise of such a right is void.

No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of the treasury shares save as specifically provided for in the Act.

MODIFICATION OF CLASS RIGHTS

53-59. RIGHTS OF SHAREHOLDERS MAY BE ALTERED. Subject to the provisions of Section 74 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class. To any such separate meeting all the provisions of ~~these Articles~~ this Constitution as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy one-third of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one vote for every share such held by him.

GENERAL MEETINGS

54-60. ANNUAL GENERAL MEETINGS. An annual general meeting shall be held once in every calendar year and in accordance with the requirements of the Act, at such time and place in Singapore as may be determined by the Directors, but so that not more than fifteen months shall be allowed to elapse between any two such general meetings.

55-61. ANNUAL GENERAL AND EXTRAORDINARY GENERAL MEETINGS. The abovementioned general meetings shall be called annual general meetings. All other general meetings shall be called extraordinary general meetings.

56-62. EXTRAORDINARY GENERAL MEETINGS. The Directors may call an extraordinary meeting ~~extraordinary general meeting~~ whenever they think fit, and ~~extraordinary~~

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~~meeting~~ extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 176 of the Act.

57-63. **NOTICE OF MEETING.** Any general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice at least (~~excluding the date of notice and the date of meeting~~) and any other general meeting by fourteen days' notice at least (~~excluding the date of notice and the date of meeting~~), provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed by all the Members entitled to attend and to vote thereat. Every notice calling a general meeting shall specify the place (~~which shall be in Singapore~~) and the day and the hour of meeting and be given in manner hereinafter mentioned to such persons as are under the provisions of ~~these Articles~~ this Constitution entitled to receive notices of general meetings from the Company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. In the event of the Company being listed on the Singapore Exchange at least fourteen days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Singapore Exchange, or in such other manner and for such period as may be prescribed by the provisions of the Act and/or the listing rules of the Securities Exchange. The accidental omission to give such notice to, or the non-receipt of such notice by, any person who is entitled to receive notices of general meetings from the Company shall not invalidate the proceedings or any resolution passed at any such meeting.

58-64. **RESOLUTION SIGNED BY ALL MEMBERS AS EFFECTIVE AS IF PASSED AT GENERAL MEETING.** Subject to the Statutes, a resolution in writing signed by all the Members (in accordance with the requirements of the Act) for the time being entitled to receive notice of and attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Members. The expressions 'in writing' and 'signed' include approval by telefax, telex, cable or telegram or such other electronic communication by any such Member.

PROCEEDINGS AT GENERAL MEETINGS

59-65. **SPECIAL BUSINESS.** All business shall be deemed special that is transacted at an ~~extraordinary meeting~~ extraordinary general meeting, and also all that is transacted at a ~~an annual~~ general meeting, with the exception of declaring a dividend, the consideration of the ~~accounts, balance sheets~~ financial statements, and the reports of the Directors' statement and the Auditors' report, and any other documents annexed to the ~~balance sheets~~ financial statements, the election of Directors in the place of those retiring and the fixing of the remuneration of the Directors and the appointment and fixing of the remuneration of the Auditors.

60-66. **NO BUSINESS TO BE TRANSACTED UNLESS QUORUM PRESENT.** No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be two Members personally present or represented by proxy.

64-67. **IF NO QUORUM MEETING ADJOURNED OR DISSOLVED.** If within half an hour (or such interval as the Chairman may think fit to allow) from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if the adjourned date is not a business day then the next succeeding business day) at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour (or

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such interval as the Chairman may think fit to allow) from the time appointed for holding the meeting, if at least one or more Members are present, there shall be a quorum.

62-68. CHAIRMAN OF BOARD TO PRESIDE AT ALL MEETINGS. The Chairman ~~of the Directors~~ shall preside as Chairman at every general meeting, in his absence, the Deputy Chairman, and in the absence of Both the Chairman ~~and the Deputy Chairman~~, the Vice-Chairman shall preside as Chairman at every general meeting. If at any meeting the Chairman, the Deputy Chairman or the Vice-Chairman be not present within fifteen minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose one of the Directors to be Chairman of the meeting, or if no Director be present or if all the Directors present decline to take the chair, one of their number present shall be Chairman.

63-69. NOTICE OF ADJOURNED MEETINGS. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine, provided always that the place of the adjourned meeting shall be in Singapore. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no Member shall be entitled to any notice of any adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

64-70. HOW RESOLUTION DECIDED.

(1) If required by the listing rules of the Securities Exchange, all resolutions at general meetings shall be voted by poll.

(2) Subject to Article 70(1), A~~at~~ any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the Chairman or by any person(s) for the time being entitled to vote at the meeting, and unless a poll is so demanded or is required pursuant to Article 70(1), a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, shall be conclusive, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution.

71. VOTES COUNTED IN ERROR. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and unless it shall in the opinion of the Chairman be of sufficient magnitude.

65-72. HOW POLL TO BE TAKEN. A poll ~~demanded~~ on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll ~~demanded~~ taken on any other question shall be taken at such time and place in Singapore, and in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~demanded~~ taken. The Chairman may (and if required by the listing rules of the Securities Exchange or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place in Singapore and time fixed by him for the purpose of declaring the results of the poll. Any business other than that upon which a poll has been demanded-taken may be proceeded with at a meeting pending the taking of the poll.

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- ~~66.~~ **CHAIRMAN TO HAVE CASTING VOTE.** In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote.

VOTES OF MEMBERS

- ~~67-73.~~ **NUMBER OF VOTES.** Subject to any rights or restrictions for the time being attached to any class or classes of shares, at every general meeting, every Member present in person or by proxy or by attorney shall have one vote on a show of hands and on a poll, every Member present in person or by proxy or by attorney shall have one vote for each share which he holds or represents.

- ~~74.~~ **VOTING IN ABSENTIA.** Subject to these Articles and the provisions of the Act, the Directors may, at their sole discretion approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

- ~~68-75.~~ **SPLIT VOTES.** On a poll a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

- ~~69-76.~~ **VOTES OF JOINT HOLDERS OF SHARES.** In the case of joint holders any one of such persons may vote, but if more than one of such persons be present at a meeting, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be).

- ~~70-77.~~ **VOTES OF LUNATIC MEMBER WHO IS MENTALLY DISORDERED.** A person who is mentally disordered and incapable of managing himself or his affairs of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal curator and such last-mentioned persons may give their votes either personally or by proxy.

- ~~71-78.~~ **MEMBERS INDEBTED TO COMPANY IN RESPECT OF SHARES NOT ENTITLED TO VOTE.** No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares held by him in the Company, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, have been paid.

