
ENTRY INTO A TERM LOAN AGREEMENT AND A CONVERTIBLE LOAN AGREEMENT BY THE COMPANY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Lum Chang Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 25 June 2021 entered into a term loan agreement (the “**Term Loan Agreement**”) and a convertible loan agreement (the “**Convertible Loan Agreement**”) with Risa Partners, Inc (the “**Lender**”) (collectively, the “**Loan Agreements**”) pursuant to which the Lender agreed to extend to the Company a term loan (the “**Term Loan**”) of S\$20 million and a convertible loan of S\$20 million (the “**Convertible Loan**”) under the terms of the respective loan agreements (collectively, the “**Facilities**”).

2. THE TERM LOAN AND THE CONVERTIBLE LOAN

- 2.1 The Term Loan and the Convertible Loan are to be extended to the Company concurrently. Under the Convertible Loan Agreement, the Lender at its sole and absolute discretion, may convert the Convertible Loan into ordinary shares of the Company (“**Conversion Shares**”) in accordance with the terms set out in the Convertible Loan Agreement.
- 2.2 The salient terms of the Term Loan Agreement and the Convertible Loan Agreement are set out in the **Appendix** attached.
- 2.3 The offer of the Conversion Shares is made pursuant to the exemption under Section 275(1A) of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the conversion of the Convertible Loan under the Convertible Loan Agreement.

3. DETAILS ON THE LENDER

- 3.1 The Lender is an investment company, focusing on Japan and South East Asia to support business growth and provide Japanese value add, and wishes to become a strategic investor in the Company.
- 3.2 The Company was approached by Risa Partners Asia Pte. Ltd., an associated company of the Lender. The Company was then introduced to the Lender by Risa Partners Asia Pte. Ltd. The Lender is a subsidiary of NEC Capital Solutions Limited which is in turn an affiliate of NEC Corporation, both of which are listed on the Tokyo Stock Exchange.
- 3.3 The Company confirms, to the best of its knowledge, that the Company, its directors and/or substantial shareholders do not have any connection (including business relationships) with the Lender or their directors or substantial shareholders. The Lender has also confirmed with the Company that it does not fall within the categories of persons set out under Rule 812(1)(a) to (d) of the Listing Rules. The Lender has also represented and warranted to the Company that it is not and will not be holding the Conversion Shares in trust or as nominees for other

persons in the event that it exercises the conversion right pursuant to the terms of the Convertible Loan Agreement.

4. RATIONALE AND USE OF PROCEEDS

4.1 The Lender is an investment company with access to an extensive network of Japanese corporations and financial institutions. The Company believes that the Lender's participation as a strategic investor in the Company can create new opportunities for future joint ventures and developments particularly with Japanese parties.

4.2 In addition, the Company is of the view that the entry by the Company into the Term Loan Agreement and the Convertible Loan Agreement are beneficial to the Company and the Group, as proceeds from the Term Loan and the Convertible Loan will be used (a) to repay existing borrowings and (b) for general corporate purposes, in the following manner:

(a) approximately 80% of such proceeds will be used to repay existing borrowings; and

(b) approximately 20% of such proceeds will be used for general corporate purposes.

4.3 The total estimated net proceeds from the Term Loan and the Convertible Loan Agreement, after deducting expenses of approximately S\$100,000 is approximately S\$39,900,000 (the "**Net Proceeds**").

4.4 Pending the deployment of the Net Proceeds for the above-mentioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group, in accordance with the purpose of the Term Loan and the Convertible Loan, as set out in paragraph 4.2 above.

4.5 The Company will make periodic announcements as and when the Net Proceeds from the Term Loan and the Convertible Loan are materially disbursed and whether such use is in accordance with the stated use and the percentage allocated to the stated use in paragraph 4.2 above. The Company will also provide a status report on the use of the Net Proceeds in the Company's half year and full year financial statements and its annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.

