



## SUNPOWER GROUP LTD.

(Company Registration No. 35230)  
(Incorporated in Bermuda with limited liability)

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- (1) THE PROPOSED ISSUE OF TRANCHE 2 CONVERTIBLE BONDS DUE 2022 OF AN AGGREGATE PRINCIPAL AMOUNT OF UP TO US\$70 MILLION AND WARRANTS EXERCISABLE AT AN AGGREGATE AMOUNT OF US\$30 MILLION TO DCP CAPITAL PARTNERS L.P. AND CDH CHINA MANAGEMENT COMPANY LIMITED TO FUND THE GREEN INVESTMENT RELATED BUSINESS OF THE COMPANY
  - (2) THE PROPOSED ISSUE OF CONVERSION SHARES PURSUANT TO THE PROPOSED CONVERTIBLE BONDS ISSUE AND THE PROPOSED ISSUE OF WARRANT SHARES PURSUANT TO THE PROPOSED WARRANTS ISSUE
  - (3) THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
  - (4) THE PROPOSED POTENTIAL TRANSFER OF CONTROLLING INTEREST TO THE INVESTORS AND/OR THEIR RESPECTIVE TRANSFEREES PURSUANT TO THE CONVERSION OF ALL THE CONVERTIBLE BONDS AND THE EXERCISING OF ALL THE WARRANTS
  - (5) THE PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE TRANCHE 1 CONVERTIBLE BONDS
    - RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST FOR THE LISTING OF AND QUOTATION FOR CONVERSION SHARES AND WARRANT SHARES
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### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Sunpower Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement dated 22 May 2018 (the "**Announcement**") regarding the Proposed Transactions. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Announcement.

### 2. RECEIPT OF APPROVAL IN-PRINCIPLE

Further to the Announcement, the Board is pleased to announce that the SGX-ST has on 15 August 2018 granted approval in-principle (the "**Approval In-Principle**") for the dealing in, listing of and quotation for (a) the Conversion Shares, (b) such other Conversion Shares which may be issued pursuant to any adjustments as set out in the terms and conditions of the Convertible Bonds, (c) the Warrant Shares and (d) such other Warrant Shares which may be issued pursuant to any adjustments as set out in the terms and conditions of the Warrants on the Official List of the SGX-ST, which may be issued upon conversion of the Tranche 1 CBs and/or the Tranche 2 CBs and/or the exercise of the Warrants.

The Approval In-Principle is subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval of the Proposed Convertible Bonds Issue and the Proposed Warrants Issue;
- (c) announcement of the conditions under which the conversion price of the Tranche 2 CBs and/or the exercise price of the Warrants may be adjusted and the conditions under which the Tranche 2 CBs may be redeemed; and
- (d) submission of the following documents:

- (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Convertible Bonds Issue and the Proposed Warrants Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (ii) a written confirmation from the Company that it will comply with Rule 803 of the Listing Manual;
- (iii) a written confirmation from the Company that it will not issue the Tranche 2 CBs, Warrants, Conversion Shares from the conversion of Tranche 2 CBs and Warrant Shares to persons prohibited under Rule 812(1) of the Listing Manual;
- (iv) a written confirmation from the Company that the terms of the Tranche 2 CBs and Warrants comply with Rule 829(1) of the Listing Manual;
- (v) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual; and
- (vi) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual.

The Company will provide the above undertakings and confirmations to the SGX-ST as required.

In accordance with the conditions of the Approval In-Principle, please refer to the appendices to this announcement for extracts of the conditions under which the conversion price of the Tranche 2 CBs and/or the exercise price of the Warrants may be adjusted and the conditions under which the Tranche 2 CBs may be redeemed, as specified in the Tranche 2 CBs Terms and Conditions.

Please note that the Approval In-Principle is not to be taken as an indication of the merits of the Tranche 2 CBs, Warrants, Conversion Shares from the conversion of Tranche 2 CBs, the Warrant Shares, the Company and/or its subsidiaries.

### **3. GENERAL**

Further details of the Proposed Transactions will be made available in the Shareholders' Circular to be despatched to Shareholders in due course.

#### **BY ORDER OF THE BOARD**

**GUO HONG XIN**  
Executive Chairman  
16 August 2018

## APPENDIX 1 – ADJUSTMENTS TO CONVERSION PRICE

All capitalised terms and expressions hereinafter appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Purchase Agreement and the Tranche 2 CBs Terms and Conditions.