- ~~72-79.~~ **APPOINTMENT OF PROXIES.**

- (1) A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any general meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. A Member may appoint not more than two proxies to attend and vote at the same general meeting provided that no limit shall be imposed on the number of proxies for relevant intermediaries.
- (2) Where the Member appoints more than one proxy to attend and vote at the same general meeting he shall specify on each instrument of proxy the number of shares in respect of which the appointment is made, failing which, the appointment shall be deemed to be in the alternative. Each proxy appointed by a relevant intermediary must be appointed to

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exercise the rights attached to a different share or shares held by such relevant intermediary (which number and class of shares shall be specified).

(3) No instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the Depositor's shareholding specified in the instrument of proxy, or where the same has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of the Depositor as appears on the Depository Register ~~forty-eight~~seventy-two hours before the general meeting.

~~(4)~~ Shareholders holding shares through relevant intermediaries may attend any general meeting as proxies.

~~(4)~~(5) A proxy or representative need not be a Member.

~~(5)~~(6) The instrument appointing a proxy shall be deemed to confer authority to demand, ~~or~~ join in demanding, and/or vote on, a poll.

~~(6)~~(7) A proxy shall be entitled to vote on a show of hands on any matter at a general meeting.

~~73.80.~~ **INSTRUMENT APPOINTING A PROXY TO BE LEFT AT THE OFFICE.** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, (i) if sent personally or by post, shall be deposited at the Office or such other place, if any, as is specified for the purpose in the notice convening the meeting); or (ii) if submitted by electronic communication, shall be sent (and received) through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting, in each case –not less than ~~seventy-two~~forty-eight hours (or such time as may be prescribed by the Directors from time to time) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. The deposit of an instrument appointing a proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the member concerned at the point when the member attends the meeting.

~~74.81.~~ **FORM OF PROXY.** An instrument appointing a proxy or representative shall be in writing in the common form or any other form approved by the Directors and:-

(1) if the instrument of proxy is delivered personally or sent by post, shall be signed by the appointor or by his attorney or where the appointer is a corporation, shall be either under the common seal of the corporation or signed by its attorney or by an authorised officer on behalf of the corporation or in such manner as appropriate under applicable laws; or

(2) if the instrument of proxy is submitted by electronic communication, authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of this Article, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

~~(a) — in the case of an individual, shall be signed by the appointor or by his attorney; and~~

~~(b) — in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.~~

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82. DIRECTORS MAY APPROVE METHOD AND MANNER, AND DESIGNATE PROCEDURE FOR ELECTRONIC PROXIES. The Directors may in their absolute discretion:-

- (1) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (2) designate the procedure for authenticating an instrument appointing a proxy, as contemplated in Article 81(2) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Article 81(1) shall apply.

~~75-83.~~ **OMISSION TO INCLUDE PROXY FORM.** In the event that forms of proxy are sent to Members of the Company together with any notice of meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by any person entitled to receive a notice of meeting shall not invalidate any resolution passed or any proceeding at any such timing.

~~76-84.~~ **CORPORATION ACTING BY REPRESENTATIVES AT MEETING.** Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company, save that such person shall not be otherwise entitled to attend the meeting as a Member or proxy or corporate representative of another Member.

DIRECTORS

~~77-85.~~ **NUMBER OF AND FIRST DIRECTORS.** All the Directors of the Company shall be natural persons. Until otherwise determined by a general meeting the number of Directors shall not be less than two and shall not be more than fifteen (15). ~~The first Directors are Mr Lim Hwee Long (Lin Weiliang), Mr Loh Sze Ti Terence Peter and Ms Wong Wei Lin.~~

~~78-86.~~ **POWER TO ADD TO DIRECTORS.** The Directors shall have power from time to time and at any time to appoint additional Directors; PROVIDED ALWAYS THAT the total number of Directors shall not exceed the prescribed maximum. A Director so appointed shall retire from office at the close of the next annual general meeting, but shall be eligible for re-election.

~~79-87.~~ **DIRECTOR'S SHARE QUALITIFCATION.** A Director shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at general meetings ~~but subject to the provisions of the Act he shall not be of or over the age of 70 years at the date of his appointment.~~

~~80-88.~~ **ALTERNATE DIRECTORS.** Any Director may from time to time and at any time appoint any person (not disapproved by a majority of the other Directors for the time being and who shall not be a person who is already a Director of the Company and who is not already an alternate Director of the Company) to act as his alternate, and may at any time remove the alternate Director so appointed by him from office. An alternate Director so appointed shall be entitled to receive remuneration from the Company and to receive notices of and attend all meetings of the Directors, and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointor to perform all the functions of his appointor as a Director. Any fee paid by the Company to the alternate Director shall be deducted from the remuneration payable to his appointor. All appointments and removals of alternate

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Directors made by any Director in pursuance of the provisions of this Article shall be in writing under the hand of the Director making the same and left at the office.

81-89. DIRECTORS' REMUNERATION. Fees payable to the Directors shall from time to time be determined by the Company in general meeting and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Unless otherwise directed by the said ordinary resolution, such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office. Fees payable to non-executive directors shall be by a fixed sum and not by way of commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover. The Directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at meetings of Directors. If by arrangement with the other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration, in addition to his ordinary remuneration, and such special remuneration may be by way of additional salary or otherwise, as may be arranged provided always that such special remuneration, if payable by way of fees to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover, and if payable by way of salaries to executive directors may not include a commission on or percentage of turnover.

82-90. DIRECTOR MAY BE INTERESTED IN OTHER COMPANIES. A Director of the Company may be or become a Director or other officer of, or otherwise be interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise directs.

POWERS AND DUTIES OF DIRECTORS

83-91. DIRECTOR TO MANAGE COMPANY'S BUSINESS. The business of the Company shall be managed by or under the direction or the supervision of the Directors, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company and do so on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Statutes or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made; PROVIDED ALWAYS THAT any sale or disposal by the Directors of the Company's main undertaking shall be subject to ~~ratification~~ approval by shareholders in general meeting and the listing rules of the Singapore Exchange.

84-92. CHAIRMAN, DEPUTY CHAIRMAN AND VICE-CHAIRMAN. The Directors may from time to time elect one of their body to be Chairman ~~of the Company~~, another of their body to be Deputy Chairman ~~of the Company~~ and another of their body to be Vice-Chairman ~~of the Company~~ on such terms as they think fit. Without prejudice to any claim a Director so appointed to any one of these offices may have for damages for breach of any contract of service between him and the Company, his appointment shall be subject to determination ipso facto if he ceases from any

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cause to be a Director, or if the Directors resolve that his term of office be determined. A Director holding any such office as aforesaid shall receive such remuneration as the Directors may determine but shall not under any circumstances be remunerated by a commission on or percentage of turnover.

