

**OFFER INFORMATION STATEMENT DATED 11 OCTOBER 2022**  
(Lodged with the Monetary Authority of Singapore on 11 October 2022)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE RIGHTS (AS DEFINED HEREIN) OR CONVERTIBLE BONDS (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE RIGHTS, CONVERTIBLE BONDS OR CONVERTIBLE SHARES (AS DEFINED HEREIN) BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

This offer is made in or accompanied by an offer information statement (the “**Offer Information Statement**”), together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Convertible Bonds and Excess Convertible Bonds (the “**ARE**”) and the Application Form for Convertible Bonds (the “**ARS**”), which has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act 2001 of Singapore (the “**Securities and Futures Act**” or “**SFA**”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights, Convertible Bonds or Conversion Shares being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been granted by the SGX-ST for the listing of and quotation of the Convertible Bonds, up to 381,415, 529 Conversion Shares to be issued upon the conversion of the Convertible Bonds (based on the Issue Size and the Conversion Price, each as defined herein) and such other Conversion Shares as may be issued pursuant to any adjustments in accordance with the terms and conditions of the Convertible Bonds (the “**Terms and Conditions**”) on the Main Board of the SGX-ST, subject to certain conditions being fulfilled. The Convertible Bonds and the Conversion Shares will be admitted to the Main Board of the SGX-ST and the official listing of and quotation for the Convertible Bonds and the Conversion Shares on the Main Board of the SGX-ST will commence after all conditions imposed by SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. The securities offered are issued by Addvalue Technologies Ltd (the “**Company**”), an entity whose shares are listed for quotation on the Main Board of the SGX-ST. The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.

In the event that permission is not granted by the SGX-ST for the listing and quotation of the Convertible Bonds on the Main Board of the SGX-ST due to an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the trading of the Convertible Bonds, the Company shall nevertheless proceed with and complete the Rights Issue. In the event that the Company is unable to obtain a listing for the Convertible Bonds on the SGX-ST, Bondholders (as defined herein) will not be able to trade their Convertible Bonds on the SGX-ST. However, the Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System. In addition, if a Bondholder were to exercise his or her Convertible Bonds in accordance with the Terms and Conditions, the Conversion Shares arising therefrom will be listed and quoted on the Main Board of the SGX-ST.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

This Offer Information Statement shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights, the Convertible Bonds and the Conversion Shares, nor shall there be any sale of any shares or other securities, including the Rights, the Convertible Bonds and the Conversion Shares, in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of such jurisdiction. This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose. Persons to whom a copy of this Offer Information Statement has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Information Statement or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Offer Information Statement and/or the transfer of the Rights, the Convertible Bonds and the Conversion Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Offer Information Statement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. This Offer Information Statement is not for distribution, directly or indirectly, into the United States of America (the “**U.S.**” or “**United States**”). The Rights, the Convertible Bonds and the Conversion Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other or other jurisdiction of the U.S. The Rights, the Convertible Bonds and the Conversion Shares are being offered and sold outside the U.S. in offshore transactions as defined and in reliance on Regulation S under the Securities Act.

After the expiration of six (6) months from the date of lodgment of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement; and no officer or equivalent person or promoter of the entity or proposed entity will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Information Statement. Your attention is drawn to the section entitled “**Risk Factors**” of this Offer Information Statement, which you should review carefully.

Terms appearing on the cover of this Offer Information Statement bear the same meanings as defined in this Offer Information Statement.



**ADDVALUE TECHNOLOGIES LTD**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199603037H)

**RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO S\$6,484,064 IN AGGREGATE PRINCIPAL AMOUNT OF 6.0 PER CENT. REDEEMABLE CONVERTIBLE BONDS CONVERTIBLE INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY IN THE DENOMINATION OF S\$1.00 EACH AND INTEGRAL MULTIPLES THEREOF, AT AN ISSUE PRICE OF S\$0.931 PER CONVERTIBLE BOND, ON THE BASIS OF ONE (1) CONVERTIBLE BOND FOR EVERY FIVE HUNDRED (500) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

**IMPORTANT DATES AND TIMES:**

Last date and time for splitting and trading of Rights	:	21 October 2022 at 5.30 p.m.
Last date and time for acceptance and payment for Convertible Bonds	:	28 October 2022 at 5.30 p.m. (or 9.30 p.m. for Electronic Applications through ATMs of Participating Banks or an Accepted Electronic Service)
Last date and time for excess application and payment for Excess Convertible Bonds (as defined herein)	:	28 October 2022 at 5.30 p.m. (or 9.30 p.m. for Electronic Applications through ATMs of Participating Banks or an Accepted Electronic Service)

The above is qualified by, and should be read in conjunction with, the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

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## IMPORTANT NOTICE

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*Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “Definitions” section of this Offer Information Statement.*

In view of the ongoing COVID-19 situation, the Authority, the Securities Industry Council of Singapore and the Singapore Exchange Regulation has introduced temporary measures to, among others, allow issuers involved in rights issues the option to electronically disseminate offer documents through publication on SGXNET and their corporate websites instead of despatching hardcopy offer documents as required under the SFA, beyond 30 June 2021. The temporary measures will be in place until revoked or amended by the Authority, the Securities Industry Council of Singapore and the Singapore Exchange Regulation. To provide certainty to listed issuers and relevant parties, at least six months’ advance notice will be given before the temporary measure ceases to be available.

Pursuant to the above and the Securities and Futures (Offers of Investments) (Temporary Exemptions from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020, the Company will not be despatching hardcopies of the Offer Information Statement and the Product Highlights Sheet to Entitled Shareholders and Purchasers.

Notification under Section 309B of the SFA: The Rights, the Convertible Bonds and the Conversion Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For Entitled Depositors (which excludes Entitled Scripholders, CPFIS Shareholders, SRS Investors and investors who hold Shares through finance companies and/ or Depository Agents), acceptances of Rights and (if applicable) applications for Excess Convertible Bonds may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank or an Accepted Electronic Service.

For Entitled Scripholders, acceptances of the Rights and (if applicable) applications for Excess Convertible Bonds may be made through the Share Registrar.

CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents should read the section titled “Important Notice to CPFIS Members, SRS Investors and Investors who Hold Shares through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the acceptance and application procedures.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of Rights purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance made by such investors directly through CDP, Electronic Applications at ATMs of Participating Banks or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

The existing Shares are quoted on the Main Board of the SGX-ST.

Persons wishing to subscribe for the Convertible Bonds or purchase the Rights offered by this Offer Information Statement should, before deciding whether to so purchase or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group including, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Convertible Bonds. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of such affairs of the Company and the Group, as well as any bases and assumptions upon which financial projections, if any, are made or based, and their own appraisal and determination of the merits of investing in the Company or the Group, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, solicitor, accountant or other professional adviser before deciding whether to subscribe for the Convertible Bonds, purchase the Rights or invest in the Company.