The following is an extract of the Adjustments to Conversion Price set out in Condition 6(C) of the Tranche 2 CBs Terms and Conditions.

"The Conversion Price will be subject to adjustment in the following events:

- (1) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of the issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate number of Shares in issue immediately before such alteration; and

B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (2) *Capitalization of Profits or Reserves:*

- (i) If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate number of Shares in issue immediately before such issue; and

B is the aggregate number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (3) *Distributions:*

- (i) Subject to Condition 6(C)(3)(ii), if and whenever the Issuer shall pay or make any Distribution (other than a cash dividend) to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the Distribution divided by the aggregate number of Shares in issue on such date.

Such adjustment shall become effective on the date that such Distribution is actually made.

- (ii) If and whenever the Issuer shall declare and pay any cash dividend to its Shareholders in respect of the Shares, the Conversion Price shall not be adjusted provided that the Issuer shall have paid to the holder of each Bond all amounts required pursuant to Condition 5(D) in respect of any Excess Cash Dividend Amount.
- (4) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case for a consideration of less than the Current Market Price, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the aggregate number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at the Current Market Price; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (5) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- (6) *Issues at less than the Conversion Price:* If and whenever the Issuer shall issue any Shares (other than Shares issued on the exercise of Conversion Rights) or issue or grant hybrid or other securities, convertible instruments, options, warrants or other rights to subscribe or purchase Shares, in each case at a consideration per Share which is less than the Conversion Price then in effect, the Conversion Price shall be adjusted to such consideration per Share.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

- (7) *Other Issues at less than the Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer on conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the aggregate number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the Current Market Price; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the aggregate number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at the Current Market Price or, if lower, the existing conversion, exchange or subscription price; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (9) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(4), Condition 6(C)(5) or Condition 6(C)(6)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the securities attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities.

- (10) *Performance Targets:* If, based on the Issuer's audited financial statements for FY 2020 or FY 2021, the Issuer fails to meet the Performance Target for FY 2020 or FY 2021 (as applicable), the Conversion Price shall be adjusted as follows:
- (a) if the Performance Target for FY 2020 is not met, the Conversion Price shall be adjusted by multiplying the Conversion Price in force by the following fraction:

$$\frac{A}{B}$$

Where:

- A the higher of (a) the Adjusted PATMI for FY 2020 and (b) RMB 154 million; and
- B is the Performance Target for FY2020;

- (b) if the Performance Target for FY 2021 is not met, the Conversion Price shall be adjusted, to the extent necessary, to be equal to the lower of:
- (i) the Conversion Price in force (after taking into account any adjustment made pursuant to Clause (a) of this Condition 6(C)(10)); and
  - (ii) the original Conversion Price as adjusted pursuant to any other provision of this Condition 6(C), other than Clause (a) of this Condition 6(C)(10), multiplied by the following fraction:

$$\frac{A}{B}$$

Where:

- A the higher of (a) the Adjusted PATMI for FY 2021 and (b) RMB 154 million; and
- B is the Performance Target for FY 2021.

For avoidance of doubt, an adjustment to the Conversion Price under Condition 6(C) shall apply only to any Bonds outstanding at the time of such adjustment and shall have not applied to any Bonds which have already been fully redeemed or converted into Shares at the time of such adjustment.

- (11) *Other Events:* If the Issuer or the Majority Bondholders determine that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6, the Issuer shall, at its own expense, consult an Independent Investment Bank, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, (ii) if the adjustment would result in a reduction in the Conversion Price, and (iii) the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall (subject always to the approval of the shareholders of the Issuer in a duly convened meeting of shareholders) be made and shall take effect in accordance with such determination, provided that where the circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result.
- (12) *Calculation of Consideration Receivable:* For the purpose of any calculation of the consideration receivable pursuant to Conditions 6(C)(6), 6(C)(7) and 6(C)(8):
- (a) *Issue of Shares for Cash:* the aggregate consideration receivable for Shares issued for cash shall be the amount of such cash provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith;
  - (b) *Issue of Shares on Conversion or Exercise of Securities:* (1) the aggregate consideration receivable for the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Issuer for any such securities and (2) the aggregate consideration receivable for the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be such part (which may be the whole) of the consideration received or receivable by the Issuer for such securities as is attributed by the Issuer to such rights of subscription or, if no part of such consideration is so attributed, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities as determined in good faith by an Independent Investment Bank, plus in the case of each of (1) and (2) above, the