~~85-93.~~ **MANAGING DIRECTOR.** The Directors may from time to time and at any time appoint one of their body to be Managing Director for a term not exceeding five years upon such terms and at such remuneration (whether by way of salary or commission or participation in profits, or by any or all of these modes or otherwise) as they may think fit, and a Director so appointed shall also, while holding that office, be subject to retirement by rotation and he shall be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire, and he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be Managing Director. The Managing Director shall at all times be subject to the control of the Directors.

~~86-94.~~ **ATTORNEYS.** The Director may from time to time and at any time by power of attorney appoint any ~~company~~corporation, firm, limited liability partnership or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

~~87-95.~~ **DIRECTORS' BORROWING POWERS.** The Directors may borrow or raise from time to time for the purposes of the Company or secure the payment of such sums as they may think fit, and may secure the repayment or payment of any such sums by mortgage or charge upon or hypothecation of all or any of the property or assets of the Company or by the issue of debentures ~~(whether at par or at a discount or premium)~~ or otherwise as they may think fit.

~~88-96.~~ **VACANCIES IN BOARD.** The continuing Directors may act at any time notwithstanding any vacancy in their body; PROVIDED ALWAYS THAT in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body, or of summoning a general meeting of the Company, but not for any other purpose (except in an emergency).

~~89-97.~~ **DIRECTORS TO COMPLY WITH THE STATUTES.** The Directors shall duly comply with the provisions of the Statutes, and particularly the provisions as to keeping records of the appointment of any Director, Chief Executive Officer, Secretary or Auditor, registering~~registration~~ and keeping copies of mortgages and charges, keeping of the Register of Members, keeping a Register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein to the Registrar ~~of Companies~~, and sending to ~~such the~~ Registrar an annual return, together with the Certificates and particulars required by Section 197 of the Act, notices as to increase of capital, returns of allotments and contracts relating thereto, copies of resolutions and agreements and other particulars connected with the above. The Company may exercise the powers conferred upon it by the Act with regard to the keeping of a branch register, and the Directors may make and vary such regulations in respect of the keeping of such register as they may think fit.

~~90-98.~~ **DIRECTORS TO CAUSE MINUTES TO BE MADE.** The Directors shall cause proper minutes to be made of all general meetings of the Company and also of all appointments of officers, and of the proceedings of all meetings of Directors and committees, and of the attendances thereat, and

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of all the business transacted at such meetings; and any such minute of any meeting, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the facts thereon stated.

99. **FORM OF REGISTERS, ETC.** Any register, index, minute book, accounting record or other book required to be kept by the Company under the Statutes may, subject to and in accordance with the Act, be kept in hard copy or electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications.

94-100. **DIRECTORS MAY CONTRACT WITH COMPANY.** A Director or Chief Executive Officer, as the case may be, may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the Director or Chief Executive Officer, as the case may be, (i) declares the nature of the his interest of the Director in any such contract or transaction be declared at a meeting of the Directors ; or (ii) sends a written notice to the Company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the Company in accordance with the provisions of as required by Section 156 of the Act. No Director shall vote as a Director in respect of any contract, or arrangement, transaction or any other proposal in which he has directly or indirectly a personal material interest, although he shall be counted in the quorum present at the meeting.

92-101. **DIRECTORS MAY HOLD OTHER OFFICE OF PROFIT.** A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

93-102. **DIRECTORS MAY ACT PROFESSIONALLY.** A Director may act by himself or his firm in any professional capacity for the Company (except as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

94-103. **OFFICE OF DIRECTOR VACATED IN CERTAIN CASES.** Subject as herein otherwise provided or to be the terms of any subsisting agreement, the office of a Director shall be vacated :-

- (1) if he becomes a bankrupt or if a receiving order is made against him or he makes any arrangement or composition with his creditors;
- (2) if he is prohibited from being a Director by reason of any order made under any provision of the Statutes:-
- (3) if he becomes disqualified from being a Director by virtue of his or her automatic disqualification or removal or the revocation of his or her appointment as a director, as the case may be, under any provision of the Statutes;
- (4) if he becomes disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;

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(53) if he ~~if he becomes mentally disordered and incapable of managing himself or his affairs~~ ~~is found lunatic or becomes of unsound mind~~; or

(64) if he resigns his office by notice in writing to the Company.

APPOINTMENT & REMOVAL OF DIRECTORS

~~95-104.~~ **NUMBER OF DIRECTORS MAY BE INCREASED OR REDUCED.** The Company may from time to time in general meeting increase or reduce the number of Directors, provided that no person who has been debarred under the Act from acting as a director shall be appointed as Director.

~~96-105.~~ **ELECTION OF DIRECTORS.**

- (1) An election of Directors shall take place at every annual general meeting of the Company. All Directors except any Director appointed to fill a casual vacancy pursuant to Article ~~97-106~~ are subject to retirement by rotation as prescribed in Article ~~96-105~~(2) below.
- (2) At such annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number rounded up to the nearest one-third shall retire from office at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires.
- (3) A retiring Director shall be eligible for re-election.
- (4) The Directors to retire in every year shall be those who have been longest in office since ~~the last~~their election or last re-election, as the case may be, but as between persons who were elected or re-elected, as the case may be, ~~as became~~ Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.

~~97-106.~~ **VACANCY TO BE FILLED BY DIRECTORS.** Any vacancy occurring in the Board of Directors may be filled up by the Directors or the Members in the general meeting. A Director so appointed by the Directors shall retire from office at the next following general meeting but shall be eligible for re-election.

~~98-107.~~ **NOMINATION OF DIRECTORS FOR ELECTION.** No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless the Member intending to propose him has, at least eleven clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominees, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him; PROVIDED ALWAYS THAT in the case of a person recommended by the Directors for election, nine clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven days prior to the meeting at which the election is to take place.

~~99-108.~~ **DIRECTOR MAY BE REMOVED BY ORDINARY RESOLUTION.** The Company may by ordinary resolution remove any Director before the expiration of his period of office, and may, if thought fit, by ordinary resolution appoint another Director in his stead.

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PROCEEDINGS OF DIRECTORS

~~400-109.~~ **DIRECTOR MAY CALL MEETING OF DIRECTORS.** A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

~~404-110.~~ **MEETINGS OF DIRECTORS.**

(1) The Directors may meet together for the despatch of business adjourn, and otherwise regulate their meetings, as they think fit. The quorum necessary for the transaction of business may be fixed by the Directors, and unless so fixed shall be two. Questions arising at any meeting shall be decided by a simple majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote except when only two Directors are present and form a quorum or only two are competent to vote on the question at issue.