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## IMPORTANT NOTICE

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Investors should read the section entitled “**Risk Factors**” of this Offer Information Statement, in particular the sub-section titled “Risks relating to an Investment in the Rights, the Convertible Bonds and/or the Shares”, before making an investment decision.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue or the issue of the Convertible Bonds and the Conversion Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Group.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement or the Product Highlights Sheet nor the issue of the Convertible Bonds or the Conversion Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, their renounees and Purchasers should take note of any such announcement or supplementary or replacement document and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

None of the Company, the Group, nor any of their directors, officers, employees, agents, representatives or advisers makes any representation in this Offer Information Statement to any person regarding the legality of an investment in the Rights, the Convertible Bonds, the Conversion Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement and the Product Highlights Sheet should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Rights, the Convertible Bonds, the Conversion Shares and/or the Shares.

None of the Company, the Group, nor any of their directors, officers, employees, agents, representatives or advisers makes any representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights, the Convertible Bonds, the Conversion Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents, including the Product Highlights Sheet, shall be construed as a recommendation to subscribe for the Convertible Bonds, purchase the Rights or invest in the Shares. Prospective subscribers of the Convertible Bonds and Purchasers should rely on their investigation of the financial condition and affairs of the Company and the Group as well as their own appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and the accompanying documents, including the Product Highlights Sheet, have been prepared solely for the purpose of the acceptance and subscription of the Convertible Bonds under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders, their renounees and Purchasers) to whom these documents are despatched or disseminated by the Company or for any other purpose.

This Offer Information Statement, including the Product Highlights Sheet, the OIS Notification Letter, the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The Rights, the Convertible Bonds and the Conversion Shares have not been and will not be registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

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## IMPORTANT NOTICE

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The Rights, the Convertible Bonds and the Conversion Shares are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S under the Securities Act.

In addition, until forty (40) days after the commencement of the Rights Issue, any offer, sale or transfer of the Rights or the Convertible Bonds in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

**The distribution of this Offer Information Statement and/or its accompanying documents and the purchase, exercise of or subscription for the Rights, the Convertible Bonds or the Conversion Shares may be prohibited or restricted by law (either absolutely or subject to various requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Entitled Shareholders, their renounees and Purchasers or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company. Please refer to the sections entitled “Eligibility of Shareholders to Participate in the Rights Issue” and “Offering, Selling and Transfer Restrictions” of this Offer Information Statement for further information.**

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## IMPORTANT NOTICE TO CPFIS MEMBERS, SRS INVESTORS AND INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT

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*Capitalised terms used herein which are not otherwise defined shall have the same meaning as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.*

The Convertible Bonds are not eligible for inclusion under the CPFIS. Accordingly, CPF Funds **CANNOT** be used to pay for the acceptance of Rights, the application for Excess Convertible Bonds or the purchase of Rights from the market. The Convertible Bonds will not be held through the CPF Investment Account.

Shareholders who have previously purchased their Shares under the SRS and Shareholders who hold Shares through finance companies or Depository Agents can only accept their Rights and (if applicable) apply for Excess Convertible Bonds by instructing the relevant approved banks in which such SRS Investors hold their SRS Accounts, respective finance companies or Depository Agents, as the case may be, to do so on their behalf in accordance with the terms and conditions of this Offer Information Statement.

**ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED SHAREHOLDERS THROUGH CDP OR THROUGH ATMS OF PARTICIPATING BANKS OR AN ACCEPTED ELECTRONIC SERVICE WILL BE REJECTED.**

The above-mentioned Shareholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights and (if applicable) applications for Excess Convertible Bonds to their respective approved bank, finance company and/or Depository Agent.

**(a) Use of CPF Funds**

**The Convertible Bonds are not eligible for inclusion under the CPFIS. Accordingly, CPF Funds CANNOT be used to pay for the acceptance of Rights, application for Excess Convertible Bonds or purchase of Rights from the Market.**

CPFIS Members who have previously bought their Shares using CPF Funds and wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds will need to instruct their respective CPF agent banks to accept their Rights and (if applicable) apply for Excess Convertible Bonds on their behalf **USING CASH** and in accordance with the terms and conditions of this Offer Information Statement. The Convertible Bonds will not be held through the CPF Investment Account.

**(b) Use of SRS Funds**

SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds using SRS monies, must instruct the relevant SRS Approved Banks in which they hold their SRS Accounts to accept their Rights and (if applicable) apply for Excess Convertible Rights on their behalf in accordance with this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights and (if applicable) apply for Excess Convertible Bonds. SRS Investors are advised to provide their respective SRS Approved Banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of Rights directly from the market.

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**IMPORTANT NOTICE TO CPFIS MEMBERS, SRS INVESTORS AND INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT**

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**(c) Holdings through Finance Company and/or Depository Agent**

Shareholders who hold Shares through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights and (if applicable) apply for Excess Convertible Bonds on their behalf in accordance with this Offer Information Statement.

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## DEFINITIONS

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For the purposes of this Offer Information Statement, the Product Highlights Sheet, the OIS Notification Letter, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires, have the following meanings:

### *The Group*

“AVI”	:	Addvalue Innovation Pte. Ltd.
“Company”	:	Addvalue Technologies Ltd
“Group”	:	The Company and its subsidiaries
“ZXCZ”	:	Zhongxin Chuangzhi (Beijing) Technology Ltd., Co

### *Other Entities*

“Authority” or “MAS”	:	The Monetary Authority of Singapore
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Inmarsat”	:	Inmarsat Inc
“NMFS”	:	National Marine Fisheries Service
“NOAA”	:	National Oceanic and Atmospheric Administration
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“OLE”	:	US NMFS Office of Law Enforcement

### *General*

“Accepted Electronic Service”	:	An accepted electronic payment service (such as PayNow) or electronic service delivery networks
“Act” or “Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Agency Agreement”	:	The agency agreement to be entered into among the Company, the Principal Agent, the Bond Registrar and the Trustee in relation to the Convertible Bonds, as amended, modified or supplemented from time to time
“Announcement”	:	The announcement released by the Company on 7 July 2022 in relation to the Rights Issue
“ARE”	:	Application form for Convertible Bonds and Excess Convertible Bonds to be issued to Entitled Depositors in respect of their Rights under the Rights Issue
“ARS”	:	Application form for Convertible Bonds to be issued to Purchasers in respect of their purchase of Rights traded on the Main Board of the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a Participating Bank