additional minimum consideration (if any) to be received by the Issuer on (and assuming) the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such cases to be determined subject to the proviso in Condition 6(C)(12)(a)) and (3) the consideration per Share receivable by the Issuer on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into US dollars if such consideration is expressed in a currency other than US dollars at such rate of exchange as may be determined in good faith by an Independent Investment Bank to be the spot rate in effect at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate.

- (13) *Employee Share Option Scheme*: The Conversion Price shall not be subject to any adjustment as a result of any issue of Shares by the Issuer pursuant to the employee share option scheme adopted by the Issuer on April 29, 2015 (the "**ESOS**") or any future employee share option scheme (such future share option scheme to be subject to the approval of the Majority Bondholders in Condition 6(F)(i)).
- (14) *Warrant Issue*: Issuance of any Warrants by the Issuer pursuant to the Purchase Agreement shall not result in any adjustment in the Conversion Price.
- (15) *Independent Investment Banks' Certificate Conclusive*: If any doubt shall arise as to the appropriate adjustment to the Conversion Price a certificate or report of an Independent Investment Bank shall be conclusive and binding on the Issuer and each Bondholder save in the case of manifest error.
- (16) *Rounding and Minor Adjustments*: On any adjustment, the resultant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one (1) per cent., of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustments shall be given to Bondholders in accordance with Condition 14 as soon as practicable after their determination.
- (17) *Post-Record Date Adjustments*: If the Conversion Date in relation to any Bond shall be after the record date for any such issue, distribution or grant as is mentioned in Conditions 6(C)(2) to 6(C)(5), and 6(C)(9), or any such issue as is mentioned in Conditions 6(C)(6) and 6(C)(7) which is made to the Shareholders or any of them, but before the relevant adjustment becomes effective under Condition 6(C), the Issuer shall (conditional on such adjustment becoming effective) subject to applicable laws and regulations (including without limitation the listing rules of the SGX-ST or, if applicable, an Alternative Stock Exchange) procure that there be issued to the converting Bondholder or in accordance with the instructions contained in the Conversion Notice such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment (more particularly referred to in the said Conditions above) to the Conversion Price had in fact been made and become effective immediately after the relevant record date, provided that the issue price of such additional Shares shall not be less than the par value of a Share. Such additional Shares will be allotted as at, and within one (1) month after, the relevant Conversion Date or, if the adjustment results from the issue of Shares, the date of issue of Shares. Certificates for such Shares will be despatched within such period of one (1) month.
- (18) *Increases in Conversion Price*: No adjustment resulting in an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(C)(1).
- (19) *Spin-Off*: In connection with an initial public offering of securities of a Subsidiary (the "**Spin-off**") where the Issuer (a) pays or makes a Distribution to its Shareholders or (b) issues any securities to its Shareholders by way of rights or (c) makes arrangements whereby Shareholders are entitled to



participate in such Spin-off by acquiring securities in the Spin-off (whether at a discount or otherwise), the Majority Bondholders may elect to:

- (i) adjust the Conversion Price in accordance with this Condition 6, in which case the Conversion Price for all the Bonds shall be so adjusted; or
  - (ii) receive in-kind any Distributions, securities or participate in any arrangements referred to in sub-paragraph (i) above, in which case the Issuer shall make the same Distribution, securities or arrangements available to all the Bondholders as if the Bonds have been converted into Shares at the Conversion Price then in effect.
- (20) *Performance Targets:* The Performance Targets set out in the definitions below are based on the fully-diluted shares of the Issuer as of the date of the Purchase Agreement, after taking into account the Existing Bonds (as defined below), the Bonds and the Warrants (as defined below), but without taking into account any other securities (whether equity or equity-linked instruments) issued or to be issued by the Issuer after the date of the Purchase Agreement.

Without prejudice to the Bondholders' rights under Condition 6(F), if, after the date of the Purchase Agreement, the Issuer issues any securities (including any equity or equity-linked instrument) other than the Existing Convertible Bonds, the Convertible Bonds or the Warrants, the Performance Targets may be adjusted in a manner to be agreed between the Bondholders and the Issuer to reflect the dilution in earnings per Share reflected by the Performance Targets.

