



**ANCHOR RESOURCES LIMITED**  
(Company Registration Number: 201531549N)  
(Incorporated in the Republic of Singapore on 12 August 2015)

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**PROPOSED ISSUE OF 1% UNSECURED REDEEMABLE EQUITY-LINKED NOTES  
DUE 2022 WITH AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$10,000,000**

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**1. INTRODUCTION**

The Board of Directors of Anchor Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 12 March 2019 entered into a subscription agreement (the “**Subscription Agreement**”) with Advance Opportunities Fund (“**AOF**”) and Advance Opportunities Fund I (“**AOF I**”) (AOF and AOF I collectively, the “**Subscribers**” and each a “**Subscriber**”) in connection with the proposed issue by the Company to the Subscribers of 1% unsecured redeemable equity-linked notes due 2022 (“**RELN**” or “**Notes**”) with an aggregate principal amount of up to S\$10,000,000 in 3 tranches (the “**Proposed Issue**”). The 3 tranches of the RELN (each, a “**Tranche**”) shall be referred to as “**Tranche 1 RELN**”, “**Tranche 2 RELN**” and “**Tranche 3 RELN**” respectively.

**2. TRANCHE 1 RELN**

2.1 **Principal Amount:** S\$3,000,000 in one single tranche.

2.2 **Subscription:** To be subscribed by the Subscribers upon fulfilment of the conditions precedent set out in paragraph 2.7 below.

2.3 **Conversion Price:** 90% of the volume weighted average price (“**VWAP**”) per ordinary share of the Company (“**Shares**”) traded on the SGX-ST for the business day preceding the date of the Company’s receipt of the conversion notice, provided that: (i) the Conversion Price for each Share shall not be less than S\$0.015; and (ii) subject to a maximum number of Shares to be issued at conversion (“**Conversion Shares**”) for Tranche 1 RELN (see paragraph 2.4 below).

2.4 **Maximum Limit:** The maximum number of Conversion Shares for Tranche 1 RELN shall be 200,000,000 Shares. The remaining number of Shares under the existing general share issue mandate is 467,248,917 at the date of this Announcement. Please refer to Appendix A for the provisions where the minimum conversion price and maximum limit of Conversion Shares is triggered.

2.5 **Rationale and Use of Proceeds:** The proceeds of Tranche 1 RELN will be applied in the following manner:

- (i) approximately S\$2.405 million to repay the existing guaranteed non-convertible bonds (“**Guaranteed Bonds**”) maturing on 3 April 2019 issued by the Company pursuant to the subscription agreement that was announced by the Company on 29 March 2018; and
- (ii) the balance proceeds to defray the issue expenses relating to the Tranche 1 RELN and to be used to fund the Group’s general working capital.

2.6 **Cancellation Fee:** S\$50,000 payable by the Company to the Subscribers where the Tranche 1 RELN is not issued by the Company due to whatsoever reason by the long stop date of 6 months from the date of the Subscription Agreement.

2.7 **Conditions Precedent:** The key conditions precedent for the closing of Tranche 1 RELN are briefly as follows:

- (i) the Company has a valid and subsisting general share issue mandate obtained at its annual general meeting, or the approval of the shareholders having been obtained at a general meeting of the Company for the allotment and issue of the Tranche 1 RELN and the Conversion Shares arising therefrom;
- (ii) obtaining all necessary regulatory authority approvals relating to the RELN and, where such approval(s) are obtained subject to any conditions, they are acceptable to the Subscribers;
- (iii) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects;
- (iv) the Company shall have performed all of its undertakings or obligations hereunder to be performed;
- (v) a legal opinion of a firm of legal advisers to the Company in relation to Singapore law and a legal opinion of a firm of legal advisers to the Company in relation to Malaysian law, as shall be acceptable to the Subscribers; and
- (vi) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the RELN issuance.

