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

PROPOSED ISSUE OF 2.0% CONVERTIBLE REDEEMABLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S$35,000,000 – RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST

1. INTRODUCTION

The board of directors (the "**Board**") of ISR Capital Limited (the "**Company**") refers to its previous announcements dated 18 November 2014 and 22 January 2015 (the "**Previous Announcements**").

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Previous Announcements.

2. APPROVAL IN-PRINCIPLE

Further to the Previous Announcement, the Board wishes to announce that the Company has today obtained the approval in-principle ("**AIP**") from the SGX-ST in relation to the listing and quotation of up to 11,666,666,667 Conversion Shares.

The AIP is subject to*:*

(a) compliance with the SGX-ST's listing requirements;

(b) Shareholders' approval for the Bonds Issue;

(c) announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the Bonds may be redeemed;

(d) submission of the following:

(i) a written confirmation by the Company that the terms of the Bonds comply with Rule 829(1) of the Listing Manual;

(ii) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Bonds and conversion of the Bonds 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;

(iii) a written undertaking form the Company that it will comply with Rule 803 of the Listing Manual (i.e. will not allot and issue the Bonds so as to transfer a controlling interest in the Company without the prior approval of the Shareholders in a general meeting);

(iv) a written undertaking from the Company that it will not place the Bonds to persons prohibited under Rule 812(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;

(vi) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual;

(vii) a written undertaking that it will disclose all transfers of ownership of the Bonds;

(viii) a written undertaking that it will announce any change in the Maturity Date of the Bonds; and

(ix) a written confirmation that the Bonds Issue complies with Rules 805 and 806 of the Listing Manual, and relevant provisions of Part IV and Part VI of Chapter 8 of the Listing Manual relating to the issue of convertible securities for cash and requirements relating to the issue of convertible securities; and

(e) announcement of the following via SGXNET:

(i) disclosure of the Board's rationale and confirmation that it is in the best interest of the Company and its public shareholders that in the event the Company chooses not to redeem the Bonds when the Conversion Price is less than or equal to 65% of the average closing price per share for 30 consecutive trading days immediately preceding the Closing Date for any Redeemable Conversion Bond(s); and

(ii) the disclose of the opinion of the Board on the rationale of the arranger's fees payable of 5% for the Bonds Issue and the Board's view whether and why such payments are in the interest of the Company.

The AIP is not to be taken as an indication of the merits of the Bonds Issue, the Company and/or its subsidiaries.

3. FURTHER INFORMATION

A circular to Shareholders setting out, *inter alia*, further details on the Bonds Issue, together with a notice convening the general meeting, will be despatched to the Shareholders in due course.

By Order of the Board
ISR Capital Limited

Quah Su-Yin
Chief Executive Officer and Executive Director
4 August 2015