5. CHANGE OF CONTROL

5.1 Pursuant to the Convertible Loan Agreement, the Company shall repay the Convertible Loan, if not converted, in full (and all amounts of accrued and unpaid interest and all other amounts payable under the Convertible Loan Agreement) on the second anniversary of the Drawdown Date (as defined in the Appendix), which may be extended by the Lender to the third anniversary of the Drawdown Date by giving notice in writing to the Company. Notwithstanding the foregoing, the Convertible Loan will be immediately cancelled and all outstanding monies payable under the Convertible Loan (including accrued interest) shall become immediately due and payable in cash in the event that Mr Raymond Lum Kwan Sung and Mr David Lum Kok Seng together with parties acting in concert with them ceasing to directly and/or indirectly hold more than 50% of the issued shares of the Company ("**Shares**") (excluding treasury shares) ("**Change of Control**") (unless the Lender has given its prior approval to such Change of Control).

- 5.2 Pursuant to the Term Loan Agreement, the Company shall repay the Term Loan in full (and all amounts of accrued and unpaid interest and all other amounts payable under the Term Loan Agreement) on the second anniversary of the Drawdown Date, provided that the Company may request for the date of repayment to be extended to the third anniversary of the Drawdown Date by giving written notice to the Lender. Notwithstanding the foregoing, the Term Loan will be immediately cancelled and all outstanding monies payable under the Term Loan (including accrued interest) shall become immediately due and payable in cash, upon the occurrence of a Change of Control, unless the Lender has given its prior approval to such Change of Control.
- 5.3 Should a Change of Control occur and the Company fails to pay the outstanding amounts due and payable under the Loan Agreements in accordance therewith, it may trigger cross defaults under other borrowings of the Group (collectively, together with the amount owing under the Facilities, "**Borrowings**"). The aggregate level of Borrowings (including bank guarantees issued for performance bonds) which are outstanding and that may be affected is approximately S\$327.6 million (excluding interest) as at the date of this announcement. This has taken into account the reduction in Borrowings which are to be repaid using the Facilities. As at the date of this announcement, a Change of Control has not occurred.

6 **DIRECTORS' OPINION**

The Directors of the Company are of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds as set out in this announcement, the working capital available to the Group is sufficient to meet its present requirements.

7 **AUTHORITY FOR THE ISSUE OF THE CONVERSION SHARES**

On the assumption that the Convertible Loan is converted in full, the Lender will be issued and allotted with 45,454,546 Conversion Shares representing 12.07% of the existing issued share capital (excluding treasury shares) and 10.77% of the enlarged share capital (excluding treasury shares) of the Company.

Pursuant to a shareholders' resolution passed at the Annual General Meeting of the Company ("**AGM**") held on 29 October 2020, the Directors were authorised pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore and the Listing Manual of the SGX-ST to, *inter alia*, make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares of the Company (the "**Shares**") to be issued at any time to such persons, and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of the resolution (as calculated in accordance with the resolution), of which the aggregate number of Shares issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with the resolution). Unless revoked or varied by the Company in general meeting, the authority conferred by the resolution shall continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. Notwithstanding that the authority conferred by the resolution may have ceased to be in force, the Directors are authorised to issue Shares in pursuance of Instruments made or granted by the Directors while the resolution was in force. The Company will rely on the authority conferred by this resolution (the "**General Mandate**") to issue the Conversion Shares.

The number of issued Shares as at the AGM was 376,688,104 Shares (excluding treasury shares). The Company has not issued any Shares under the General Mandate since the AGM. As such, the maximum number of Shares that may be issued other than on a *pro rata* basis under the General Mandate is 75,377,620.

The Conversion Shares, when fully issued upon the Lender's exercise of its conversion right pursuant to the Convertible Loan Agreement and subject to the assumptions above, falls within the limits of the General Mandate. Accordingly, the Company will be relying on the General Mandate for the issuance and allotment of the Conversion Shares and will not be seeking specific shareholders' approval for the issuance and allotment of the Conversion Shares.

The allotment and issue of the Conversion Shares will not result in a transfer of a controlling interest in the Company.

8 **FINANCIAL EFFECTS OF THE ISSUANCE AND ALLOTMENT OF THE CONVERSION SHARES**

8.1 **Bases and Assumptions**

The financial effects of the issuance and allotment of the Conversion Shares on the share capital, loss per Share ("**LPS**") and net tangible assets ("**NTA**") per Share of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2020. The *pro forma* financial effects of the issuance and allotment of the Conversion Shares are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the issuance and allotment of the Conversion Shares.