2.8 **Application for listing approval:**

- (i) The Company's Sponsor, UOB Kay Hian Private Limited, will be submitting an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist in respect of the Tranche 1 RELN.
- (ii) As the Tranche 2 RELN and Tranche 3 RELN are at the option of the Company, the Company's Sponsor, UOB Kay Hian Private Limited will submit the application for the listing and quotation for the Conversion Shares in respect of the Tranche 2 RELN and Tranche 3 RELN when required.

2.9 **Other Material Terms:** Please refer to Appendix A for other material terms of the Tranche 1 RELN.

### 3. TRANCHE 2 RELN AND TRANCHE 3 RELN

3.1 **Principal Amount:**

- (i) Tranche 2 RELN: S\$3,500,000 comprising 7 sub-tranches of S\$500,000 each; and
- (ii) Tranche 3 RELN: S\$3,500,000 comprising 7 sub-tranches of S\$500,000 each.

3.2 **Subscription:** At the Company's option to require the Subscribers to subscribe for the Tranche 2 RELN and Tranche 3 RELN during the relevant option period (the "**Option Period**"), being the period of 10 business days from the conversion date of the last of the RELN comprised in the last sub-tranche in respect of each of Tranche 2 RELN and Tranche 3 RELN upon fulfilment of the conditions precedent set out in paragraph 3.6 below.

3.3 **Conversion Price:** 90% of the VWAP per Share on which Shares were traded on the SGX-ST for the business day preceding the date of the Company's receipt of the conversion notice, provided that (i) the Conversion Price for each Share shall not be less than S\$0.015; (ii)

subject to a maximum number of Conversion Shares to be issued for Tranche 2 RELN and Tranche 3 RELN respectively (see paragraph 3.4 below).

- 3.4 **Maximum Limit:** The aggregate maximum number of Conversion Shares for Tranche 2 RELN and Tranche 3 RELN shall be 233,333,333 Shares for each tranche. Please refer to Appendix A for the provisions where the minimum conversion price and maximum limit of Conversion Shares is triggered. In the event the remaining number of Shares under the existing general share issue mandate after the conversion of all the Tranche 1 RELN is not sufficient, the Company's subscription of the Tranche 2 RELN and Tranche 3 RELN may be subject to the obtaining of the approval of shareholders for the issuance of the Conversion Shares upon conversion of the Tranche 2 RELN and/or Tranche 3 RELN.
- 3.5 **Rationale and Use of Proceeds:** To repay up to S\$3.905 million in relation to the Guaranteed Bonds maturing on September 2021 (if the Company does not have other funding options) and the balance proceeds to defray the issue expenses relating to the Proposed Issue and to fund the Group's general working capital.
- 3.6 **Conditions Precedent:** The key conditions precedent for the closing of first sub-tranche of Tranche 2 RELN and Tranche 3 RELN are briefly as follows:
- (i) the Company has a valid and subsisting general share issue mandate obtained at its annual general meeting or the approval of the shareholders having been obtained at a general meeting of the Company for the allotment and issue of the Tranche 2 RELN and/or Tranche 3 RELN (as the case may be) and the Conversion Shares arising therefrom;
  - (i) obtaining all necessary authority and third party's approvals relating to the RELN and, where such approval(s) are obtained subject to any conditions, they are acceptable to the Subscribers;
  - (ii) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects;
  - (iii) the Company shall have performed all of its undertakings or obligations hereunder to be performed;
  - (iv) a legal opinion of a firm of legal advisers to the Company in relation to Singapore law and a legal opinion of a firm of legal advisers to the Company in relation to Malaysian law, as shall be acceptable to the Subscribers; and
  - (v) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the RELN issuance.
- 3.7 **Conditions Precedent:** The key conditions precedent for the closing of subsequent sub-tranche of Tranche 2 RELN and Tranche 3 RELN are briefly as follows:
- (i) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects;
  - (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed; and
  - (iii) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the RELN issuance.
- 3.8 **Other Material Terms:** Please refer to Appendix A for other material terms of the Tranche 2 RELN and Tranche 3 RELN.