Without prejudice to the Bondholders' rights under Condition 6(F), the Performance Targets may also be adjusted accordingly in a manner to be agreed between the Bondholders and the Issuer, in the event that there is a divestment of the Issuer's green investments assets.

For the purposes of the formulation of the Performance Targets and Adjusted PATMI (as defined below), it is the intention of the Issuer and the management to prioritise long term sustainable recurring income from green investment businesses over generating short term one-off green investment engineering, procurement and construction profits.

For the purposes of these Conditions:

**"Adjusted PATMI"** has the meaning set out in Appendix B.

**"Adjustment Period"** means the period commencing on January 1, 2020 and ending on December 31, 2021.

**"Alternative Stock Exchange"** means, at any time when the Shares are not listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

**"Business Day"** shall mean a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for the transaction of normal banking business in Singapore.

**"Closing Price"** for the Shares for any Trading Day shall be the closing market price quoted for such day by the SGX-ST or (if applicable) the Alternative Stock Exchange.

**"Conversion Shares"** means shares of the Issuer issued upon conversion of the Existing Bonds or the Bonds.

**"Current Market Price"** means, in respect of a Share at a particular date, the volume-weighted average price of one (1) Share (being a Share carrying full entitlement to dividend) quoted by the SGX-ST or an Alternative Stock Exchange for the twenty (20) consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said twenty (20) consecutive Trading

Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said consecutive 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

**"Distribution"** means any dividend or distribution (whether of cash or assets in specie) by the Issuer (whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(2)(i)) by way of capitalisation of reserves to the extent of the Relevant Cash Dividend), including without limitation any purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer).

**"Existing Bonds"** means the convertible bonds in an aggregate principal amount of US\$110 million issued by the Issuer to Glory Sky Vision Limited pursuant to the Existing Bonds Purchase Agreement.

**"Existing Bonds Purchase Agreement"** means the US\$110 million convertible bonds purchase agreement dated December 14, 2016 between the Issuer and Glory Sky Vision Limited.

**"Fair Market Value"** means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the volume-weighted mean of the daily Closing Prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded and (iii) in connection with a Spin-off, the fair market value of options, warrants or other rights shall be calculated by reference to (1) the issue price of the securities in the Spin-off or (2) the volume weighted average of the Closing Prices of the securities quoted by the relevant stock exchange or securities market on which the securities are then listed or quoted or dealt in for the period of five (5) consecutive Trading Days commencing on the first day of trading of such securities, whichever is the greater.

**"FY 2020"** means the financial year ended December 31, 2020.

**"FY 2021"** means the financial year ended December 31, 2021.

**"Independent Investment Bank"** at any time means one of the top 10 financial institutions as may be selected by the Majority Bondholders and the Issuer jointly. The top 10 financial institutions shall be measured by the total transaction volume of worldwide merger and acquisition transactions advised by such institutions in the most recent three (3) full calendar years as reported by Thomson Financial or its successor or, if not available, any other financial information services provider agreed by the Majority Bondholders and the Issuer.

**"Interest"** means all amounts payable by the Issuer under Conditions 5(A) and 5(D)(i).

**"Investors' CB Investments"** at any time means, collectively, the Existing Bonds and the Bonds, in each case that are outstanding at such time.

**"Investors' Original CB Investments"** means, collectively, (a) the Existing Bonds that have been issued to Glory Sky Vision Limited pursuant to the Existing Bonds Purchase Agreement and (b) the Bonds that have been issued to the Original Bondholders pursuant to the Purchase Agreement.

**"Key Men"** means Mr. Guo Hongxin and Mr. Ma Ming.

**"Material Adverse Effect"** means a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of the Issuer and its Subsidiaries taken as a whole, or on the ability of the Issuer to perform its obligations under any Transaction Document.

**"Original Bondholders"** means Blue Starry Energy Limited and Glory Sky Vision Limited. An **"Original Bondholder"** means either one of them.