For illustration purposes only, the financial effects of the issuance and allotment of the Conversion Shares have been computed based on the following assumptions:

- 8.1.1 the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the issuance and allotment of the Conversion Shares was completed on 30 June 2020, being the end of the most recently completed financial year;
- 8.1.2 the financial effects on the Group's loss attributable to the Shareholders have been computed assuming that the issuance and allotment of the Conversion Shares was completed on 1 July 2019, being the beginning of the most recently completed financial year. The expenses in connection with the Convertible Loan Agreement have been disregarded;
- 8.1.3 the Company draws down the sum of S\$20,000,000 under the Convertible Loan;
- 8.1.4 the Lender elects to convert the Convertible Loan amount of S\$20,000,000; and
- 8.1.5 no adjustments have been made to the Conversion Price

8.2 Share Capital

	No. of Shares	S\$
Issued share capital	376,688,104	83,727,297
Number of Conversion Shares to be issued and allotted	45,454,546	20,000,000
Enlarged share capital after the completion of the issuance of the Conversion Shares	422,142,650	103,727,297

8.3 NTA per Share

	Before the issuance of Conversion Shares	After the issuance of Conversion Shares
NTA attributable to Shareholders (S\$'000)	256,813	276,813
Number of Shares	376,688,104	422,142,650
NTA per Share attributable to Shareholders (cents)	68.18	65.57

8.4 LPS

	Before the issuance of Conversion Shares	After the issuance of Conversion Shares
Net losses attributable to Shareholders (S\$'000)	(2,111)	(2,111)
Weighted average number of Shares ('000)	379,592	425,047
LPS (cents)	0.56	0.50

9 **CHANGES IN SHAREHOLDING INTERESTS OF SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND THE LENDER**

The shareholding interests of the Directors, the Substantial Shareholders and the Lender, before and after the issuance of the Conversion Shares as a percentage of the current share capital of the Company as at the date of this announcement and the enlarged share capital after the issuance of the Conversion Shares, respectively, are as set out below:

	Existing shareholding interests ⁽⁶⁾		Shareholding interests after issuance of Conversion Shares ⁽⁶⁾	
	No. of Shares	% of total issued Shares ⁽¹⁾	No. of Shares	% of total issued Shares ⁽²⁾
Directors				
Raymond Lum Kwan Sung	201,304,629 ⁽³⁾	53.44%	201,304,629 ⁽³⁾	47.69%
David Lum Kok Seng	220,709,048 ⁽⁴⁾	58.59%	220,709,048 ⁽⁴⁾	52.28%
Kelvin Lum Wen Sum	-	-	-	-
Tony Fong	317,000	0.08%	317,000	0.08%
Peter Sim Swee Yam	10,000	n/m ⁽⁷⁾	10,000	n/m ⁽⁷⁾
Dr Willie Lee Leng Ghee	-	-	-	-
Daniel Soh Chung Hian	-	-	-	-
Andrew Chua Thiam Chwee	-	-	-	-
Clement Leow Wee Kia	-	-	-	-
Substantial Shareholders				
Raymond Lum Kwan Sung	201,304,629 ⁽³⁾	53.44%	201,304,629 ⁽³⁾	47.69%
David Lum Kok Seng	220,709,048 ⁽⁴⁾	58.59%	220,709,048 ⁽⁴⁾	52.28%
RMDV Investments Pte. Ltd. (" RMDV ")	123,803,290	32.87%	123,803,290	29.33%
Lum Chang Investments Pte Ltd (" LCI ")	61,972,942	16.45%	61,972,942	14.68%
Beverian Holdings Pte Ltd (" Beverian ")	72,211,400	19.17%	72,211,400	17.11%
Edlyn Lum Wen Ee	61,972,942 ⁽⁵⁾	16.45%	61,972,942 ⁽⁵⁾	14.68%
Emlyn Lum Wen Yan	61,972,942 ⁽⁵⁾	16.45%	61,972,942 ⁽⁵⁾	14.68%
Lender				
Risa Partners, Inc	-	-	45,454,546	10.77%

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company of 376,688,104 Shares (excluding treasury shares).
- (2) Based on the enlarged share capital of the Company of 422,142,650 Shares (excluding treasury shares), after the issuance and allotment of 45,454,546 Conversion Shares.
- (3) Mr. Raymond Lum Kwan Sung is deemed interested in all of the Shares held by LCI and RMDV by virtue of his substantial interests in both companies.
- (4) Mr. David Lum Kok Seng is deemed interested in the Shares held by Beverian, RMDV and Ellipsiz Ltd by virtue of his substantial interests in these companies.
- (5) Ms. Edlyn Lum Wen Ee and Ms Emlyn Lum Wen Yan are deemed interested in the Shares held by LCI by virtue of their substantial interests in the company.
- (6) Shareholding interests include direct and deemed interests of the Shareholders.
- (7) "n/m" denotes not meaningful.