#### 4. NET PROCEEDS AND ALLOCATION

Based on the aggregate principal amount of S\$10,000,000 gross proceeds from the issue of Tranche 1 RELN, Tranche 2 RELN and Tranche 3 RELN, the net proceeds, after deducting estimated fees and expenses (including the abovementioned administration fee and expenses of approximately S\$706,000, are approximately S\$9,294,000 (the “**Net Proceeds**”). The Company intends to use the Net Proceeds in the following manner:

<b>Use of Net Proceeds</b>	<b>Percentage Allocation (%)</b>
Repay existing Guaranteed Bonds (see paragraphs 2.5 and 3.5 above)	Approximately up to 68%
General Working Capital	Approximately up to 32%

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in its interim and full-year financial statements issued under the Catalist Rules and the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that: (i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the present bank facilities and Net Proceeds of the Proposed Issue, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding so, the proceeds of the Proposed Issue is to repay the Guaranteed Bonds and the balance to defray the issue expenses relating to the Proposed Issue and for general working capital to cater for further expansion and increase in production and concession, as disclosed in paragraphs 2.5 and 3.5 of this Announcement.

## **5. INFORMATION ON THE SUBSCRIBERS**

AOF is an open-ended fund with sub-funds incorporated in the Cayman Islands.

AOF I is an open-ended fund incorporated as an exempted company with limited liability in the Cayman Islands. AOF I is structured as a regulated mutual fund with the Cayman Islands Monetary Authority.

AOF I is currently managed by Advance Capital Partners Asset Management Private Limited, a registered fund management company with the Monetary Authority of Singapore and has been appointed by AOF I to serve as the discretionary investment manager of all its investments.

The Company was looking to raise funds to, inter alia, to repay its existing Guaranteed Bonds, strengthen its balance sheet and was introduced to Mr Tan Choon Wee. Subsequent to the introduction, the Company decided to enter into the Subscription Agreement with the Subscribers.

The Subscribers and Mr Tan Choon Wee do not have any connection with any director or substantial shareholder of the Company. As at the date of this announcement, the Subscribers and Mr Tan Choon Wee do not hold any Shares in the Company.

## **6. APPLICATION TO THE SGX-ST**

The Company’s Sponsor, UOB Kay Hian Private Limited, will be submitting an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist. The Company will make the necessary announcement upon the receipt of the approval in-principle from the SGX-ST for the listing of and quotation for the

Conversion Shares on the Official List of the SGX-ST. The RELN will not be listed on the Official List of the SGX-ST.

## 7. FINANCIAL EFFECTS

At the date of this announcement, the actual Conversion Price is not ascertainable as it is based on the prevailing trading prices of the Company on Conversion Date. Other than Tranche 1 RELN, the Company has the discretion not to exercise its Option in respect of Tranche 2 RELN and Tranche 3 RELN. Accordingly, the total principal amount of Notes to be issued is also not determinable at the date of this announcement.

Based on the minimum conversion price of S\$0.015 per Share and assuming all the three tranches of RELN in aggregate principal amount of S\$10,000,000 are issued and fully converted, the maximum number of Conversion Shares is 666,666,666. This represents approximately 61% of the existing share capital of the Company of 1,090,426,616 and approximately 38% of the enlarged share capital of the Company of 1,757,093,382.

The Subscribers are subscribing the RELN for investment purposes only and have no intention of influencing the management of, or exercising control over, the Company. Where the number of Conversion Shares to be issued pursuant to a single exercise of its conversion rights would exceed 15% of the enlarged share capital of the Company, the Subscribers shall not be entitled to such exercise unless written consent of the Company shall have been obtained.

The financial effects of the Proposed Issue on the share capital, NTA and gearing of the Group set out below are based on certain assumptions stated below and purely for illustration only, in order to facilitate Shareholders' understanding of the Proposed Issue.

Further, the Company is of the view that it is not possible to quantify in any meaningful way the effect of the Proposed Issue on the earnings of the Company and the Group as the actual amount of proceeds to be raised from this Proposed Issue is dependent on the actual number of tranches of the RELN eventually issued by the Company and until such proceeds have been fully deployed.