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## DEFINITIONS

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- “Board”** : The board of Directors of the Company as at the date of this Offer Information Statement
- “Bond Registrar”** : The registrar for the Convertible Bonds, being Pacific Trustees (Singapore) Ltd.
- “Bondholders”** : A person in whose name a Convertible Bond is registered, except that where the registered holder is CDP, the terms **“Bondholder”** shall, in relation to such Convertible Bond, mean each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Convertible Bonds
- “Business Day”** : A day (other than a Saturday, Sunday or gazetted public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
- “Closing Date”** : (a) 5.30 p.m. on 28 October, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment for the Convertible Bonds under the Rights Issue through CDP or the Share Registrar; or
- (b) 9.30 p.m. on 28 October 2022, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Convertible Bonds under the Rights Issue through an ATM of a Participating Bank or an Accepted Electronic Service
- “Constitution”** : The constitution of the Company, as amended from time to time
- “Conversion Price”** : The price at which each Conversion Share will be issued, being S\$0.0170. The Conversion Price is subject to adjustments under certain circumstances in accordance with the Terms and Conditions of the Convertible Bonds
- “Conversion Right”** : The right of a Bondholder to convert his or her Convertible Bonds into Conversion Shares, credited as fully paid, in accordance with the Terms and Conditions
- “Conversion Shares”** : The new Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds and such other new Shares which may be issued pursuant to any adjustments to the Conversion Price in accordance with the Terms and Conditions
- “Convertible Bonds”** : The S\$6,484,064 in aggregate principal amount of 6.0 per cent. (6.0%) convertible bonds convertible into new Shares to be allotted and issued by the Company pursuant to the Rights Issue
- “CPF Funds”** : CPF investible savings
- “CPF Investment Account”** : The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
- “CPFIS”** : CPF Investment Scheme

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## DEFINITIONS

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- “CPFIS Members”** : Shareholders who have previously bought their Shares under the CPFIS – Ordinary Account
- “Deed of Covenant”** : The deed poll to be executed by the Company in favour of the relevant account holders, from time to time, of CDP in relation to the Convertible Bonds, as amended, varied or supplemented from time to time
- “Depository Agreement”** : The application form in respect of the Convertible Bonds to be executed by the Company and to be accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein as amended, varied or supplemented from time to time
- “Directors”** : The directors of the Company as at the date of this Offer Information Statement
- “Directors’ Confirmations”** : The written confirmations provided by the Undertaking Directors
- “Electronic Application”** : Acceptance of the Convertible Bonds and (if applicable) application for the Excess Convertible Bonds made through (i) an ATM of one of the Participating Banks; (ii) an Accepted Electronic Service; or (iii) the SGX-SFG Service, as the case may be, in accordance with the terms and conditions contained in this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such Electronic Application being made through an ATM of a Participating Bank or an Accepted Electronic Service shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made *via* the SGX-SFG Service
- “Entitled Depositors”** : Shareholders with Shares standing to the credit of their Securities Account as at the Record Date and (i) whose registered addresses with CDP are in Singapore as at the Record Date or (ii) who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”** : Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (i) whose registered addresses with the Company or the Share Registrar are in Singapore as at the Record Date; or (ii) who have, at least three (3) Market Days prior to the Record Date, provided the Company or the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”** : Entitled Depositors and Entitled Scripholders, collectively
- “EPS”** : Earnings per Share
- “Excess Convertible Bonds”** : Convertible Bonds which are available for application by Entitled Shareholders subject to the terms and conditions contained in this Offer Information Statement, (if applicable) the Constitution, the ARE and the PAL, comprising the Convertible Bonds not validly taken up by Entitled Shareholders, their renounees or Purchasers, the aggregated fractional entitlements to Convertible Bonds (if any) and any Convertible Bonds which are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in this

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## DEFINITIONS

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	Offer Information Statement, (if applicable) the Constitution, the ARE and the PAL
<b>“Existing Share Capital”</b>	: The existing issued and paid-up share capital of the Company of 3,242,031,975 Shares (excluding treasury shares) as at the Latest Practicable Date
<b>“Foreign Purchasers”</b>	: Persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore at the time of purchase
<b>“Foreign Shareholders”</b>	: Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Company or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“FY”</b>	: Financial year ended or ending 31 March, as the case may be
<b>“IDRS Business”</b>	: All communication businesses and commercial activities of the Group involving IDRS technologies and consisting of the supply of IDRS terminals and/or the provision of services involving IDRS (including but not limited to the supply of airtime, design, solutions and applications in connection with the various memorandums of understanding, agreements or collaborations entered into/forged by the Group as described in this Offer Information Statement
<b>“Irrevocable Undertakings”</b>	: The irrevocable undertakings provided by the Undertaking Shareholders
<b>“Issue Date”</b>	: The date of issue of the Convertible Bonds
<b>“Issue Price”</b>	: The issue price of the Convertible Bonds, being 93.1 per cent. (93.1%) of the principal amount of the Convertible Bonds, or S\$0.931 for each S\$1.00 in principal amount of the Convertible Bonds
<b>“ITA”</b>	: The Income Tax Act 1947 of Singapore
<b>“Latest Practicable Date”</b>	: 4 October 2022, being the latest practicable date prior to the date of lodgment of this Offer Information Statement
<b>“Listing Manual”</b>	: The listing manual of the Main Board of the SGX-ST, as may be amended, supplemented or revised from time to time
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Maturity Date”</b>	: The maturity date of the Convertible Bonds, being five (5) years from the Issue Date
<b>“NAV”</b>	: Net asset value
<b>“Net Proceeds”</b>	: The estimated net proceeds from the issue of the Convertible Bonds of approximately S\$5.6 million, after deducting professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$0.40 million
<b>“NRIC”</b>	: National Registration Identity Card
<b>“NTA”</b>	: Net tangible assets

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## DEFINITIONS

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<b>“Offer Information Statement”</b>	: This offer information statement dated 11 October 2022 and, where the context admits, the Product Highlights Sheet, the OIS Notification Letter, the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
<b>“OIS Notification Letter”</b>	: The notification letter to be issued to Entitled Shareholders and Purchasers (other than Foreign Purchasers) containing, among others, instructions on how to view, download and print the electronic version of this Offer Information Statement and the Product Highlights Sheet
<b>“Participating Banks”</b>	: DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, and each of them a <b>“Participating Bank”</b>
<b>“Principal Agent”</b>	: The principal paying, conversion and transfer agent for the Convertible Bonds, being Pacific Trustees (Singapore) Ltd.
<b>“Product Highlights Sheet”</b>	: The product highlights sheet prepared by the Company in relation to the Rights Issue accompanying this Offer Information Statement
<b>“Provisional Allotment Letter” or “PAL”</b>	: The provisional allotment letter issued to the Entitled Scripholders, setting out the Rights in respect of Convertible Bonds of such Entitled Scripholders under the Rights Issue
<b>“Purchaser”</b>	: A purchaser of the Rights traded on the SGX-ST under the book-entry (scripless) settlement system
<b>“Record Date”</b>	: 5.00 p.m. on 10 October 2022, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the Rights of Entitled Shareholders under the Rights Issue
<b>“Registration Date”</b>	: The date Conversion Shares are credited to the relevant holder’s account with CDP or he or she is registered as such in the Register of Members
<b>“Register of Members”</b>	: Register of members of the Company
<b>“Regulation S”</b>	: Regulation S under the Securities Act
<b>“Rights”</b>	: The “nil-paid” rights to subscribe for one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
<b>“Rights Issue”</b>	: The proposed renounceable and non-underwritten rights issue by the Company of up to S\$6,484,064 in aggregate principal amount of Convertible Bonds, at the Issue Price, in the denomination of S\$1.00 for each Convertible Bond, on the basis of one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement

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## DEFINITIONS

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<b>“Rights Trading Period”</b>	: The trading period of the Rights on a “nil-paid” basis, commencing from 9.00 a.m. on 13 October 2022 and ending at 5.30 p.m. on 21 October 2022
<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities Act”</b>	: U.S. Securities Act of 1933, as amended
<b>“Securities and Futures Act” or “SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“Securities and Futures Regulations” or “SFR”</b>	: The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018
<b>“SGXNET”</b>	: The broadcast network utilised by companies listed on the SGX-ST for the purpose of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST from time to time)
<b>“Share Registrar”</b>	: KCK CorpServe Pte. Ltd.
<b>“Share Transfer Books”</b>	: The share transfer books of the Company
<b>“Shareholders”</b>	: Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<b>“Share(s)”</b>	: Ordinary share(s) in the capital of the Company
<b>“SRS”</b>	: Supplementary Retirement Scheme
<b>“SRS Account”</b>	: An account opened by a participant in the SRS from which money may be withdrawn for, <i>inter alia</i> , payment for the Convertible Bonds and Excess Convertible Bonds
<b>“SRS Approved Banks”</b>	: The relevant approved banks in which such SRS Investors hold their SRS Accounts
<b>“SRS Investors”</b>	: Investors who have previously purchased Shares under the SRS
<b>“Subsequent Placement Exercises”</b>	: Placement exercises conducted by the Company after 31 March 2022
<b>“Substantial Shareholder”</b>	: An entity or a person who has an interest or interests if one (1) or more voting Shares and the total votes attached to that voting Share, or those voting Shares, is not less than five per cent. (5.0%) of the total votes attached to all the voting Shares
<b>“Take-over Code”</b>	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

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## DEFINITIONS

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<b>“Terms and Conditions”</b>	:	The terms and conditions of the Convertible Bonds to be set out in the Trust Deed, the text of which (subject to finalisation) is set out in <b>Appendix A</b> to this Offer Information Statement
<b>“Trust Deed”</b>	:	The trust deed to be executed by the Company to constitute the Convertible Bonds and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Bondholders, as amended, modified or supplemented from time to time
<b>“Trustee”</b>	:	The trustee for the Convertible Bonds, being Pacific Trustees (Singapore) Ltd.
<b>“Undertaking Directors”</b>	:	Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Bernard Wong and Mr. Chua Chwee Koh
<b>“Undertaking Shareholders”</b>	:	Economic Development Innovations Singapore Pte. Ltd., PY Opulence Investment Pte. Ltd. and Mr. Wang Yu Huei
<b>“Undertaking Shareholders’ Loan Agreements”</b>	:	The loan agreements entered into by the Company with each of the Undertaking Shareholders under which the principal amounts of the loans granted by the Undertaking Shareholders repayable by the Company to each of the Undertaking Shareholders will be set off (in full or partially) against the consideration payable by each of the Undertaking Shareholders under the Rights Issue
<b>“Unit Share Market”</b>	:	The unit share market of the SGX-ST, which allows trading of shares in single shares
<b>“United States” or “U.S.”</b>	:	The United States of America
<b>“VWAP”</b>	:	Volume weighted average price
<b>Currencies and units</b>		
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
<b>“US\$” and “US cents”</b>	:	United States dollars and cents, respectively, being the lawful currency of the United States of America
<b>“%” or “per cent.”</b>	:	Per centum or percentage

### **Technical Terms and Abbreviations**

<b>“ADR”</b>	:	Advance Digital Radio
<b>“DES”</b>	:	Design Engineering Services
<b>“FPGA-SoC”</b>	:	Field Programmable Gate Array System-on-Chips
<b>“IDRS”</b>	:	Inter-satellite Data Relay System
<b>“IoT”</b>	:	Internet of Things
<b>“LEO”</b>	:	Low Earth Orbit
<b>“M2M”</b>	:	Machine to Machine

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## DEFINITIONS

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“RES”	: Re-configurable Embedded System
“SAR”	: Synthetic Aperture Radar
“SDR”	: Software Defined Radio
“SPC”	: Space Connectivity
“STC”	: Satcom Connectivity
“VMS”	: Vessel Monitoring System
“VSAT”	: Very Small Aperture Terminal

In this document, references to “we”, “our” and “us” mean, as the context requires, Addvalue Technologies Ltd on an unconsolidated basis or Addvalue Technologies Ltd and its subsidiaries on a consolidated basis. References to the “Company” are to Addvalue Technologies Ltd on an unconsolidated basis and references to the “Group” are to Addvalue Technologies Limited and its subsidiaries on a consolidated basis.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them in Section 81SF of the SFA.

The term “subsidiary” shall have the meaning ascribed to it by Section 5 of the Companies Act. The term “acting in concert” shall have the meaning ascribed to it in the Take-over Code.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to persons shall, where applicable, include corporations.

Any reference to the time of day in this Offer Information Statement, the Product Highlights Sheet, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the Product Highlights Sheet, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the Product Highlights Sheet, the PAL, the ARE or the ARS to any enactment is reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA or the Listing Manual or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Act, the SFA, or the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

The information on the Company’s website, any website directly or indirectly linked to the Company’s website or any other website, is not incorporated by reference into this Offer Information Statement and should not be relied on.

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## INDICATIVE TIMETABLE OF KEY EVENTS

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The timetable below lists certain important dates and times relating to the Rights Issue. All dates and times referred to below are Singapore dates and times.

Last date of “cum-rights” trading	: Thursday, 6 October 2022
Commencement of “ex-rights” trading	: Friday, 7 October 2022 at 9.00 a.m.
Record Date	: Monday, 10 October 2022 at 5.00 p.m.
Lodgment of this Offer Information Statement, the Product Highlights Sheet and accompanying application forms with the Authority and dissemination of this Offer Information Statement and the Product Highlights Sheet via websites of the Company and the SGX-ST	: Tuesday, 11 October 2022
Despatch of the OIS Notification Letter (together with the ARE or the PAL, as the case may be) to Entitled Shareholders	: Thursday, 13 October 2022
Commencement of trading of Rights	: Thursday, 13 October 2022
First date and time for acceptance of and payment for the Convertible Bonds and/or applications and payment for Excess Convertible Bonds <sup>(1)</sup>	: Thursday, 13 October 2022 (9.00 a.m. for Electronic Applications through ATMs of Participating Banks or an Accepted Electronic Service)
Last date and time for splitting and trading of Rights <sup>(1)</sup>	: Friday, 21 October 2022 at 5.30 p.m.
Last date and time for acceptance of and payment for the Convertible Bonds and/or applications and payment for Excess Convertible Bonds <sup>(1)</sup>	: Friday, 28 October 2022 at 5.30 p.m. for applications made through CDP or the Share Registrar; and Friday, 28 October 2022 at 9.30 p.m. for Electronic Applications through ATMs of Participating Banks or an Accepted Electronic Service
Last date and time for application and payment for Convertible Bonds by renouneecees <sup>(1)</sup>	: Friday, 28 October 2022 at 5.30 p.m. for applications made through CDP or the Share Registrar; and Friday, 28 October 2022 at 9.30 p.m. for Electronic Applications through ATMs of Participating Banks or an Accepted Electronic Service
Expected date of issuance of the Convertible Bonds	: Friday, 4 November 2022
Expected date for crediting of the Convertible Bonds	: Monday, 7 November 2022
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	: Monday, 7 November 2022
Expected date for commencement of trading of the Convertible Bonds on the SGX-ST	: Tuesday, 8 November 2022