As mentioned above, assuming that all the 45,454,546 Conversion Shares are issued, the Conversion Shares held by the Lenders in aggregate will represent approximately 10.77% of the issued and paid-up share capital of the Company on an enlarged basis and will fall within the limits of the General Mandate.

10 ADDITIONAL LISTING APPLICATION

The Company will be submitting an application to the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST. The Company will make the relevant announcement to notify the Shareholders when the approval-in-principle from the SGX-ST is obtained.

11 DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Convertible Loan Agreement.

12 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company and as disclosed in this announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Loan and the Convertible Loan.

13 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Term Loan Agreement, the Convertible Loan Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

14 TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The issuance and allotment of the Conversion Shares are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the issuance and allotment of the Conversion Shares will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

15 **DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the Term Loan Agreement and the Convertible Loan Agreement are available for inspection at the Company's registered office at 14 Kung Chong Road #08-01 Lum Chang Building Singapore 159150 during normal business hours for a period of three (3) months commencing from the date of this announcement.

In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the document should contact the Company at the email address LCH@lumchang.com.sg at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the document. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its Share records with The Central Depository (Pte) Limited ("**CDP**")/Central Provident Fund ("**CPF**")/Supplementary Retirement Scheme ("**SRS**"), contact number and national identity card/passport/company registration number and state the manner in which he/she/it holds his/her/its Shares in the Company (for example, via CDP, CPF or SRS).

BY ORDER OF THE BOARD

Tony Fong
Tan Eng Chan Gerald
Company Secretaries
25 June 2021

APPENDIX

The salient terms of the Term Loan Agreement and the Convertible Loan Agreement

	Term Loan Agreement	Convertible Loan Agreement
Lender	RISA Partners, Inc	RISA Partners, Inc
Type of loan	Term loan	Convertible loan
Principal Amount of the loan	S\$20 million	S\$20 million
Drawdown of loan	<p>The Lender shall not be obliged to disburse the Loan to the Company unless the following conditions are satisfied (or waived at the discretion of the Lender acting reasonably) as at the Drawdown Date:</p>	<p>The Lender shall not be obliged to disburse the Convertible Loan to the Company unless the following conditions are satisfied (or waived at the discretion of the Lender acting reasonably) as at the Drawdown Date (as defined below):</p>
	<p>(a) a certified true copy (certified by an existing director of the Company) of the board resolutions of the Company dated on or prior to the date hereof approving the terms and conditions and the Company's execution of the Term Loan Agreement being delivered to the Lender;</p>	<p>(a) a certified true copy (certified by an existing director of the Company) of the board resolutions of the Company dated on or prior to the date hereof approving the terms and conditions and the Company's execution of the Convertible Loan Agreement and the issuance of the Conversion Shares in accordance with Clause 5 being delivered to the Lender;</p>
	<p>(b) all other authorisation, consent, approval, resolution, license, exemption, filing, order, lodgement or registration (collectively, the "Authorisations") which are necessary under the applicable Laws (including the Listing Manual) for the Company's implementation of the transactions contemplated hereunder having been validly obtained or completed, and the Term Loan Agreement and all transactions contemplated hereunder not being prohibited in any way by any existing law, regulation, rule (including the Listing Manual), judgment, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body (including the SGX-ST);</p>	<p>(b) all other authorisation, consent, approval, resolution, license, exemption, filing, order, lodgement or registration (including any announcements required to be made by the Company pursuant to the Listing Manual) (collectively, the "Authorisations") which are necessary under the applicable Laws (including the Listing Manual) for the Company's implementation of the transactions contemplated hereunder (including the issue and allotment of the Conversion Shares, and the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST) having been validly obtained or completed, and the Convertible Loan Agreement and all transactions contemplated hereunder not being prohibited in any way by any existing law, regulation, rule (including the Listing Manual), judgment, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body</p>