**"Performance Target(s)"** means the Adjusted PATMI projection for each of the financial years as set out below:

	FY 2020	FY 2021
Adjusted PATMI (in RMB)	370,000,000	460,000,000

**"Purchase Agreement"** means the purchase agreement dated May 22, 2018 entered into between the Issuer and the Original Bondholders in relation to the issuance of the Bonds and the Warrants.

**"PRC"** means the People's Republic of China.

**"Relevant Cash Dividend"** means any cash dividend specifically declared by the Issuer.

**"Relevant Period"** means the period beginning on the tenth (10<sup>th</sup>) Trading Day prior to the Trading Day (the **"relevant Trading Day"**) immediately preceding the date on which the Shares are quoted ex-dividend on the SGX-ST (or any relevant Alternative Stock Exchange) in respect of the cash dividend which caused an adjustment to the Conversion Price pursuant to Condition 6(C)(3), and ending on the relevant Trading Day.

**"RMB"** means Renminbi, the lawful currency of the PRC.

**"S\$" means Singapore dollars, the lawful currency of the Republic of Singapore.**

**"Trading Day"** means a day when the SGX-ST or, as the case may be an Alternative Stock Exchange, is open for dealing business, provided that if no Closing Price is reported in respect of the relevant Shares on the SGX-ST or, as the case may be the Alternative Stock Exchange, for one or more consecutive dealing

days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days.

**"Transaction Documents"** has the meaning given to it in the Purchase Agreement.

**"US\$"** means U.S. dollars, the lawful currency of the United States of America.

**"Warrants"** means the warrants issued by the Issuer to the Original Bondholders in accordance with the Purchase Agreement.

**"Warrant Shares"** means Shares issued upon exercise of any Warrants."

## **APPENDIX 2 – ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF WARRANTS**

*The following is an extract of the Adjustments to Exercise Price and Number of Warrants set out in Exhibit C of the Warrants Terms and Conditions.*

"The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in this Exhibit and the Deed Poll in all or any of the following cases, provided that the Exercise Price shall not be less than the par value of a Share:

- (1) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of the issued Shares as a result of consolidation, subdivision or reclassification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate number of Shares in issue immediately before such alteration; and

B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (2) *Capitalization of Profits or Reserves:* If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves and which would not have constituted a Distribution, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate number of Shares in issue immediately before such issue; and

B is the aggregate number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (3) *Distributions:* If and whenever the Issuer shall pay or make any Distribution (other than a cash dividend) to the Shareholders (except to the extent that the Exercise Price falls to be adjusted under paragraph (2)), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the Distribution divided by the aggregate number of Shares in issue on such date.

Such adjustment shall become effective on the date that such Distribution is actually made.

- (4) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case for a consideration of less than the Current Market Price, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the aggregate number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at the Current Market Price; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (5) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- (6) *Issues at less than the Conversion Price of the Bonds:* If and whenever the Issuer shall issue any Shares (other than Shares issued on the exercise of Warrants) or issue or grant hybrid or other securities, convertible instruments, options, warrants or other rights to subscribe or purchase Shares, in each case at a consideration per Share which is less than the Conversion Price (as defined in the Terms and Conditions (Bonds)) of the Bonds then in effect, the Exercise Price shall be adjusted to such consideration per Share.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

- (7) *Other Issues at less than the Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph (7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in paragraph (4), (5) or (6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer on conversion, exchange or subscription at a consideration per Share which is less than 92 per cent. of the Current Market Price, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate number of Shares in issue immediately before such issue;

B is the aggregate number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the Current Market Price; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the aggregate number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at the Current Market Price or, if lower, the existing conversion, exchange or subscription price; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this paragraph (7) or paragraph (8).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (9) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exercise Price falls to be adjusted under paragraph (4), (5) or (6), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the securities attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities.