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## INDICATIVE TIMETABLE OF KEY EVENTS

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**Note:**

- (1) This does not apply to CPFIS Shareholders, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent. CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should refer to the section entitled "**Important Notice to CPFIS Shareholders, SRS Investors and Investors who hold Shares through a Finance Company and/or Depository Agent**" of this Offer Information Statement. Any application made by these investors directly through CDP, Electronic Applications through ATMs of Participating Banks, an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved banks, finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies and/or Depository Agents.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-Rights trading. Based on the above timetable, the Shares are expected to commence ex-Rights trading on 7 October 2022 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and/or CDP (if necessary), modify the above timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement at the SGX-ST's website <http://www.sgx.com>.

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement, including the Terms and Conditions of the Convertible Bonds as set out in **Appendix A** to this Offer Information Statement.

### The Rights Issue

**Basis of Provisional Allotment** : The Rights Issue will be made on a renounceable basis to Entitled Shareholders on the basis of one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders (which, for the avoidance of doubt, excludes treasury Shares held by the Company) as at the Record Date, fractional entitlements to be disregarded.

For the avoidance of doubt, investors holding bonds or notes issued by the Company will not be provisionally allotted Convertible Bonds.

**Eligibility to Participate in the Rights Issue** : Please refer to the section entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement.

**Acceptance, Excess Application and Payment** : Entitled Shareholders will be at liberty to accept, decline or renounce their Rights and will be eligible to apply for additional Convertible Bonds in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Convertible Bonds will be aggregated and, together with any unsold provisional allotments of Convertible Bonds of Foreign Shareholders and provisional allotments of Convertible Bonds which are not taken up or allotted for any reason, used to satisfy excess applications for Excess Convertible Bonds (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Convertible Bonds, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for rounding of odd lots and allotment of Excess Convertible Bonds.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation, splitting and/or sales of Rights and applications for Excess Convertible Bonds, including the different modes of acceptance or application and payment, are contained in **Appendices B to D** to this Offer Information Statement and in the ARE, the ARS and the PAL (as the case may be).

**Use of CPF Funds** : The Convertible Bonds are not eligible for inclusion under the CPFIS. Accordingly, CPF Funds **CANNOT** be used to apply for the initial offer of the Convertible Bonds, pay the Issue Price, accept the Rights, (if applicable) apply for Excess Convertible Bonds, purchase Rights from the market and/or later purchase Convertible Bonds.

CPFIS Members who have previously bought their Shares using CPF Funds and wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept their Rights and (if applicable) apply for Excess

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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Convertible Bonds on their behalf **USING CASH** and in accordance with the terms and conditions of this Offer Information Statement. The Convertible Bonds will not be held through the CPF Investment Account.

Use of SRS Funds : SRS Investors must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts to pay for the acceptance of their Rights and (if applicable) the application for Excess Convertible Bonds.

Such SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds using SRS monies must instruct the relevant SRS Approved Banks in which they hold their SRS Accounts to accept their Rights and (if applicable) apply for Excess Convertible Bonds on their behalf in accordance with the terms and conditions in this Offer Information Statement.

Such SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights and (if applicable) apply for Excess Convertible Bonds on their behalf.

SRS monies may not, however, be used for the purchase of Rights directly from the market.

Trading of Rights : Entitled Depositors who wish to trade all or part of their Rights on the SGX-ST can do so during the Rights Trading Period prescribed by the SGX-ST.

All dealings in and transactions (including transfers) in relation to the Rights effected through the SGX-ST and/or CDP shall be made in accordance with the “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*”, copies of which are available from CDP, and, additionally, the Depository Agreement, as the same may be amended from time to time.

Underwriting : The Rights Issue is not underwritten by any financial institution.

Irrevocable Undertakings and Directors’ Confirmations : Please refer to paragraph 1(f) in the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by way of Rights Issue**” of this Offer Information Statement.

Use of Proceeds and Purpose of Issue : Please refer to paragraphs 1 to 7 in the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**” of this Offer Information Statement.

### The Convertible Bonds

Issuer : The Company

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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**Issue Size** : Based on the Existing Share Capital of 3,242,031,975 Shares (excluding treasury Shares), the Company will issue up to S\$6,484,064 in aggregate principal amount of Convertible Bonds.

Based on the issue size and assuming no adjustments to the initial Conversion Price of S\$0.0170 per Share, the maximum number of Conversion Shares that may be issued is 381,415,529 Conversion Shares, representing in aggregate 11.8% of the Existing Share Capital.

**Issue Price** : 93.1 per cent. (93.1%) of the principal amount of the Convertible Bonds, or S\$0.931 for each S\$1.00 in principal amount of the Convertible Bonds. The Convertible Bonds are payable in full upon acceptance and/or application.

**Maturity Date** : The date falling five (5) years from the Issue Date, subject to the Company's right to redeem earlier than the Maturity Date as stated below.

**Interest** : The Convertible Bonds shall bear interest at the rate of 6.0 per cent. (6.0%) per annum on its outstanding principal amount from (and including) the Issue Date. Interest is payable semi-annually in arrears commencing on the date falling six (6) months from the Issue Date and every six (6) months thereafter (each such date for payment of such interest hereunder referred to as an "**Interest Payment Date**"). Unless previously converted or redeemed, the Convertible Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with the Terms and Conditions.

Each Convertible Bond will cease to bear interest (a) where the Conversion Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Conversion Date (as defined in the Terms and Conditions) (or if such Conversion Date falls on or before the first Interest Payment Date, the Issue Date) subject to conversion of the relevant Convertible Bond in accordance with the Terms and Conditions; or (b) from the due date for redemption thereof unless, upon surrender, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the applicable per annum rate specified above (after as well as before judgment) up to but excluding the date on which all sums due in respect of the Convertible Bonds are received by or on behalf of the relevant holder.

**Form and Denomination** : The Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each and integral multiples thereof and will initially be represented by a global certificate deposited with, and registered in, the name of CDP. Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Bonds, owners of interests in the Convertible Bonds represented by such global certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Convertible Bonds.

**Conversion Right** : During the Conversion Period, Bondholders will have the right to convert their Convertible Bonds into Conversion Shares, credited as fully paid, in accordance with the Terms and Conditions.

The number of Conversion Shares to be issued and determined on conversion of a Convertible Bond will be determined by dividing the

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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principal amount of the Convertible Bond to be converted by the Conversion Price in effect at the Conversion Date. Fractions of Shares will not be issued on conversion and no cash adjustments or other adjustment will be made in lieu thereof.