	Term Loan Agreement	Convertible Loan Agreement
		(including the SGX-ST);
	(c) the parties have validly entered into the Convertible Loan Agreement; and	(c) the parties have validly entered into the Term Loan Agreement; and
	(d) there having been no occurrence of any event or discovery of any fact rendering untrue or incorrect any of the Warranties (as defined in the Term Loan Agreement) or the occurrence of any Event of Default (as set out below).	(d) there having been no occurrence of any event or discovery of any fact rendering untrue or incorrect any of the Warranties (as defined in the Convertible Loan Agreement) or the occurrence of any Event of Default (as set out below).
	Subject to the Term Loan Agreement, the Company shall issue and deliver a drawdown notice to the Lender simultaneously with the issue and delivery of the drawdown notice under the Convertible Loan Agreement. “Drawdown Date” means the date set out in the drawdown notice on which the Lender shall disburse the Loan in full to the Company by way of electronic or telegraphic transfer to the Company’s bank account in Singapore, which shall be at least 5 business days after the date of the drawdown notice.	Subject to the Convertible Loan Agreement, the Company shall issue and deliver a drawdown notice within 5 business days from the date of the approval in-principle for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST to the Lender simultaneously with the issue and delivery of the drawdown notice under the Term Loan Agreement. “Drawdown Date” means the date set out in the drawdown notice on which the Lender shall disburse the Convertible Loan in full to the Company by way of electronic or telegraphic transfer to the Company’s bank account in Singapore, which shall be at least 5 business days after the date of the drawdown notice.
Repayment Date/ Maturity Date	The date on which all outstanding amounts under the Term Loan Agreement shall be repaid in full by the Company to the Lender, being the date falling on the second anniversary of the Drawdown Date or the third anniversary of the Drawdown Date in accordance with the Term Loan Agreement (as the case may be), but if there shall be an Event of Default (as set out below) and the Lender has served notice of repayment pursuant to the Term Loan Agreement, then the date that repayment has to be made pursuant to such notice.	The date on which all outstanding amounts under the Convertible Loan Agreement shall be repaid in full by the Company to the Lender, being the date falling on the second anniversary of the Drawdown Date or the third anniversary of the Drawdown Date in accordance with the Convertible Loan Agreement (as the case may be), but if there shall be an Event of Default and the Lender has served notice of repayment pursuant to the Convertible Loan Agreement, then the date that repayment has to be made pursuant to such notice.
Interest Rate	3% per annum	2% per annum
Interest Period	Interest shall be payable on the Loan on amounts outstanding under the Loan at 3% per annum. Such interest shall accrue on the Loan from the Drawdown Date until the Repayment Date.	Interest at a rate of 2% per annum shall accrue on the amount outstanding under the Convertible Loan from the Drawdown Date until the later of: (a) the day on which the Conversion Shares representing the full amount outstanding under the Convertible Loan are issued in full to the Lender provided that if

	Term Loan Agreement	Convertible Loan Agreement
		<p>the Conversion Shares issued do not represent the full amount outstanding, then until the day that the Conversion Shares representing the value of the remaining outstanding amount have been issued; and</p> <p>(b) where applicable, the day on which full repayment is received by the Lender other than in circumstances set out in (a) above.</p>
Conversion Right and Conversion Period	Not applicable	The Lender may on or before the second anniversary of the Drawdown Date deliver a Conversion Notice to the Company, to convert all (but not some only) of the amounts outstanding under the Convertible Loan into the Conversion Shares as determined by the Convertible Loan conversion formula (as set out below). Notwithstanding the foregoing, the Lender may, by notice in writing delivered to the Company no later than 4.00 p.m. on the second anniversary of the Drawdown Date, extend the period for issuing the Conversion Notice to the third anniversary of the Drawdown Date. The Conversion Notice once delivered to the Company shall be irrevocable.
Conversion Price of Convertible Loan	Not applicable	Subject to any adjustments (as set out below, S\$0.44 per Conversion Share.
Convertible Loan Conversion Formula	Not applicable	<p>Subject to the Convertible Loan Agreement, at any time prior to the Maturity Date, the Lender shall be entitled to convert all (but not some only) of the principal amount of SGD20,000,000 under the Convertible Loan into an aggregate of 45,454,546 Shares (the "Conversion Shares") by delivering the duly executed Conversion Notice to the Company and the Conversion Notice shall be irrevocable once received by the Company (unless otherwise agreed in writing by the parties) and shall be final and binding on the parties. For the avoidance of doubt, the allotment and issue of the Conversion Shares to the Lender shall be regarded as an act of repayment of the Convertible Loan by the Company.</p> <p>Subject to the Convertible Loan Agreement, the number of Conversion Shares shall be calculated in accordance with the following formula subject to fractions of a Conversion Share derived therefrom being rounded up to the nearest whole</p>