### 7.1 Tranche 1 RELN of the principal amount of S\$3,000,000

The following illustrates the financial effects of the Proposed Issue on the share capital of the Company and the net tangible assets ("NTA") of the Group (assuming the Proposed Issue had been completed at the end of that financial year) after taking into consideration the issuance of 43,478,261 Shares ("Placement Shares") at an issue price of S\$0.023 pursuant to a placement exercise which was completed on 17 January 2019 and based on the assumptions that (i) the conversion price is S\$0.015 per Share; (ii) the Tranche 1 RELN are issued and fully converted on the day of their issue; (iii) the Tranche 1 RELN are converted into the maximum number of Conversion Shares being 200,000,000 Conversion Shares; (iv) the issue expenses amount to approximately S\$275,000; and (v) there is no adjustment event:

#### Share Capital

	No. of shares	S\$'000
Share capital before conversion of Tranche 1 RELN	1,090,426,616	81,123
Add:		
Maximum number of Conversion Shares arising from the full conversion of Tranche 1 RELN	200,000,000	3,000
Enlarged share capital after conversion of Tranche 1 RELN	1,290,426,616	84,123
Conversion Shares issued upon conversion of Tranche 1 RELN as a percentage of the existing issued and paid-up capital	Approximately 18.3%	N/A

Conversion shares issued upon conversion of Tranche 1 RELN as a percentage of the enlarged issued and paid-up capital	:	Approximately 15.5%	N/A
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#### NTA

NTA as at 31 December 2018	:	S\$3,869,000
<i>Add:</i>		
Issuance of Placement Shares	:	S\$1,000,000
<i>Less:</i>		
Estimated issue expenses arising from issuance of Tranche 1 RELN	:	(S\$275,000)
<i>Add:</i>		
Effect of conversion of Tranche 1 RELN	:	S\$3,000,000
Adjusted NTA after conversion of Tranche 1 RELN		<u>S\$7,594,000</u>
NTA per share before conversion of Tranche 1 RELN (cents)	:	0.45
NTA per share after conversion of Tranche 1 RELN (cents)	:	0.59

#### Gearing (times)

As at 31 December 2018

	Net borrowings (S\$'000)	Total equity (S\$'000)	Gearing ratio (times)
Before conversion of Tranche 1 RELN	6,716	4,869	1.38
After conversion of Tranche 1 RELN	4,311	7,594	0.57

## 7.2 Tranche 1 RELN to Tranche 3 RELN in the aggregate principal amount of up to S\$10,000,000

The following illustrates the financial effects of the Proposed Issue on the share capital of the Company and NTA on the Group (assuming the Proposed Issue had been completed at the end of that financial year) after taking into consideration the issuance of the Placement Shares at an issue price of S\$0.023 pursuant to a placement exercise which was completed on 17 January 2019 and based on the assumptions that (i) the conversion price at S\$0.015; (ii) the three tranches of RELN are issued and fully converted; (iii) all three tranches of RELN are converted into the aggregate maximum number of Conversion Shares being 666,666,666 Conversion Shares; (iv) the issue expenses amount to approximately S\$706,000 and (v) there is no adjustment event:

#### Share Capital

	No. of shares	S\$
Share capital before conversion of Tranche 1 RELN to Tranche 3 RELN	1,090,426,616	81,123
<i>Add:</i>		
Maximum number of conversion shares arising from the full conversion of Tranche 1 RELN to Tranche 3 RELN	666,666,666	10,000
Enlarged share capital after conversion of Tranche 1 RELN to Tranche 3 RELN	<u>1,757,093,282</u>	<u>91,123</u>

Conversion shares issued upon conversion of Tranche 1 RELN to Tranche 3 RELN as a percentage of the existing issue and paid-up capital	:	Approximately 61.1%	N/A
Conversion shares issued upon conversion of Tranche 1 RELN to Tranche 3 RELN as a percentage of the enlarged issue and paid-up capital	:	Approximately 37.9%	N/A