- (10) *Other Events:* If the Issuer or the Majority Warrantheolders determine that an adjustment should be made to the Exercise Price and/or number of Warrants as a result of one or more events or circumstances not referred to in this Exhibit C, the Issuer shall, at its own expense, consult an Independent Investment Bank, to determine as soon as practicable (i) what adjustment (if any) to the Exercise Price and number of Warrants is fair and reasonable to take account thereof, (ii) if the adjustment would result in a reduction in the Exercise Price and/or issuance of additional Warrants, and (iii) the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall (subject always to the approval of the shareholders of the Issuer in a duly convened meeting of shareholders) be made and shall take effect in accordance with such determination, provided that where the circumstances giving rise to any adjustment pursuant to this Exhibit C have already resulted or will result in an adjustment to the Exercise Price and/or number of Warrants or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Exercise Price and/or number of Warrants, such modification (if any) shall be made to the operation of the provisions of this Exhibit C as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result.
- (11) *Adjustment to Number of Warrants:*
- (a) In the event of any adjustment of Exercise Price under this Exhibit C (other than as a result of a consolidation of the Shares referred to in paragraph (1)), the Issuer shall, concurrently with such adjustment, issue additional Warrants to each Warrantheolder (in proportion to the outstanding Warrants held by each of them) such that the aggregate adjusted Exercise Price of all outstanding Warrants immediately after such additional issuance would be equal to (not taking into account any rounding) the aggregate Exercise Price of all outstanding Warrants immediately preceding such adjustment and additional issuance. The Issuer shall, as soon as practicable but not later than 3 Business Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantheolder.
  - (b) In the event the Exercise Price is adjusted as a result of consolidation of the Shares referred to in paragraph (1), the Issuer may, concurrently with such adjustment, cancel such number of Warrants held by each Warrantheolder (in proportion to the outstanding Warrants held by each of them) such that the aggregate adjusted Exercise Price of all outstanding Warrants immediately after such cancellation would be equal to the aggregate Exercise Price of all outstanding Warrants immediately preceding such adjustment and cancellation. Where necessary, the Issuer shall arrange for the cancellation and re-issuance of the Warrant Certificate(s) which shall reflect each Warrantheolder's holding of the Warrants after such cancellation.
  - (c) Any new Warrants which may be issued by the Issuer under this Exhibit C shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on the Terms and Conditions (Warrants).
  - (d) Subject to clause 2.7 of the Purchase Agreement and notwithstanding anything to the contrary in these Terms and Conditions (Warrants), the Issuer agrees that it will do all things and take all steps as may be necessary to ensure that on and after 31 December 2018, the aggregate Exercise Price of all Warrants issued pursuant to the Deed Poll (including, for the avoidance of doubt, the Warrants which have been

exercised) shall, at all times, be equal to (not taking into account any rounding) US\$30,000,000 (based on the agreed fixed exchange rate of S\$1.3446 per US\$1).

- (12) *Calculation of Consideration Receivable:* For the purpose of any calculation of the consideration receivable pursuant to paragraphs (6), (7) and (8):
- (a) *Issue of Shares for Cash:* the aggregate consideration receivable for Shares issued for cash shall be the amount of such cash provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith;
  - (b) *Issue of Shares on Conversion or Exercise of Securities:* (1) the aggregate consideration receivable for the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Issuer for any such securities and (2) the aggregate consideration receivable for the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be such part (which may be the whole) of the consideration received or receivable by the Issuer for such securities as is attributed by the Issuer to such rights of subscription or, if no part of such consideration is so attributed, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities as determined in good faith by an Independent Investment Bank, plus in the case of each of (1) and (2) above, the additional minimum consideration (if any) to be received by the Issuer on (and assuming) the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such cases to be determined subject to the proviso in paragraph (12)(a)) and (3) the consideration per Share receivable by the Issuer on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into US dollars if such consideration is expressed in a currency other than US dollars at such rate of exchange as may be determined in good faith by an Independent Investment Bank to be the spot rate in effect at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate.
- (13) *Employee Share Option Scheme:* The Exercise Price shall not be subject to any adjustment as a result of any issue of Shares by the Issuer pursuant to the employee share option scheme adopted by the Issuer on April 29, 2015 (the "**ESOS**") or any future employee share option scheme (such future share option scheme to be subject to the approval of the Majority Bondholders (as defined in the Terms and Conditions (Bonds)) in Condition 6(F)(i) of the Terms and Conditions (Bonds)).
- (14) *Convertible Bond Issue:* Neither the issuance of any convertible bonds by the Issuer pursuant to the Purchase Agreement nor any adjustment to the Conversion Price (as defined in the Terms and Conditions (Bonds)) of the Bonds pursuant to Condition 6(C)(10) (*Performance Targets*) shall result in any adjustment in the Exercise Price.
- (15) *Independent Investment Banks' Certificate Conclusive:* If any doubt shall arise as to the appropriate adjustment to the Exercise Price a certificate or report of an Independent

Investment Bank shall be conclusive and binding on the Issuer and each Warrantholder save in the case of manifest error.