	Term Loan Agreement	Convertible Loan Agreement
		<p>number:</p> <p>Number of Conversion Shares = (A ÷ B)</p> <p>Where :</p> <p>“A” means all amounts outstanding under the Convertible Loan as at the date of issue of the Conversion Shares; and</p> <p>“B” means the Conversion Price.</p> <p>The Conversion Price shall be adjusted in the event that there shall be (a) a consolidation or subdivision of the Shares or (b) any issue of Shares credited as fully paid up by way of capitalisation of profits or reserves (whether of a capital of income nature) to the holders of Shares, but not in any other event. Subject to the Convertible Loan Agreement, the adjustment will be made in accordance with the following formula:</p> $NCP = CP \times (OSC \div NSC)$ <p>Where:</p> <p>“NCP” means the new Conversion Price (in SGD)</p> <p>“CP” means the Conversion Price</p> <p>“OSC” means the entire number of Shares (excluding treasury shares) immediately before the adjustment event</p> <p>“NSC” means the entire number of Shares (excluding treasury shares) immediately after the adjustment event.</p> <p>Any adjustment to the Conversion Price will be rounded downwards to the nearest one (1) cent. No adjustment will be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one (1) cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment. Any adjustment shall be subject to the applicable regulatory Authorisations being obtained (including without limitation the SGX-ST) in connection with the adjustment of the Conversion Price and/or the issue of additional Conversion Shares to be issued pursuant to the adjusted Conversion Price. Any such</p>

	Term Loan Agreement	Convertible Loan Agreement
		adjustment shall be announced by the Company on the electronic website of the SGX-ST.
Status of the Conversion Shares	Not applicable	The Conversion Shares will, when issued, rank <i>pari passu</i> and carry the same rights and privileges in all respects with all existing issued and paid-up ordinary shares in the capital of the Company (the “ Shares ”) save that they will not rank for any dividend, rights, allotments or other distributions if the record date of which falls on or before the date on which the Conversion Shares are allotted and issued.
Repayment and Prepayment of a loan	<p>The Company shall repay the Loan in full (and all amounts of accrued and unpaid interest and all other amounts payable under the Term Loan Agreement) on the second anniversary of the Drawdown Date, provided that the Company may request for the date of repayment to be extended to the third anniversary of the Drawdown Date (“Extension”) by giving written notice to the Lender no later than 45 days prior to the second anniversary of the Drawdown Date (“Extension Notice”) and the Lender shall have sole and absolute discretion to accept or reject such request for the Extension.</p> <p>The Lender shall notify the Company in writing no later than 30 days from the date of its receipt of the Extension Notice (“Extension Notice Response Period”) whether it consents to or rejects the Extension (“Extension Notice Response”) and such Extension Notice Response shall be irrevocable (unless otherwise mutually agreed in writing by the parties) and shall be final and binding on the parties, provided that if the Lender does not issue any Extension Notice Response to the Company by the expiry of the Extension Notice Response Period, the Lender shall be deemed to have consented to the Extension.</p> <p>Notwithstanding the foregoing, upon the occurrence of a Change of Control, then unless the Lender has given its prior approval to such Change of Control, the Loan will be immediately cancelled and all outstanding monies payable under the Loan (including accrued interest) shall become immediately due and payable in cash.</p> <p>“Change of Control” means Mr</p>	<p>Subject to and in accordance with the Convertible Loan Agreement, the Company shall repay the Convertible Loan in full (and all amounts of accrued and unpaid interest and all other amounts payable under the Convertible Loan Agreement) on the second anniversary of the Drawdown Date, provided that the Lender shall have the right to extend the date of repayment to the third anniversary of the Drawdown Date by giving notice in writing delivered to the Company no later than 4.00 p.m. on the day falling 60 days prior to the second anniversary of the Drawdown Date and such notice in writing once received by the Company shall be irrevocable (unless otherwise mutually agreed in writing between the parties) and shall be final and binding on the parties.</p> <p>Notwithstanding the foregoing, upon the occurrence of a Change of Control, then unless the Lender has given its prior approval to such Change of Control, the Convertible Loan will be immediately cancelled and all outstanding monies payable under the Convertible Loan (including accrued interest) shall become immediately due and payable in cash.</p> <p>“Change of Control” means Mr Raymond Lum Kwan Sung and Mr David Lum Kok Seng together with parties acting in concert with them ceasing to directly and/or indirectly hold more than 50% of the issued Shares (excluding treasury shares).</p>