(2) A Director may participate in a meeting of the Directors by conference telephone, video-conferencing or other means of similar communications equipment whereby all persons participating in the meeting are able to hear or be heard by all other participants without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Save as herein provided and subject to the provisions of the Act and/or other applicable law, the Directors may participate in a meeting via any form of electronic communication or medium or such other methods as the Directors may deem fit. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting.

~~402-111.~~ **CHAIRMAN OF THE BOARD.** The meetings of Directors shall be presided over by the Chairman and in his absence by the Deputy Chairman or in the absence of both the Chairman and the Deputy Chairman by the Vice-Chairman. If at any meeting the Chairman, the Deputy Chairman and the Vice-Chairman shall not be present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

~~403-112.~~ **DIRECTORS MAY DELEGATE THEIR POWERS.** The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

~~404-113.~~ **CHAIRMAN OF COMMITTEES.** A committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

~~405-114.~~ **MEETING OF COMMITTEES.** A committee may meet and adjourn as its members think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote except when only two members are present and form a quorum or only two are competent to vote on the question at issue.

~~406-115.~~ **ALL ACTS DONE BY DIRECTORS TO BE VALID.** All acts done bona fide by any meeting of Directors, or by a committee of Directors, or by any person acting as a Director, shall,

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notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

407-116. **RESOLUTIONS IN WRITING AND MEETINGS BY CONFERENCE CALLS.**

- (1) A resolution in writing signed or approved by letter, telex or facsimile or electronic mail or any form of electronic communication approved by the Directors for such purpose from time to time by a majority of the Directors who are not disqualified from voting thereon pursuant to these Articles or the Act shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in like form. The signature to any such resolution may be written or printed or in the electronic form which includes electronic and/or digital signatures.
- (2) Save as herein provided and subject to the provisions of the Act, the Directors may meet together either in person at any place or by conference telephone, video-conferencing or other means of similar communications equipment ~~telephone, radio, conference television or similar communication equipment or any other form of audio or audio-visual communication~~ by which all persons participating in the meeting are able to hear or be heard by all other participants without the need for physical presence, for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Save as herein provided and subject to the provisions of the Act and/or other applicable law, the Directors may participate in a meeting via any form of electronic communication or medium or such other methods as the Directors may deem fit. The Directors participating in such a meeting shall be counted in the quorum required by a Directors' meeting provided in these Articles and, subject to there being a requisite quorum under these presents, all resolutions agreed by the Directors shall be as effective as resolutions passed at a physical meeting. The meeting of such meeting signed by the chairman of the meeting shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid. The meeting shall be deemed held at the place determined by the chairman of the meeting.

408-117. **APPOINTMENT OF SECRETARY.** The Secretary shall, and a Deputy or Assistant Secretary may, be appointed by the Directors for such term at such remuneration and upon such conditions as they may think fit, provided that any such person or persons are not debarred under the Act from acting as Secretary; ~~any~~ Any secretary or Deputy or Assistant Secretary so appointed may be removed by ~~them~~ the Directors, but without prejudice to any claim he or they may have for damages for any breach of contract of service against the Company.

409-118. **APPOINTMENT OF SUBSTITUTE.** The Directors may from time to time by resolution appoint a temporary substitute for the Secretary, who shall be deemed to be the Secretary during the term of his appointment.

THE SEAL

410-119. **SEAL TO BE AFFIXED BY AUTHORITY OF RESOLUTION OF BOARD AND IN THE PRESENCE OF TWO DIRECTORS OR ONE DIRECTOR AND THE SECRETARY.** The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf. Every instrument to which the Seal shall affixed shall be signed autographically or by facsimile by one Director and countersigned by the Secretary or a second Director or some other person appointed by the Directors save that as regards any certificates for shares ~~or debentures or other securities of the Company~~ the Directors may by resolution determine that such signatures shall be dispensed with or affixed by some method of mechanical or electronic signature or other method approved by the Directors. The Company may exercise the powers conferred by Section

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41 and Section 124 of the Act with regard to having an official seal for use abroad and a duplicate common seal respectively, and such powers shall be exercised by the Directors.

DIVIDENDS AND RESERVE

~~444.~~120. **DISTRIBUTION OF PROFITS.** Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls.

~~442.~~121. **DECLARATION OF DIVIDENDS.** The Directors may, with the sanction of a general meeting, from time to time declare dividends, but no such dividend shall (except as expressly authorised by the Statutes) be payable except out of the profits of the Company. The Directors may, if they think fit, from time to time declare and pay to the Members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits shall be conclusive.

~~443.~~122. **DEDUCTION FROM DIVIDEND.** The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

~~444.~~123. **PAYMENT OTHERWISE THAN IN CASH.** Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors. Any Shares allotted as fully paid bonus shares in respect of the treasury shares shall be treated for the purposes of the Act as if they were purchased by the Company at the time they were allotted.

124. **RETENTION OF DIVIDENDS ON SHARES SUBJECT TO LIEN.** The Directors may retain any dividends or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

125. **RETENTION OF DIVIDENDS ON SHARES PENDING TRANSMISSION.** The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

126. **SCRIP DIVIDENDS**

(1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on

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shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of such class credited as fully paid *in lieu* of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid *in lieu* of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded Provided That the Directors may determine, either generally or in specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares of the relevant class in respect of which the share election has been duly exercised (the “**elected shares**”) and *in lieu* and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding any provision of these Articles to the contrary, the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid, including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis.

Ranking of shares and other actions

- (2) (a) The shares of the relevant class allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with the shares of such class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

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- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (1) of this Article, with full power to make such provisions as they may think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of the Members interested into agreement(s) with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Record date

- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, determine the rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares of the relevant class in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares of the relevant class the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this Article shall be read and construed subject to such determination.

Cash in lieu of shares

- (4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

Cancellation

- (5) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefore, as they deem fit, cancel the proposed application of paragraph (1) of this Article.

445-127. **DIRECTORS MAY FORM RESERVE FUND AND INVEST.** The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or for equalizing dividends, or for distribution by way of special dividend or bonus, or may be applied for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interests of the Company, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities, other than the shares of the Company, as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.

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~~446-128.~~ **DIVIDEND WARRANTS TO BE POSTED TO MEMBERS.** Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person, whose name at the date of the declaration of the dividend appears on the Register of Members as the owner of any share or, in the case of joint holders, of any one of such joint holders, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

~~447-129.~~ **COMPANY MAY CAPITALISE RESERVES AND UNDIVIDED PROFITS.** ~~The Company in general meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend, and (1) for the time being standing to the credit of any reserve of the Company, including premiums received on the issue of any shares or debentures of the Company, or (2) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, and in such manner as the resolution may direct, and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures and distribute the same credited as fully paid up to and amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalised sum or shall apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trust for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with Section 63 of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.~~

(1) The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Article 54):

(a) issue bonus shares for which no consideration is payable to the Company to all the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Article 54) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

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(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to all the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Article 54) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(2) In addition and without prejudice to the powers provided for by Article 129(1), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of such person or persons as the Directors may in their absolute discretion deem fit, including (but not limited to) participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting, all in such manner and on such terms as the Directors shall think fit. The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation authorised pursuant to Article 129(2).