Conversion Period : Subject to and upon compliance with the provisions of the Terms and Conditions, any applicable fiscal or other laws or regulations (including without limitation the then prevailing listing rules of the SGX-ST or any Relevant Stock Exchange (as defined in the Terms and Conditions) (in particular, Rule 803 of the Listing Manual)), the Conversion Right attaching to the Convertible Bonds may be exercised, at the option of the holder thereof, at any time on and after the Issue Date, up to the close of business (at the place where the certificate evidencing such Convertible Bonds is deposited for conversion) on a date no later than one (1) month prior to the Maturity Date or, if such Convertible Bonds shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place where the certificate evidencing such Convertible Bonds is deposited for conversion) on a date no later than ten (10) Business Days prior to the date fixed for redemption thereof (but, except as provided in **Condition 6.1.5** and **Condition 11.2**, in no event thereafter) (the "**Conversion Period**"), provided that the conversion date in respect of any Convertible Bonds for which a Conversion Right has been validly exercised shall (subject to the provisions of the Terms and Conditions) fall at two-month intervals, commencing on the date falling two (2) months from the Issue Date and with the last conversion date falling on the Maturity Date (each such date, a "**Conversion Date**"), and further provided that the Conversion Right shall be suspended during any Closed Period (as defined in the Terms and Conditions) and the Conversion Period and any Conversion Date shall not include any such Closed Period. If (A) the final date on which the Conversion Right may be exercised is not a Business Day at the place aforesaid, then the period for the exercise of the Conversion Right by Bondholders shall end on the immediately following Business Day at the place aforesaid, and (B) any Conversion Date is not a Business Day at the place aforesaid, then the Conversion Date shall fall on the immediately following Business Day at the place aforesaid.

The Company shall, at least one (1) month before the end of the Conversion Period, give notice to Bondholders in accordance with Condition 17 of the Terms and Conditions of the last date of the Conversion Period and shall make such announcement of such last date of the Conversion Period as may be required under any applicable laws, regulations or rules of the SGX-ST. as the case may be.

Conversion Price : Subject to adjustments as set out in the Terms and Conditions, the initial Conversion Price at which each Conversion Share will be issued shall be S\$0.0170.

Adjustments to Conversion Price : The Conversion Price is subject to adjustment under certain circumstances, including, without limitation, the following:

- (a) consolidation, subdivision, redesignation or reclassification in relation to the Shares which alters the number of Shares in issue;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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- (d) rights issue of Shares or options over Shares at less than the market price;
- (e) rights issue of other securities;
- (f) issues of Shares or options over Shares at less than the market price;
- (g) issues of securities which carry rights of conversion into, or exchange or subscription for, Shares at a consideration at less than market price;
- (h) modifications of rights of conversion, exchange or subscription attaching to any other securities issued and which are convertible into Shares such that the consideration per Share is less than the market price;
- (i) issue of securities in the context of an offer to Shareholders; and
- (j) in events or circumstances not otherwise provided in the Terms and Conditions, subject to, among others, the use by the Company of a licensed independent investment bank (acting as expert) of international repute to determine if the adjustment is fair and reasonable, so as to restore the economic position of the Bondholders after the occurrence of such events or circumstances, to the same position as if the diluting or concentrative effect of such events or circumstances had not occurred.

Please refer to Condition 6.4 of the Terms and Conditions, as set out in **Appendix A** to this Offer Information Statement, for a list of the events which would result in adjustments to the Conversion Price and the details of the adjustment formulae.

Conversion at a Premium to latest VWAP : Taking into account the Issue Price (which is at a discount of 6.9% to the principal amount of S\$1.00 per Convertible Bond) and the initial Conversion Price of S\$0.0170 per Conversion Share, each Conversion Share is effectively priced at approximately S\$0.0158, which represents:

- (a) a premium of approximately 5.33% to the VWAP of S\$0.0150 per Share for trades done on the SGX-ST on 6 July 2022, being the full Market Day immediately prior to the date of the Announcement on which trades were done; and
- (b) a premium of approximately 21.54% to the closing price of S\$0.013 per Share for trades done on the SGX-ST on the Latest Practicable Date.

Status of the Convertible Bonds : The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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- Status of the Conversion Shares : The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares as at the Registration Date, save for any dividends, rights, allotments and other distributions for which the record date precedes the relevant Registration Date of the Conversion Shares, subject to the Terms and Conditions.
- Participation rights in distributions and/or offer of further securities : The Bondholders have no participation rights in any distributions and/or offer of further securities made by the Company.
- Redemption at the Option of the Company : Notwithstanding the Maturity Date, the Convertible Bonds may be redeemed at the sole option of the Company in whole or in part at any time after the third (3<sup>rd</sup>) anniversary of the Issue Date.
- In the case of a partial redemption of Convertible Bonds, the Convertible Bonds will be redeemed on a *pro-rata* basis or selected by such other method as the Trustee shall approve and in such manner as the Trustee shall deem to be appropriate and fair.
- Final Redemption at Maturity : Unless previously redeemed, converted or cancelled as provided in the Terms and Conditions, the Company will redeem each Convertible Bond at 100 per cent. (100%) of its principal amount together with interest accrued thereon up to (but excluding) the Maturity Date.
- Redemption for Taxation Reasons : The Company may, at any time, having given not less than thirty (30) or more than sixty (60) days' irrevocable notice to the Bondholders, redeem all (and not some only) of the Convertible Bonds at 100 per cent. (100%) of its principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption for taxation reasons (i.e. the Company has or will become obliged to pay additional amounts due to change of tax rules in Singapore or other jurisdiction), and in the manner set out in the Terms and Conditions.
- Redemption for Delisting of Shares : Bondholders may require the Company to redeem in whole but not in part their Convertible Bonds at 100 per cent. of their principal amount, together with any interest accrued to (but excluding) the date of redemption in the event that the Shares cease to be listed or admitted to trading on the SGX-ST. Please refer to Condition 8.4 of the Terms and Conditions, as set out in **Appendix A** to this Offer Information Statement.
- Clearing and Settlement : The Convertible Bonds will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.
- Listing : On 26 September 2022, the SGX-ST granted its approval in-principle for the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of the SGX-ST, subject to certain conditions, details of which are set out in the section entitled "**Trading**" of this Offer Information Statement.
- The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.
- Trading : Upon the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of the SGX-ST, the Convertible Bonds and the Conversion Shares, when issued, will be traded on the

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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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Main Board of the SGX-ST under then book-entry (scripless) settlement system. The Convertible Bonds may also be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in the transactions (including transfers) of the Convertible Bonds and the Conversion Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*”, copies of which are available from CDP, and in the case of the Convertible Bonds, additionally, the Depository Agreement, as the same may be amended from time to time.

It should be noted that the Convertible Bonds may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds. Accordingly, in such event, Bondholders will not be able to trade their Convertible Bonds on the SGX-ST. However, the Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System and will be cleared through CDP. In addition, if the Convertible Bonds are converted into Conversion Shares in accordance with its terms, such Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

The Convertible Bonds will be traded on the Main Board of the SGX-ST in board lots of 100 Convertible Bonds with a principal amount of S\$100. Bondholders who hold odd lots of Convertible Bonds (that is, lots other than board lots of 100 Convertible Bonds with a principal amount of S\$100) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Convertible Bonds in Board lots of one Convertible Bond with a principal amount of S\$1.00 on the Unit Share Market.