	Term Loan Agreement	Convertible Loan Agreement
	Raymond Lum Kwan Sung and Mr David Lum Kok Seng together with parties acting in concert with them ceasing to directly and/or indirectly hold more than 50% of the issued Shares (excluding treasury shares).	
Status of loans	The Company shall ensure that at all times the Company's payment obligations and its indebtedness under the Term Loan Agreement rank and continue to rank at least <i>pari passu</i> with the claims of all of the Company's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally and obligations which rank higher in priority.	The Company shall ensure that at all times its payment obligations and its indebtedness under the Convertible Loan Agreement shall rank and continue to rank at least <i>pari passu</i> with the claims of all of the Company's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally and obligations which rank higher in priority.
Purpose of the loans	For the duration that the Loan is outstanding to the Lender by the Company, the Company shall utilise the Loan received by the Company under the terms of the Term Loan Agreement only (a) to repay existing borrowings and (b) for general corporate purposes. The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to the Term Loan Agreement.	For the duration that the Convertible Loan is outstanding to the Lender by the Company, the Company shall utilise the Convertible Loan received by the Company under the terms of the Convertible Loan Agreement only (a) to repay existing borrowings and (b) for general corporate purposes. The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to the Convertible Loan Agreement.
Events of Default	<p>Upon the occurrence of any of the following events, the Lender may by notice in writing to the Company declare that the Loan is immediately cancelled and the Loan, all outstanding interest and other monies payable under the Term Loan Agreement shall immediately be due and payable:</p> <p>(1) the Company does not pay in the manner provided in the Term Loan Agreement any sum payable under it when due;</p> <p>(2) the Company does not perform or comply with any one or more of its obligations (other than the payment obligation of the Company) under the Term Loan Agreement and, if in the opinion of the Lender that default is capable of remedy and such default is not remedied to the satisfaction of the Lender (acting reasonably) within 14 days of its occurrence;</p>	<p>Upon the occurrence of any of the following events, the Lender may by notice in writing to the Company declare that the Convertible Loan is immediately cancelled and the Convertible Loan, all outstanding interest and other monies payable under the Convertible Loan Agreement shall immediately be due and payable in cash:</p> <p>(1) the Company does not pay in the manner provided in the Convertible Loan Agreement any sum payable under it when due;</p> <p>(2) the Company does not perform or comply with any one or more of its obligations (other than the payment obligation of the Company referred to in (a) above) under the Convertible Loan Agreement and, if in the opinion of the Lender that default is capable of remedy and such default is not remedied to the satisfaction of the Lender (acting reasonably) within 14 days of its occurrence;</p>