ACCOUNTSFINANCIAL STATEMENTS

~~448.130.~~ **ACCOUNTS AND BOOKSFINANCIAL STATEMENTS TO BE KEPT.** The Directors shall cause proper accounting and other records ~~accounts~~ to be kept :-

- (1) of the assets and liabilities of the Company;
- (2) of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditures take place; and
- (3) of all sales and purchases by the Company.

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The ~~accounting and other records~~ ~~books of account~~ shall be kept at the Office, or at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors.

~~449-131.~~ **INSPECTION BY MEMBERS.** The Directors shall from time to time determine whether in any particular case or class of cases, or generally, and to what extent, and at what times and places in and under what conditions or regulations, the ~~accounting and other records~~ ~~accounts and books~~ of the Company, or any of them shall be open to the inspection of Members, and no Member (not being a Director) shall have any rights of inspecting any account or book or document of the Company, except as conferred by the Statutes or authorised by the Directors or by a resolution of the Company in general meeting.

~~420-132.~~ **ACCOUNTS FINANCIAL STATEMENTS TO BE LAID BEFORE COMPANY.** Once at least in every year but in any event before the expiry of ~~five~~ four months (or such other period as may be prescribed from time to time by the Singapore Exchange, the provisions of the Act and/or any applicable law) from the close of a financial year of the Company the Directors shall lay before the Company in general meeting ~~a profit and loss account and balance sheet~~ financial statements for the period following the preceding ~~account~~ financial statements or (in the case of the first account) since the incorporation of the Company, made up to a date not more than ~~five~~ four months (or such other period as may be prescribed from time to time by the Singapore Exchange, the provisions of the Act and/or any applicable law) before such meeting. The said ~~account and balance sheet~~ financial statements shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by Section 201 of the Act.

~~133.~~ **COPIES OF FINANCIAL STATEMENTS.** A copy of the financial statements which are to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall, not less than 14 days before the date appointed for holding the meeting, be sent to every Member of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles; provided that this Article shall not require a copy of these documents to be sent to more than one of any joint holders or to any person whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Notwithstanding anything in this Article, to the extent permitted by the listing rules of the Securities Exchange, these documents may be sent less than fourteen (14) days before the date of the General Meeting if all persons entitled to receive notices of General Meetings so agree.

AUDIT

~~424-134.~~ **ACCOUNTS FINANCIAL STATEMENTS TO BE AUDITED.** Once at least in every year the ~~accounts~~ financial statements of the Company shall be examined, and the correctness of the ~~profit and loss account and balance sheet~~ financial statements ascertained by one or more Auditor or Auditors, and the provisions of Sections 205, 206, 207, 208 and 209 of the Act and any modification or re-enactment thereof for the time being in force in regard to audit and Auditors shall be observed.

NOTICES

~~422-135.~~ **SERVICE OF NOTICES.** A notice or any other document may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members or, in the case of a Depositor, such address as may be notified by the Depository to the Company for the purpose of the despatch of such notice or document. All notices directed to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to

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whichever of such persons is named first in the Register of Members, and any notice so given shall be sufficient notice to all the holders of such share. Subject to the requirements of the Act, the listing rules of the Securities Exchange and/or any other applicable laws, regulations or procedures, and without prejudice to the provisions of this Constitution, a notice of a meeting or other document required or permitted to be given, sent or served under the Act or these Articles to any person (including but not limited to a Member, an officer or the Auditors of the Company) may also be given, sent or served by the Company by way of electronic mail, posting of the notice or document on a specified website, sending of data storage devices including, without limitation, CD-ROMs and USB flash drives to the current address of that person, or such other forms of electronic communications as the Directors deem fit in accordance with the Act and/or any other applicable regulations, laws or procedures provided always that, the Member (i) expressly consents to the service of such notice or document on him by way of such electronic communications; (ii) agrees to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document; or (iii) is given an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy and the Member, having been given an opportunity to elect whether to receive such notice or document by way of such electronic communications or as a physical copy, failed to make an election within the specified time. The signature to any such notice or document (if any) may be written or printed or in electronic form which includes electronic and/or digital signatures.

~~423-136.~~ **SERVICE OF NOTICES AND DOCUMENTS OUTSIDE SINGAPORE.** Notwithstanding Article ~~422~~135, any Member whose registered address is outside Singapore and who has not supplied an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company.

~~424-137.~~ **NOTICES IN CASE OF DEATH OR BANKRUPTCY.** A notice may be given by the Company to the persons entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives or trustees of such deceased or bankrupt Member, at the address (if any) supplied for the purpose by such person as aforesaid, or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.

~~425-138.~~ **WHEN SERVICE DEEMED EFFECTED.** Any notice or other document, if served or sent by post, shall be deemed to have been served or delivered at the time when the letter containing the same is put into the post, and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter. Where a notice or other document is served or sent by electronic communications:

- (1) to the current address of a person pursuant to these Articles, it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communications by the relevant server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any "delayed receipt", "non-delivery" or "returned mail" reply message or any other error message indicating that the electronic communications were delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable laws, regulations or procedures; or
- (2) by making it available on a website pursuant to these Articles, it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made

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available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.

WINDING UP

~~426-139.~~ **DISTRIBUTION IN SPECIE.** If the Company shall be wound up, the liquidators may, with the sanction of a special resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class of property and may determine how such division shall be carried out as between the Members or different classes of Members.

~~427-140.~~ **REMUNERATION OF LIQUIDATOR.** If the Company shall be wound up voluntarily, no commission or fee shall be paid to the liquidator unless it shall have been ratified by Members of the Company in a general meeting. The amount of such payment shall be notified to all shareholders at least seven days prior to the meeting at which it is to be considered.

INDEMNITY

~~428-141.~~ **DIRECTORS AND OFFICERS ENTITLED TO INDEMNITY.** Subject to and so far as may be permitted under Section 172 of the Act, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all expenses, charges, cost, damages, claims, proceedings, losses or liabilities whatsoever which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto except where such loss, damage or misfortune is due to wilful default, ~~or negligence~~, fraud or criminal breach of trust.