## NTA

NTA as at 31 December 2018	:	S\$3,869,000
<i>Add:</i>		
Issuance of Placement Shares	:	S\$1,000,000
<i>Less:</i>		
Estimated issue expenses	:	(S\$706,000)
<i>Add:</i>		
Effect of conversion of Tranche 1 RELN to Tranche 3 RELN	:	S\$10,000,000
Adjusted NTA after conversion of Tranche 1 RELN to Tranche 3 RELN		<u>S\$14,163,000</u>
NTA per share before conversion of Tranche 1 RELN to Tranche 3 RELN (cents)	:	0.45
NTA per share after conversion of Tranche 1 RELN to Tranche 3 RELN (cents)	:	0.81

## Gearing (times)

As at 31 December 2018

	Net borrowings (S\$'000)	Total equity (S\$'000)	Gearing ratio (times)
Before conversion of Tranche 1 RELN to Tranche 3 RELN	6,716	4,869	1.38
After conversion of Tranche 1 RELN to Tranche 3 RELN	406	14,163	0.03

**For the avoidance of doubt, Shareholders should note that nothing in this announcement may be treated as a representation by the Company as to the trading price of the Shares on the SGX-ST during the term of the RELN or for any other period of time.**

## 8. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

There will not be any prospectus or offer information statement issued in connection with the Proposed Issue as the Proposed Issue will be undertaken by way of private placement in accordance with Section 272B of the SFA.

## 9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Issue, other than through their respective shareholdings (if any) in the Company.

## 10. 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 Proposed Issue, 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.

## 11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Issue will be subject to conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Issue 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 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.

## 12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the registered office of the Company at 80 Robinson Road #17-02 Singapore 068898 during normal business hours for 3 months from the date of this announcement.

### By Order of the Board ANCHOR RESOURCES LIMITED

Dr Wilson Tay Chuan Hui  
Lead Independent Director and Non-Executive Chairman

12 March 2019

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*This announcement has been prepared by Anchor Resources Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*The Sponsor has not verified the contents of this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-SY assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Lam Siew Hwa, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*



## APPENDIX A

### (Terms and Conditions Applicable to Tranche 1, Tranche 2 and Tranche 3 of the RELN)

Issue price	The amount equivalent to 100% of the principal amount of the Tranche 1, Tranche 2 and Tranche 3 of the RELN. The Notes are issued in registered form in multiples of S\$50,000.
Method of issue	The RELN will be privately placed to and purchased by the Subscribers. No offering circular or information memorandum will be issued by the Company for the Proposed Issue.
Interest	1% interest per annum, payable semi-annually in arrears on 30 June and 31 December in each year. Each RELN shall cease to bear interest on conversion into ordinary shares in the share capital of the Company (collectively, “ <b>Shares</b> ” and each, a “ <b>Share</b> ”) or from the due date for redemption.
Conversion	<p>(a) Any RELN may be converted into shares of the Company (the “<b>Conversion Shares</b>”) at the option of its holder from the date on which it is issued up to the close of business on the day falling 1 week before the Maturity Date (as defined below).</p> <p>(b) The number of Conversion Shares to which a noteholder is entitled on conversion shall be determined by dividing the aggregate principal amount of the RELN to be converted by the applicable Conversion Price.</p> <p>(c) Upon receipt of the long form conversion notice from the Noteholder, the Company shall, as soon as practicable, within 2 business days from the date of such long form conversion notice, deliver or cause to be delivered the allotment advice or instructions to issue the Conversion Shares to the Company's share registrars and transfer agent in Singapore.</p>
Where the Minimum Conversion price and Maximum Limit of Conversion Shares are triggered	If the Conversion Price is less than the Minimum Conversion Price, the RELN shall be converted based on the Minimum Conversion Price; and in which event, the aggregate difference between the Minimum Conversion Price and the Conversion Price will be settled in cash on the Conversion Date together with accrued interest.
Closing date	<p>In respect of Tranche 1 RELN, the date on which Tranche 1 RELN is subscribed for and issued pursuant to the Subscription Agreement.</p> <p>In respect of each sub-tranche of the Tranche 2 RELN and Tranche 3 RELN, the date on which such sub-tranche of the Tranche 2 RELN and Tranche 3 RELN is subscribed for and issued pursuant to the Subscription Agreement.</p>
Redemption	The Company may redeem the RELN presented for conversion in cash at the Redemption Amount (as defined below) if the Conversion Price is less than or equal to 65% of the VWAP per Share for the forty-five (45) consecutive business days prior to the relevant Closing Date.
Redemption amount (the “ <b>Redemption Amount</b> ”)	<p>The redemption amount is calculated according to the following formula:</p> $N \times \{P + [8\% \times P \times (D/365)] + I\}$