	Term Loan Agreement	Convertible Loan Agreement
	(3) any representation, warranty or statement by the Company in the Term Loan Agreement or in any document delivered under the Term Loan Agreement, is not complied with or is or proves to have been materially incorrect when made or deemed to be made;	(3) any representation, warranty or statement by the Company in the Convertible Loan Agreement or in any document delivered under the Convertible Loan Agreement, is not complied with or is or proves to have been materially incorrect when made or deemed to be made;
	(4) (a) the Company (i) is or will be unable to, or admits inability, to pay its debts as they fall due, (ii) suspends or threatens to suspend making payments on any of its debts, or (iii) enters into liquidation whether compulsorily or voluntarily or compounds with its creditors or has a receiver, judicial manager or similar officer appointed for all or any part of its assets or suffers any similar actions in consequence of debt (or commences negotiations with its creditors with a view to rescheduling any of its indebtedness), (b) the value of the Company's assets is less than its liabilities (taking into account contingent and prospective liabilities), (c) a moratorium takes effect by operation of Law or is declared in respect of any indebtedness of the Company, provided that if a moratorium occurs or is declared, the ending of the moratorium will not remedy any Event of Default caused by that moratorium, (d) any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Company and is not discharged within 7 days, or (e) the Company fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction;	(4) (a) the Company (i) is or will be unable to, or admits inability, to pay its debts as they fall due, (ii) suspends or threatens to suspend making payments on any of its debts, or (iii) enters into liquidation whether compulsorily or voluntarily or compounds with its creditors or has a receiver, judicial manager or similar officer appointed for all or any part of its assets or suffers any similar actions in consequence of debt (or commences negotiations with its creditors with a view to rescheduling any of its indebtedness), (b) the value of the Company's assets is less than its liabilities (taking into account contingent and prospective liabilities), (c) a moratorium takes effect by operation of Law or is declared in respect of any indebtedness of the Company, provided that if a moratorium occurs or is declared, the ending of the moratorium will not remedy any Event of Default caused by that moratorium, (d) any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Company and is not discharged within 7 days, or (e) the Company fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction;
	(5) the Company ceases or threatens to cease (or is required by applicable regulatory requirements to suspend or cease) to carry on business;	(5) the Company ceases or threatens to cease (or is required by applicable regulatory requirements to suspend or cease) to carry on business;
	(6) any indebtedness of the	(6) any indebtedness of the

	Term Loan Agreement	Convertible Loan Agreement
	Company under the Convertible Loan Agreement is not paid when due or within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default;	Company under the Term Loan Agreement is not paid when due or within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default;
(7)	any indebtedness of the Company is (a) not paid when due nor within any originally applicable grace period, (b) declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described), or (c) any creditor of the Company becomes entitled to declare any indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default (howsoever described);	(7) any indebtedness of the Company is (a) not paid when due nor within any originally applicable grace period, (b) declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described), or (c) any creditor of the Company becomes entitled to declare any indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default (howsoever described);
(8)	an event or circumstance having or is reasonably expected to have a material adverse effect on the financial position or business of the Company and/or its subsidiaries, or on the Company's ability to perform the Term Loan Agreement having occurred or is existing;	(8) an event or circumstance having or is reasonably expected to have a material adverse effect on the financial position or business of the Company and/or its subsidiaries, or on the Company's ability to perform the Convertible Loan Agreement having occurred or is existing;
(9)	the auditors of the Company qualify the audited annual consolidated financial statements of the Company in a way which is or would reasonably be expected to be materially adverse to the interest of the Lender;	(9) the auditors of the Company qualify the audited annual consolidated financial statements of the Company in a way which is or would reasonably be expected to be materially adverse to the interest of the Lender;
(10)	the Company rescinds or purports to rescind or repudiates or purports to repudiate the Term Loan Agreement or evidences an intention to rescind or repudiate the Term Loan Agreement;	(10) the Company rescinds or purports to rescind or repudiates or purports to repudiate the Convertible Loan Agreement or evidences an intention to rescind or repudiate the Convertible Loan Agreement;
(11)	any action, condition or thing (including the obtaining of any necessary Authorisation) at any time required to be taken, fulfilled or done for the Company's performance of the Term Loan Agreement is not taken, fulfilled or done, or any such Authorisation is revoked or withdrawn or any material	(11) any action, condition or thing (including the obtaining of any necessary Authorisation) at any time required to be taken, fulfilled or done for the Company's performance of the Convertible Loan Agreement is not taken, fulfilled or done, or any such Authorisation is revoked or withdrawn or any

	Term Loan Agreement		Convertible Loan Agreement	
		condition in or relating to any such Authorisation is not complied with; and		material condition in or relating to any such Authorisation is not complied with; and
	(12)	(a) it is or becomes unlawful for the Company to perform any of its obligations under the Term Loan Agreement, (b) the Term Loan Agreement is not effective in accordance with its terms for any reason, or (c) the Term Loan Agreement is not or ceases to be full force and effect.	(12)	(a) it is or becomes unlawful for the Company to perform any of its obligations under the Convertible Loan Agreement, (b) the Convertible Loan Agreement is not effective in accordance with its terms for any reason, or (c) the Convertible Loan Agreement is not or ceases to be full force and effect.