DESTRUCTION OF DOCUMENTS

~~429-142.~~ **TIME FRAME FOR DESTRUCTION.** The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. PROVIDED ALWAYS THAT :-

- (a) the Company shall adequately record for future reference the information required to be contained in any company records;
- (b) the provisions aforesaid shall apply to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document

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might be relevant provided that such destruction is not in contravention of any laws or regulations;

(cb) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

(e) (d) References herein to the destruction of any document include references to the disposal thereof in any manner.

143. **POWER TO AUTHENTICATE DOCUMENTS.** Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee, which is certified as aforesaid, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors.

ALTERATION OF ARTICLES

~~140.~~ 144. **ALTERATION OF ARTICLES.** Where these Articles have been approved by any stock exchange upon which the shares in the Company may be listed, no provisions of ~~these Articles~~ this Constitution shall be deleted, amended or added without the prior written approval of such stock exchange which had previously approved these Articles.

PERSONAL DATA

145. **PERSONAL DATA OF MEMBERS, PROXIES AND/OR REPRESENTATIVES.**

(1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

(a) implementation and administration of any corporate action by the Company (or its agents or service providers);

(b) internal analysis and/or market research by the Company (or its agents or service providers);

(c) investor relations communications by the Company (or its agents or service providers);

APPENDIX I: PROPOSED NEW CONSTITUTION OF THE COMPANY

- (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any general meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting of the Company (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purpose.
- (2) Any Member who appoints a proxy and/or representative for any general meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in this Article, and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

APPENDIX J: THE EXISTING OBJECTS CLAUSES

The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution are set out below:

“3. The objects for which the Company is established are:-

- (a) To carry on the business of a holding company and for that purpose to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into partnership, joint venture or profit-sharing arrangement with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organise, manage, supervise and control any corporation, company, syndicate, fund, trust, business or institution.
- (b) To import, export, buy, sell (wholesale and retail), exchange, barter, let on hire, distribute and otherwise deal in and turn to account goods, materials, commodities, produce and merchandise generally in their prepared, manufactured, semi-manufactured and raw state.
- (c) To exercise and enforce all rights and powers conferred by or incident to the ownership of any such shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the company of some special proportion of the issued or nominal amount thereof and to provide managerial and other executive supervisory and consultant services for or in relation to any company in which the company is interested upon such terms as may be thought fit.
- (d) To purchase, lease, exchange or otherwise for investment, lands, buildings and hereditaments of any tenure or description and to make advances upon the security of land or houses or other property or any interest therein.
- (e) To develop and turn to account any land acquired by or in which the Company is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving building, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement, and by advancing money to and entering into contract and arrangements of all kinds with builders, tenants and others.
- (f) To purchase or otherwise acquire for investment lands, houses, theatres, buildings, plantations, and immovable property of any description or any interest therein.
- (g) To purchase establish and carry on business as general merchants, manufacturers, importers, exporters, commission agents, del credere agents, removers, packers, storers, storekeepers, factors and manufacturers of and dealers in foreign and local produce, manufactured goods, materials and general merchandise and to import, buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, charge, make advances on and otherwise deal in or turn to account, produce goods, materials and merchandise generally either in their prepared, manufactured or raw state and to undertake, carry on and execute all kinds of commercial trading and other manufacturing operations and all business whether wholesale or retail usually carried on by Eastern merchants.
- (h) To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export and deal in all works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which

APPENDIX J: THE EXISTING OBJECTS CLAUSES

this company is competent to carry on or required by any customers of or persons having dealings with the company or commonly dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render, marketable and deal in all products of residual and by-products incidental to or obtained in any of the businesses carried on by the Company.

- (i) To purchase or otherwise acquire and hold and charter ships and vessels of all kinds.
- (j) To purchase take on lease or in exchange hire or otherwise acquire any real or personal property licences rights or privileges which the company may think necessary or convenient for the purposes of its business and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the company.
- (k) To purchase or otherwise acquire, issue, re-issue, sell, place shares, stocks, bonds, debentures and securities of all kinds.
- (l) To apply for purchase or otherwise acquire any patents, brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention or preparation which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
- (m) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, ship building yards, shops, stores, factories, building works, plant and machinery necessary or convenient for the company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (n) To borrow or raise or secure the payment of money for the purposes of or in connection with the company's business, and for the purposes of or in connection with the borrowing or raising of money by the company to become a member of any building society.
- (o) To mortgage and charge the undertaking of all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the company by a trust deed or other assurance.
- (p) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the company or of its customers or other persons or corporations having dealings with the company, or in whose business or undertakings the company is interested, whether directly or indirectly.
- (q) To guarantee the obligations and contracts of customers and others.
- (r) To make advances to customers and others with or without security, and upon such terms as the Company may approve.

APPENDIX J: THE EXISTING OBJECTS CLAUSES

- (s) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the company or its predecessors in business or the dependants or connections of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to provide pension or other benefits for any such persons as aforesaid, their dependants or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the directors, be calculated directly or indirectly to benefit the company or its employees, and to institute and maintain any other establishment or profit-sharing scheme calculated to advance the interests of company or its officers or employees.
- (t) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- (u) To invest and deal with the moneys of the company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined.
- (v) To pay for any property or rights acquired by the company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as the company may determine.
- (w) To accept payment for any property or rights sold or otherwise disposed of by the company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages, or other securities of any company or corporation, or partly in one mode any partly in another, and generally on such terms as the company may determine, and to hold, dispose of any shares, stock or securities so acquired.
- (x) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this company, and to acquire and hold, sell, dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, of the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.
- (y) To make donations for patriotic or for charitable purposes.
- (z) To transact any lawful business in aid of the Republic of Singapore in the prosecution of any war in which the Republic of Singapore is engaged.
- (aa) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this company, and to acquire and hold or dispose of shares, stocks or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.

APPENDIX J: THE EXISTING OBJECTS CLAUSES

- (bb) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this company is authorised to carry on.
- (cc) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licenses, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as the company may think fit.
- (dd) To amalgamate with any other company whose objects are or include objects similar to those of this company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (ee) To distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (ff) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, any either alone or in conjunction with others, any either by or through agents, trustees, sub-contractors or otherwise.
- (gg) To do all such other things as are incidental or conducive to the above objects or any of them.

AND IT IS HEREBY declared that the word “company”, save when used in reference to this company in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, whether domiciled in Singapore or elsewhere. None of the sub-clauses of this clause or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first subclause of this clause, the intention being that the objects specified in each subclause of this clause shall, except where otherwise expressed in such clause, be independent main objects and shall be in no way limited or restricted by reference to or interference from the terms of any other sub-clause or the name of the company, but the company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business undertaking, property or act proposed to be transacted, acquired, dealt with or performed does not fall within the objects of the first sub-clause of this clause.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

ROWSLEY LTD.