- (16) *Rounding and Minor Adjustments:* On any adjustment, the resultant Exercise Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Exercise Price if such adjustment (rounded down if applicable) would be less than one (1) per cent., of the Exercise Price then in effect. Any adjustment not required to be made, and any amount by which the Exercise Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment.

Any adjustment to the number of Warrants held by the Warrantholder will be rounded downwards to the nearest whole Warrant.

Notice of any adjustments shall be given to Warrantholders in accordance with the Terms and Conditions (Warrants) as soon as practicable after their determination.

- (17) *Post-Record Date Adjustments:* If the Exercise Date in relation to any Warrant shall be after the record date for any such issue, distribution or grant as is mentioned in paragraphs (2) to (5), and (9), or any such issue as is mentioned in Conditions (6) and (7)) which is made to the Shareholders or any of them, but before the relevant adjustment becomes effective under this Exhibit C, the Issuer shall (conditional on such adjustment becoming effective) subject to applicable laws and regulations (including without limitation the listing rules of the SGX-ST or, if applicable, an Alternative Stock Exchange) procure that there be issued to the exercising Warrantholders or in accordance with the instructions contained in the Exercise Notice such additional number of Shares as, together with the Shares issued or to be issued on exercise of the relevant Warrant, is equal to the number of Shares which would have been required to be issued on exercise of such Warrant if the relevant adjustment (more particularly referred to in the said paragraphs above) to the Exercise Price had in fact been made and become effective immediately after the relevant record date, provided that the issue price of such additional Shares shall not be less than the par value of a Share. Such additional Shares will be allotted as at, and within one (1) month after, the relevant Exercise Date or, if the adjustment results from the issue of Shares, the date of issue of Shares. Certificates for such Shares will be despatched within such period of one (1) month.

- (18) *Increases in Exercise Price:* No adjustment resulting in an increase in the Exercise Price will be made, except in the case of a consolidation of the Shares as referred to in paragraph (1).

- (19) *Spin-Off:* In connection with an initial public offering of securities of a Subsidiary (the "**Spin-off**") where the Issuer (a) pays or makes a Distribution to its Shareholders or (b) issues any securities to its Shareholders by way of rights or (c) makes arrangements whereby Shareholders are entitled to participate in such Spin-off by acquiring securities in the Spin-off (whether at a discount or otherwise), the Majority Warrantholders may elect to adjust the Exercise Price in accordance with this Exhibit C, in which case the Exercise Price for all the Warrants shall be so adjusted.

For the purposes of this Exhibit C:

"**Alternative Stock Exchange**" means, at any time when the Shares are not listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

**"Business Day"** shall mean a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for the transaction of normal banking business in Singapore.

**"Closing Price"** for the Shares for any Trading Day shall be the closing market price quoted for such day by the SGX-ST or (if applicable) the Alternative Stock Exchange.

**"Current Market Price"** means, in respect of a Share at a particular date, the volume-weighted average price of one (1) Share (being a Share carrying full entitlement to dividend) quoted by the SGX-ST or an Alternative Stock Exchange for the twenty (20) consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said twenty (20) consecutive Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said consecutive 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

**"Distribution"** means any dividend or distribution (whether of cash or assets in specie) by the Issuer (whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Exercise Price is made in respect thereof under paragraph (2)) by way of capitalisation of reserves to the extent of the Relevant Cash Dividend), including without limitation any purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer).

**"Fair Market Value"** means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the volume-weighted mean of the daily Closing Prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded and (iii) in connection with a Spin-off, the fair market value of options, warrants or other rights shall be calculated by reference to (1) the issue price of the securities in the Spin-off or (2) the volume weighted average of the Closing Prices of the securities quoted by the relevant stock exchange or securities market on which the securities are then listed or quoted or dealt in for the period

of five (5) consecutive Trading Days commencing on the first day of trading of such securities, whichever is the greater.

**"Independent Investment Bank"** at any time means one of the top 10 financial institutions as may be selected by the Majority Warrantholders and the Issuer jointly. The top 10 financial institutions shall be measured by the total transaction volume of worldwide merger and acquisition transactions advised by such institutions in the most recent three (3) full calendar years as reported by Thomson Financial or its successor or, if not available, any other financial information services provider agreed by the Majority Warrantholders and the Issuer.