In the case of the Conversion Shares, for the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market.

Bondholders or, as the case may be, Shareholders who hold odd lots of Convertible Bonds or, as the case may be, Shares, may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Convertible Bonds or, as the case may be, Shares.

### Taxation

- : All payments of principal, premium (if any) and interest made by or on behalf of the Company in respect of the Convertible Bonds will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Company shall pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except that no such additional amount shall be payable in respect of any Convertible Bond presented in certain circumstances set out in the Terms and Conditions.



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## SUMMARY OF THE RIGHTS ISSUE AND THE CONVERTIBLE BONDS

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Events of Default	: Please refer to Condition 11 of the Terms and Conditions, as set out in <b>Appendix A</b> to this Offer Information Statement
Modification for the benefit of the Bondholders	: Any material modification to the Terms and Conditions of the Convertible Bonds after the issue thereof which is to the advantage of the Bondholders must be approved by Shareholders at a general meeting of the Shareholders, except where such modification is made pursuant to the Terms and Conditions of the Convertible Bonds.
Trustee	: Pacific Trustees (Singapore) Ltd.
Principal Agent	: Pacific Trustees (Singapore) Ltd.
Bond Registrar	: Pacific Trustees (Singapore) Ltd.
Risk Factors	: Investing in the Rights, the Convertible Bonds and/or the Conversion Shares involve risks. Please refer to the section entitled “ <b>Risk Factors</b> ” of this Offer Information Statement.
Governing Law	: Laws of the Republic of Singapore.

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## RISK FACTORS

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*To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before making an investment decision. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.*

*There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations, possibly materially. If any of the following considerations and uncertainties develops into actual events, the business, financial considerations and results of operations of the Company and the Group could be materially and adversely affected. In such cases, the trading price of the Convertible Bonds, the Conversion Shares and/or the Shares could decline and a prospective investor may lose all or part of his investment.*

*Prospective investors should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties – please see the section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement.*

*The Terms and Conditions of the Convertible Bonds and the Trust Deed will prevail to the extent of any inconsistency with the information set out in the section entitled "**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and the Conversion Shares**" of this Offer Information Statement.*

### **RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS**

***The Group's business and operations may be materially and adversely affected due to epidemics and other outbreak of diseases, including the global pandemic outbreak of COVID-19***

An epidemic or outbreak of communicable diseases such as COVID-19, Middle East Respiratory Syndrome, Ebola, Severe Acute Respiratory Syndrome or other contagious disease may have an adverse effect on the Group's business, financial position, results of operations and growth prospects. In particular, the outbreak of COVID-19 in early 2020 resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by various governments around the world, including Singapore. Many businesses have also seen their operating expenses increase materially amidst shortage of manpower and disruptions to the supply chain caused by COVID-19, as well as implementation of COVID-19 testing and safe management measures.

Though the effects of the COVID-19 pandemic have been alleviated, COVID-19 could potentially continue to affect the overall economic and market conditions, demand for the Group's products or services, its business and operations and overall financial performance. Further, there remains the possibility of the emergence of new COVID-19 variants or other pandemics that may have an adverse impact on the Group's business and financial performance.

***Risks in relation to geopolitical conflicts such as the Russia-Ukraine War and China-U.S. tensions***

On February 24, 2022, Russia commenced a large-scale military action against Ukraine which has resulted in increased volatility in various financial markets and across various sectors. The United States and other countries, along with certain international organizations, have imposed economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to the invasion. The extent and duration of the military action, resulting sanctions and future market disruptions in the region are impossible to predict. Moreover, the ongoing effects of the hostilities and sanctions may not be limited to Russia and Russian companies and may spill over to and negatively impact other regional and global economic markets of the world. The ongoing military action along with the potential for a wider conflict could further increase financial market volatility and cause negative effects on regional and global economic markets, industries, and companies.

The Russia-Ukraine war, in particular, has already led and may continue to lead to a rise in energy prices and presents a key downside risk for corporates and households and may further exacerbate supply chain risks of

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## RISK FACTORS

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clients with higher sensitivities to rising energy costs. Russia's military action in the Ukraine has also elevated concerns for cyber security incidents and the resilience of critical business function. Taken together, the conflict and its ancillary effects could lead to a substantial slowdown in the global economy and diminish the Group's ability to generate revenues and the profitability on specific portfolios. Depending on how this crisis develops further and its impact on financial markets and the economy generally, it may also negatively impact the Group's business, financial condition, results of operations and prospects.

The on-going political tensions between China and the U.S. (including but not limited to issues relating to Taiwan) have created grave concerns in the value chain of semiconductor industries and other raw materials and the restriction in the licensing of third-party technologies that the Group depends heavily on for its development and supply of products and solutions. The global or regional trading environments can turn unstable very quickly due to sudden increase of tensions in China-U.S. relations, and may negatively impact the Group's business, financial condition, results of operations and prospects.

***The Group may not be as successful as it anticipates in its Transformation Programme which will have a significant impact on its generation of revenue and growth***

The Group has embarked on a transformation programme involving a twin-pronged strategy of "commercial re-focusing", whereby the Group focuses on selling terminals bundled with airtime revenues and/or solutions to grow its recurring revenue stream, and "emerging market focus", whereby the Group targets emerging markets for digital connectivity in land, maritime, air and space, and advanced radio communication applications in sophisticated enterprises and government industries for growth (the "**Transformation Programme**"). The Transformation Programme will require time, effort and resources and will face significant risks, challenges and unknowns as the Group ventures into the enhanced business model of focusing on recurring revenues and emerging markets. Unforeseen problems during the transformation process may lead to delay and additional capital requirements for the Group.

***The Group has embarked on the provision of design services, which is project based with lumpy revenue streams, as one of its key strategic objectives embodied within the overall Transformation Programme***

The Group has embarked on the provision of design services for the purposes of diversifying its revenue streams. This may involve business risks, including capital investments and the maintenance of adequate working capital for manpower expenses needed to support the design service business. If the Group does not derive sufficient revenue from or does not manage the costs of these business initiatives effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. The Group will be affected by factors affecting the regions where the Group ventures into, such as general economic conditions, changes in interest rates and relevant government policies and measures. In particular, a significant portion of the design service business is expected to be for military, government and space applications in which security and confidentiality is important and any breaches in this aspect may put the Group at risk.

***The Group may be subject to risks relating to the operation of business in developing countries or emerging markets***

The Group will also be focusing its business in new geographical markets and emerging markets, and the Group may be subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- (a) civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- (b) default by government bodies who may be the only authorised trading counterparties in certain regulated markets;
- (c) relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;

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## RISK FACTORS

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- (d) changes in duties payable and taxation rates;
- (e) imposition of restrictions on currency conversion or the transfer of funds;
- (f) fluctuation in the currency values;
- (g) limitations and/or bans on imports and exports;
- (h) expropriation or nationalisation of private enterprises or confiscation of private property or assets;
- (i) reversal or change of laws, regulations or policies; and
- (j) relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls.