(Incorporated in the Republic of Singapore on 31 December 1999)
(Company Registration No.: 199908381D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Rowsley Ltd. (the “Company”) will be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 23 March 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions (with or without amendments), and the special resolutions.

ORDINARY RESOLUTIONS:

Ordinary Resolution 1: Proposed Acquisition and the proposed allotment and issue of 21,333,333,334 Consideration Shares

THAT contingent upon the passing of Ordinary Resolution 4 set out herein:

- (a) approval be and is hereby given for the acquisition by the Company of:
- (i) the entire issued and paid-up share capital of Sasteria Pte. Ltd. for a consideration of S\$1,600,000,000, to be satisfied by way of allotment and issuance of 21,333,333,334 new ordinary shares (the “Consideration Shares”) in the capital of the Company (the “Shares”) at an issue price of S\$0.075 per Consideration Share (the “Proposed Shares Acquisition”) pursuant to the terms and conditions of the conditional sale and purchase agreement dated 18 December 2017 (as may be amended, modified and/or supplemented) (the “Acquisition Agreement”) between the Company and Mr Lim Eng Hock (the “Vendor”); and
 - (ii) an aggregate of 597,319,140 warrants in TMC Life Sciences Berhad for a consideration of a sum equivalent to (a) the volume weighted average price of TMCLS Warrants traded on Bursa Securities for the one (1) month period immediately preceding the date falling four (4) market days (of Bursa Securities) prior to the date of the EGM, multiplied by (b) the number of Sale Warrants, to be satisfied in cash (the “Proposed Warrants Acquisition”) pursuant to the terms and conditions of the Acquisition Agreement;
- (b) approval be and is hereby given for the allotment and issuance of the Consideration Shares to the Vendor and/or his nominee(s) to satisfy the consideration for the Proposed Shares Acquisition; and
- (c) the directors of the Company (the “Directors”) and each of them be and are hereby authorised to do all such things and execute all such documents as they or he may consider necessary or appropriate to give effect to this resolution as they or he may think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Ordinary Resolution 2: Proposed Bonus Issue of Bonus Warrants and the proposed allotment and issue of New Shares pursuant to the exercise of the Bonus Warrants

THAT contingent upon the passing of Ordinary Resolutions 1, 3 and 4 set out herein, the proposed bonus issue of up to 9,476,834,822 bonus warrants (the "Bonus Warrants"), each Bonus Warrant carrying the right to subscribe for one new Share (each, a "New Share") at the exercise price of S\$0.09 (the "Bonus Warrant Exercise Price") for each New Share, on the basis of two Bonus Warrants for every one existing Share held by the Company's shareholders (the "Shareholders") as at a books closure date to be determined by the Directors at their absolute discretion (the "Books Closure Date"), fractional entitlements to be disregarded (the "Proposed Bonus Issue of Bonus Warrants"), be and is hereby approved and authority be and is hereby given to the Directors to:

(A) create and issue:

- (i) up to 9,476,834,822 Bonus Warrants in registered form, each Bonus Warrant to entitle the holder thereof to subscribe for one New Share at the Bonus Warrant Exercise Price for each New Share at any time during the period commencing from the date of issuance of the Bonus Warrants and expiring at 5.00 p.m. on the market day immediately preceding the first (1st) anniversary of the date of issue of the Bonus Warrants subject to the terms and conditions of the deed poll constituting the Bonus Warrants (the "Bonus Warrants Deed Poll") to be executed by the Company on such terms and conditions as the Directors may think fit; and
- (ii) such further Bonus Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Bonus Warrants Deed Poll (any such further Bonus Warrants to rank *pari passu* with the Bonus Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Bonus Warrants Deed Poll);

(B) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:

- (i) up to 9,476,834,822 New Shares upon the exercise of the Bonus Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Bonus Warrants Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Bonus Warrants Deed Poll) save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the relevant exercise date of the Bonus Warrants; and
- (ii) on the same basis as paragraph (B)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Bonus Warrants issued in accordance with paragraph (A)(ii) above,

NOTICE OF EXTRAORDINARY GENERAL MEETING

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

- (a) the issue of the Bonus Warrants shall be made to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited ("CDP") as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to CDP or the share registrar of the Company (the "Share Registrar"), as the case may be, addresses in Singapore for the service of notices and documents, on the basis of two (2) Bonus Warrants for every one (1) existing Share;
- (b) no allotment of Bonus Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "Foreign Shareholders"); and
- (c) the allotment of Bonus Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotments relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Bonus Warrants and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

Pursuant to the Acquisition Agreement, the Vendor and/or his nominees who will receive the Consideration Shares will not be entitled to the Proposed Bonus Issue of Bonus Warrants in respect of such Consideration Shares.

Ordinary Resolution 3: Proposed Bonus Issue of Piggyback Warrants and the proposed allotment and issue of New Shares pursuant to the exercise of the Piggyback Warrants

THAT contingent upon passing of the Ordinary Resolutions 1, 2 and 4 set out herein, the proposed bonus issue of up to 9,476,834,822 additional company warrants (the "Piggyback Warrants"), each Piggyback Warrant carrying the right to subscribe for one (1) New Share at

NOTICE OF EXTRAORDINARY GENERAL MEETING

the exercise price of S\$0.12 (the "Piggyback Warrant Exercise Price") for each New Share, on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant which is exercised, fractional entitlements to be disregarded (the "Proposed Bonus Issue of Piggyback Warrants"), be and is hereby approved and authority be and is hereby given to the Directors to:

(A) create and issue:

- (i) up to 9,476,834,822 Piggyback Warrants in registered form, each Piggyback Warrant to entitle the holder thereof to subscribe for one New Share at the Piggyback Warrant Exercise Price for each New Share at any time during the period commencing from the date of issuance of the Piggyback Warrants and expiring at 5.00 p.m. on the market day immediately preceding the fourth (4th) anniversary of the date of issue of the Bonus Warrants (and, for the avoidance of doubt, not the fourth anniversary of the date of issue of the Piggyback Warrants) subject to the terms and conditions of the deed poll constituting the Piggyback Warrants (the "Piggyback Warrants Deed Poll") to be executed by the Company on such terms and conditions as the Directors may think fit; and
- (ii) such further Piggyback Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Piggyback Warrants Deed Poll (any such further Piggyback Warrants to rank *pari passu* with the Piggyback Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Piggyback Warrants Deed Poll); and

(B) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:

- (i) up to 9,476,834,822 New Shares upon the exercise of the Piggyback Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Piggyback Warrants Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Piggyback Warrants Deed Poll) save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before relevant exercise date of the Piggyback Warrants; and
- (ii) on the same basis as paragraph (B)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Piggyback Warrants issued in accordance with paragraph (A)(ii) above,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Piggyback Warrants and exercise such discretion on the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

Pursuant to the Acquisition Agreement, the Vendor and/or his nominees who will receive the Consideration Shares will not be entitled to the Proposed Bonus Issue of Piggyback Warrants in respect of such Consideration Shares.