**"Relevant Cash Dividend"** means any cash dividend specifically declared by the Issuer.

**"S\$"** means Singapore dollars, the lawful currency of the Republic of Singapore.

**"Terms and Conditions (Bonds)"** means the terms and conditions of the Bonds.

**"Trading Day"** means a day when the SGX-ST or, as the case may be an Alternative Stock Exchange, is open for dealing business, provided that if no Closing Price is reported in respect of the relevant Shares on the SGX-ST or, as the case may be the Alternative Stock Exchange, for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days.

**"US\$"** means U.S. dollars, the lawful currency of the United States of America."

### **APPENDIX 3 – CONDITIONS UNDER WHICH THE TRANCHE 2 CBS MAY BE REDEEMED**

*All capitalised terms and expressions hereinafter appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Purchase Agreement and the Tranche 2 CBs Terms and Conditions.*

*The following is an extract of the conditions under the Tranche 2 CBs may be redeemed set out in Conditions 8(B) and 8(C) of the Tranche 2 CBs Terms and Conditions.*

#### **"(B) Redemption for Delisting or Change of Control or Merger**

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds on the Relevant Event Redemption Date (as defined below) at a redemption price equal to (i) 100% of their principal amount, plus (ii) unpaid Interest accrued to but excluding the redemption date, plus (iii) a premium, together with any Warrant Return received by the relevant Bondholder, that would generate for the holder of each Bond the Redemption YTM. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the office of the Issuer's Singapore share transfer agent, a duly completed and signed notice of redemption (the "**Relevant Event Redemption Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than thirty (30) days following a Relevant Event, or, if later, thirty (30) days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 14. The "**Relevant Event Redemption Date**" shall be the fourteenth (14th) day after the expiry of such period of thirty (30) days as referred to above.

The Issuer shall redeem the Bonds the subject of Relevant Event Redemption Notices delivered as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to Bondholders in accordance with Condition 14 by not later than seven (7) days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition and shall describe the Relevant Event in reasonable detail.

A "**Relevant Event**" occurs:

- (i) when the Shares cease to be listed or admitted to trading on the SGX-ST or any Alternative Stock Exchange (as relevant); or
- (ii) when there is a Change of Control; or
- (iii) when there is a Merger (as defined in Condition 12).

For the purposes of this Condition 8(B):

"**Control**" of a person means (i) beneficial ownership of, or the right to exercise voting power in respect of, more than thirty (30) per cent. of the issued share capital of such Person or (ii) possession of the right, or sufficient voting power, to appoint, elect and/or remove all or a majority of the members of such Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a "**Change of Control**" occurs when:

- (i) any Person or Persons (other than the Bondholders or any of them and their respective affiliates) acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing Date;

- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control of the Issuer or the successor entity; or
- (iii) one or more Persons (other than any Person referred to in sub-paragraph (i) above and other than the Bondholders or any of them and their respective affiliates) acquires the legal or beneficial ownership of all or substantially all of the Issuer's issued share capital.

**(C) *Redemption at the Option of the Bondholders***

If the Issuer's Adjusted PATMI for any financial year is less than the Adjusted PATMI for the immediately preceding financial year during the term of the Bonds, the holder of each Bond shall have the right, at its sole option, to require the Issuer, by delivering a written notice (an "**Adjusted PATMI Redemption Notice**") to the Issuer, to redeem the Bond at a redemption price equal to (i) 100% of the outstanding principal amount of the Bond, plus (ii) accrued and unpaid Interest on the outstanding principal amount, plus (iii) a premium that would generate for the holder of such Bond the Redemption YTM assuming that the holder acquired such Bond at its initial principal amount on the Closing Date and taking into account all interest, cash dividends and/or distributions paid by the Issuer and received by the holder in respect of such Bond (and would have been paid by the Issuer and received by the holder had the holder acquired such Bond at its initial principal amount on the Closing Date). Within fourteen (14) days after receipt of such Adjusted PATMI Redemption Notice, the Issuer shall redeem the Bonds the subject of Adjusted PATMI Redemption Notices delivered as aforesaid on the Relevant Event Redemption Date."