		<p>Where:</p> <p>“D” = the amount of days elapsed since the relevant Closing Date;</p> <p>“N” = the number of RELN presented for conversion.</p> <p>“P” = the face value of the RELN presented for conversion.</p> <p>“I” = the remaining unpaid interest accrued on the RELN presented for conversion.</p>
Maturity		<p>“<b>Maturity Date</b>” means the date falling 36 months from the Closing Date of Tranche 1 RELN. The RELN which are not redeemed or purchased, converted or cancelled by the Company will be converted by the Company in accordance with the Terms and Conditions on the Maturity Date.</p>
Subscriber crossing threshold	not 15%	<p>Where the aggregate number of Conversion Shares held by the Subscribers after the allotment of Conversion Shares exceeds 15.0% of the enlarged share capital of the Company, the Subscribers shall not be entitled to such exercise unless written consent of the Company shall have been obtained.</p>
Events of Default		<p>The significant Events of Default under the Subscription Agreement are, <i>inter alia</i>, as follows:</p> <ul style="list-style-type: none"> <li>(a) there is a default in any payment by the Company pursuant to the relevant Conditions;</li> <li>(b) there is default by the Company in the payment of the principal or interest in respect of the RELN or any of them when due in accordance with the terms and conditions of the Subscription Agreement;</li> <li>(c) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue Shares arising from the conversion of the RELN as and when a holder of the RELN exercises its conversion rights in accordance with the Conditions), contained in the RELN and on its part to be performed or observed;</li> <li>(d) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of at least S\$10,000,000 or the equivalent in any other currency or currencies (hereinafter collectively called “<b>Indebtedness</b>”) of the Company or any of its significant subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of the Significant Subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of at least S\$10,000,000 given by the Company or any of the Significant Subsidiaries shall not be honoured when due and called upon; and</li> <li>(e) the delisting or an order for delisting or threatened delisting of the Shares from the SGX-ST or a suspension of trading, or material limitation of the Shares on the SGX-ST for a period of five consecutive Business Days or more. For the avoidance of</li> </ul>

	<p>doubt, a threatened delisting shall exclude the Company being placed on the Watch List of the SGX-ST.</p> <p>If an Event of Default occurs, all outstanding RELN may, by notice in writing, be declared immediately due and payable within 30 days from the date of such notice at 118% of the principal amount together with accrued interest.</p>
Administrative fee	<p>An administrative fee of 6% of the principal amount of Tranche 1 RELN and each sub-tranche of Tranche 2 RELN and Tranche 3 RELN issued is payable by the Company to the duly appointed fund manager and/or any authorised agent to act for and on behalf of AOF I on the relevant Closing Date.</p>
Adjustment provisions	<p>The adjustment provisions under the Subscription Agreement are customary provisions based on prescribed formulae in the event of significant adjustment events including any consolidation of Shares, restructuring of the Company and/or any subsidiary, or any sale or transfer of all or substantially all of the assets of the Company and/or any subsidiary, stock split or share consolidation.</p> <p>The Company undertakes not to carry out or cause to be carried out any of the corporate transactions which will result in an adjustment to the Conversion Price, Minimum Conversion Price and Conversion Downside Price (as defined in the Subscription Agreement) unless with the prior written consent of the Subscribers.</p>