Ordinary Resolution 4: Proposed Whitewash Resolution

That subject to and contingent upon the passing of Ordinary Resolution 1 and the conditions in the letter from the Securities Industry Council dated 18 December 2017 being fulfilled, the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shareholders (other than Mr Lim Eng Hock ("Peter Lim"), parties acting in concert with him and parties not independent of them), do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a general offer from Peter Lim and his concert parties in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers, for all the Shares not already owned by Peter Lim and his concert parties, as a result of the allotment and issue of the Consideration Shares to Peter Lim and his concert parties pursuant to the Proposed Shares Acquisition.

Ordinary Resolution 5: Proposed Appointment of Mr Quek Hong Sheng Roy as a Director

THAT contingent upon the passing of Ordinary Resolutions 1 and 4 set out herein, and subject to his consent to act, Mr Quek Hong Sheng Roy be appointed as a Director with effect from the date of completion of the Proposed Acquisition ("Completion").

Ordinary Resolution 6: Proposed Appointment of Mr Heng Kim Chuan Freddie as a Director

THAT contingent upon the passing of Ordinary Resolutions 1 and 4 set out herein, and subject to his consent to act, Mr Heng Kim Chuan Freddie be appointed as a Director with effect from the date of Completion.

Ordinary Resolution 7: Proposed Share Issue Mandate

That contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 4 set out herein and pursuant to Section 161 of the Companies Act, authority be granted to the Directors to allot and issue new Shares and/or convertible securities in the capital of the Company (whether by way of bonus issue, rights issue or otherwise) at any time and upon such terms and conditions, and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of new Shares and convertible securities that may be issued pursuant to such authority shall not exceed 50% of the Enlarged Share Capital (as defined below) of the Company and that the aggregate number of shares to be issued other than on a pro-rata basis to the then existing Shareholders shall not exceed 20% of the Enlarged Share Capital of the Company, and, unless revoked or varied by the Shareholders in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.

For the purpose of determining the aggregate number of Shares and convertible securities that may be issued, the percentage of issued share capital shall be based on the Company's issued share capital as at the time of passing of this Ordinary Resolution, after adjusting for:

- (i) the issue of the 21,333,333,334 Consideration Shares on completion of the Proposed Shares Acquisition; and
- (ii) the issue of the New Shares arising from the exercise of up to 9,476,834,822 Bonus Warrants and 9,476,834,822 Piggyback Warrants to be issued pursuant to the Proposed Bonus Issue of Bonus Warrants and Piggyback Warrants,

(the "Enlarged Share Capital").

NOTICE OF EXTRAORDINARY GENERAL MEETING

Special Resolution 8 : Proposed Adoption of the New Constitution of the Company

That the regulations of the Company contained in the new Constitution of the Company as contained in Appendix I of this Circular and submitted to this EGM be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution of the Company.

Special Resolution 9 : Proposed Change of Name

That contingent upon the Completion, the Proposed Change of Name be and is hereby approved with effect from the Completion of the Proposed Acquisition and that:

- (a) subject to the approval of the Accounting and Corporate Regulatory Authority, the name of the Company be changed from "Rowsley Ltd." to "Thomson Medical Group Limited" and that the name "Rowsley Ltd." be replaced by "Thomson Medical Group Limited" wherever the earlier name appears in the Constitution of the Company; and
- (b) the Directors be and are hereby authorised to do all such acts and things (including without limitation entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this Special Resolution.

All capitalised terms in this Notice which are not defined herein shall have the same meaning ascribed to them in the Company's circular dated 28 February 2018 (the "Circular").

BY ORDER OF THE BOARD

Tan Wee Tuck
Executive Director and Chief Executive Officer

Singapore

28 February 2018

Notes:

- 1. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the EGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.
- 2. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the EGM.
- 3. A proxy need not be a member of the Company.
- 4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kallang Junction #03-01 Singapore 339263 not less than 48 hours before the time set for the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend and to speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy or proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy or proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy or proxies and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

ROWSLEY LTD.

(Incorporated in the Republic of Singapore on
31 December 1999)
(Company Registration No.: 199908381D)

IMPORTANT:

1. For investors who have used their CPF monies to buy ordinary shares in the capital of Rowsley Ltd., this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We _____ NRIC/Passport No./
Company Registration No. _____

of _____
being a member/members of Rowsley Ltd. (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 23 March 2018 at 10:00 a.m. and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against the item how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given or in the event of any item arising not summarised below, my/our proxy/proxies may vote or abstain at the discretion of my/our proxy/proxies.

Ordinary Resolutions:	*For	*Against
Resolution 1: Ordinary Resolution Proposed Acquisition and proposed allotment and issue of the Consideration Shares		
Resolution 2: Ordinary Resolution Proposed Bonus Issue of Bonus Warrants and proposed allotment and issue of New Shares pursuant to the exercise of the Bonus Warrants		
Resolution 3: Ordinary Resolution Proposed Bonus Issue of Piggyback Warrants and proposed allotment and issue of New Shares pursuant to the exercise of the Piggyback Warrants		
Resolution 4: Ordinary Resolution Proposed Whitewash Resolution		
Resolution 5: Ordinary Resolution Proposed appointment of Mr Quek Hong Sheng Roy as a Director		
Resolution 6: Ordinary Resolution Proposed appointment of Mr Heng Kim Chuan Freddie as a Director		
Resolution 7: Ordinary Resolution Proposed Share Issue Mandate		
Special Resolutions:	*For	*Against
Resolution 8: Special Resolution Proposed Adoption of the New Constitution of the Company		
Resolution 9: Special Resolution Proposed Change of Name		

* Please indicate your vote "For" or "Against".

** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes.

Dated this _____ day of _____ 2018

Total Number of Shares held:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT (PLEASE READ NOTES BELOW BEFORE COMPLETING THIS PROXY FORM)



PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the EGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.
3. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the EGM.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kallang Junction #03-01 Singapore 339263 not less than 48 hours before the time set for the EGM.

First Fold Here

Please
Affix
Postage
Here

The Company Secretary
ROWSLEY LTD.
1 Kallang Junction #03-01
Singapore 339263

Second Fold Here

6. The instrument appointing a proxy or proxies shall be in writing and signed by the appointer or by an attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by the attorney, the power of attorney (or other authority) or a notarially duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50.
9. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.