

ISR CAPITAL LIMITED
Company No. 200104762G
(Incorporated in the Republic of Singapore)

APPLICATION FOR WAIVER OF COMPLIANCE FROM RULE 707(1) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") AND FURTHER EXTENSION OF TIMELINE (THE "WAIVER")

The Board of Directors (the "**Board**") of ISR Capital Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcements dated 1 March 2019, 5 March 2019 and 8 April 2019. Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as those ascribed to them in the Company's announcement dated 5 March 2019. The Board wishes to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has advised that it has no objection to the Company's application for a further extension of one month from 31 May 2019 to 29 June 2019 to comply with Listing Rule 707(1) subject to the following:-

- (1) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied;
- (2) the Company convening the FY2018 AGM by 29 June 2019; and
- (3) submission of a written confirmation from the Company that as at the date of the Application, it was not aware of any information that will have a material bearing on investors' decision which has yet to be announced (the "**Written Confirmation**").

The Company will be submitting the Written Confirmation to the SGX-ST on 27 May 2019.

The reasons for seeking the Waiver are as follows:-

FY2018 audited financial statements

- (i) PwC Madagascar was engaged as the auditors of the Operating Company on 22 February 2019 and PwC Mauritius was engaged as the auditors of the Target Company only 13 March 2019 following completion of PwC Mauritius' internal Know-Your-Client checks. Accordingly, PwC Mauritius and PwC Madagascar only commenced their audit work from mid-March 2019 and early March 2019, respectively.
- (ii) the Company expected delays in respect of the audit of the Target Company's FY2018 consolidated financial statements as the Target Company has historically taken an extended period of time to finalise the audit of its financial statements. For example, as at the date of the Application which was the subject of the Company's announcement dated 5 March 2019, the then auditor of the Target Company was still in the process of completing the audit of the Target Company's consolidated financial statements for the financial year ended 31 December 2017. As at the date of the application for the current Waiver, such audit for the Target Company's consolidated financial statements for the financial year ended 31 December 2017 had been substantially completed, but the audit for the consolidated financial statements for the financial year ended 31 December 2018 was still ongoing. The Company was also given to understand that additional time was required by the Target Company and the Operating Company to address the audit queries raised by their new auditors, PwC Mauritius and PwC Madagascar, respectively.

- (iii) the auditors of the Company, RT LLP, had informed the Company that they were unable to complete their audit on the consolidated financial statements of the Group given that the underlying component auditors of the Company's subsidiaries had not completed their audit work. RT LLP was also in agreement with the Company's proposal to seek the SGX-ST's approval to for a further extension of the deadline to hold the AGM as they were unable to complete their audit work as a group auditor for the aforementioned reasons in this paragraph.
- (iv) the Company would also like to re-iterate that delays from service providers in Mauritius and Madagascar are not uncommon. The Target Company and the Operating Company are not used to the preparation of their financial statements within a limited period of time, and this is the first time that they, as well as their newly appointed auditors, are subject to the SGX-ST listing rules following the completion of the acquisition. The Company had submitted to the SGX-ST that these are part of the challenges faced in the initial stages of business integration following an acquisition which take time to overcome. The Company is also considering different solutions and plans to address this issue as highlighted in the its announcement dated 5 March 2019.
- (v) the Company had also expended resources to prepare for the announcement of the Group's unaudited consolidated financial statements for the financial period ended 31 March 2019 ("**1QFY19 Quarterly Financials**"), which was due mid-May 2019. This had resulted in a diversion of internal resources, which made it challenging for the Company to focus all its resources on preparing the Group's audited consolidated financials for FY2018 and completing these ahead of an AGM by 31 May 2019. However, the Company believes that assuming a further extension of deadline is granted by the SGX-ST for the Company to conduct its AGM by 29 June 2019, it would be able to focus additional resources in order to meet such new deadline after the 1QFY19 Quarterly Financials are completed. Following the AGM, the Company also expects that there would not be overlapping deadlines or deadlines within close proximity of others in connection with the preparation of the Group financials as the next set of unaudited consolidated financial statements (for the financial period ended 30 June 2019) will only be due for announcement in mid-August 2019.

The Company has announced on 8 April 2019 that the Accounting and Corporate Regulatory Authority has granted the Company an extension of time to hold its AGM by 29 June 2019.

The Company is not aware of any information that will have a material bearing on investor's decision which has yet to be announced.

By Order of the Board

Chen Tong
Executive Chairman

27 May 2019