Should any of the aforementioned risks materialise and they either exceed the coverage of, or are not covered by, the Group's insurance policies, the Group's business, results of operations and/or financial condition may be adversely affected. In addition, the focus on emerging markets may not materialise within our expectations and could put the Group at risk in terms of wasted time, money and resources expended to grow this market.

***The Group may not be as successful as it anticipates in its new venture into the Inter-satellite Data Relay System ("IDRS") business which is a new service targeting the fast growing LEO satellites market***

The Group has invested heavily in the new IDRS Business venture over the past few years, and further investment will still be needed for the commercialisation of this new business. Typically, all projects in the space industry have long gestation periods due to heavy investment requirements and high technological barriers to entry; delays in and/or pre-mature termination of such projects are not uncommon in this industry. Hence, the Group will be exposed to such risks which may adversely affect and/or delay the commercialisation of our IDRS Business. In addition, many of the Group's IDRS customers and potential customers are start-ups which may be unable to secure the necessary funding needed to fully roll out their business plan or their sales may have fall short of forecast or they may have to scale down the size of their planned constellation which will have an adverse impact on the growth of our IDRS Business.

***The Group may require additional financing for working capital requirements in relation to its expansion into new geographical markets and new product markets***

Projects undertaken pursuant to the proposed geographical expansion and emerging markets focus may require substantial working capital and cash outlay. The Group may need to use cash from operations, or incur additional borrowings or obtain additional debt or equity financing for the increase in working capital requirements or for the funding of these projects. Additionally, equity financing may lead to a dilution in the interests of the Shareholders and reduce dividends payable (if any) on a per Share basis. Should additional borrowings or debt or equity financing be required, or if cash from operations is used, the Group's ability to pay dividends (if any) may be restricted as a result of a reduction in the Group's available cash due to interest payments and/or principal repayments and/or restrictive covenants pertaining to the payment of dividends. Such financing commitments may also increase the Group's vulnerability to economic and industrial conditions due to increased demands on its operating cashflow.

Further, there is no assurance that the Group will be able to obtain additional financing on terms that are acceptable to it, or at all. The Group's ability to obtain bank financing or to access the capital markets for future offerings of equity, debt or convertible securities may be limited by its financial position at the time of any such financing or offering, limitations imposed by its existing credit facilities, as well as by adverse market conditions resulting from, inter alia, general economic conditions and contingencies and uncertainties that are beyond its control.

Further, an issue of Shares or other securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. An issue of Shares below the then-prevailing market price will also affect the value of Shares then held by investors. Save for the full subscription of the pro rata entitlement (as in the case of a rights issue), dilution in Shareholders' equity

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## RISK FACTORS

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interests will occur even if the issue of Shares is at a premium to the market price.

### ***The Group is dependent on major satellite network operators for a significant portion of its revenue***

The Group relies on satellite communication networks to develop products and solutions for end users' applications. At present, a significant portion of the Group's revenue was derived from businesses related to the satellite networks of Inmarsat, in particular, our IDRS Business. Accordingly, the Group's sustained financial performance is highly dependent on its relationship with Inmarsat, as well as the continuing orders from its customers and the financial health of Inmarsat. Any deterioration of Inmarsat's business or financial condition, or malfunction of the satellite constellation of Inmarsat, or of the Group's relationship with Inmarsat, or the loss of customer orders for Inmarsat satellite products, or the reduction in the gross or net margin of such customer orders, could have a material adverse effect on the Group's business, operating results or financial condition.

### ***The Group bears part of the risk in developing certain new products***

For strategic reasons, the Group may bear the full or a percentage of the aggregate development costs for certain new products and/or technologies. The Group's customers will reimburse us for the remainder of the development costs progressively upon meeting specific project milestones. In the event that the commercialisation of a new product fails or if market acceptance for the new product is unfavourable, the Group may not be able to recover the development costs for that product and/or technology in full.

### ***Fluctuations in the Group's operating results relating to its project-based design income could hurt its business and the market price of the Shares***

A portion of the Group's revenue is derived from project-based design income. The failure of any particular project or the inability to secure payment from any of the Group's customers may impact our revenue stream. Further, the Group's project contracts may at times represent a relatively large amount of revenue per order. Therefore, the loss of individual orders could hurt the Group's revenue and operating results. Shareholders and prospective investors should note that the Group's operating results may fluctuate as a result of a variety of factors, many of which are outside its control. In the course of undertaking a project, the Group may face unforeseen technical problems or changes in customers' requirements, and may fail to meet project schedules. This may have an adverse impact on the timing for progressive billing and collection of design fees and may have a material adverse effect on the Group's results.

### ***The Group is unable to forecast its revenue or earnings accurately***

The Group's limited operating history for the sale of satellite products and services post Transformation Programme, and its inherent business risks, coupled with the nature of satellite products which very often tend to be used more as a back-up in emergency situations and, unlike other consumer products, tend not to be replaced often, makes it difficult for the Group to forecast revenue or earnings accurately, and the Group's operating results in one or more future quarters may fall below the expectations of securities analysts and investors. This problem is further compounded as the Group is in the midst of the Transformation Programme whereby it is focusing on growing its recurring revenue and emerging market business which is plagued by risks and uncertainties. In addition, most of the Group's customers in the emerging market business are start-ups and they may not be able to secure sufficient funding in a timely manner to support their roll out plans or their sales may have fallen short of their expectations which will in turn affect the Group's revenue forecast accordingly.

### ***The Group depends on the performance of selected third-party vendors***

The Group depends on third parties for component supplies, contract manufacturing and consulting services to complement its services. Since the Group does not have manufacturing operations and does not hold significant inventory of parts, it relies on third party contract manufacturers when providing turnkey solutions to customers. If component supplies and/or manufacturing were disrupted due to any reason (including but not limited to geo-political tensions), our overall production capacity could be significantly reduced. As the Group does not have comprehensive in-house testing facilities, it depends on external organisations for certain testing services. Further, the Group may engage external consultants to enhance specific skill-sets not available in-house. In the event that any of these third parties fail to fulfil their obligations on time, this may have an adverse

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impact on the Group's project schedules and revenue stream.

### ***The Group faces competition on a global basis***

The global satellite industry is getting more and more competitive. Many of the Group's current and potential competitors have significantly greater financial, marketing, technical and other resources. As a result, they may be able to respond more quickly to new technologies or standards and market changes. In addition, it is possible that new competitors or alliances among competitors may emerge and acquire a significant market share rapidly. Increased competition is likely to result in price reductions, reduced operating margins and loss of market share, any of which could have a material adverse effect on the Group's business, operating results or financial condition. Furthermore, our key network partner, Inmarsat, also faces intense competition from competing network operators for their services which in turn will have significant effects on the sales of our products and services. To be successful in this industry, the Group must be able to accurately foresee industry trends and develop innovative and cost competitive products and/or solutions to meet the ever-evolving end users' needs in a timely manner. This shall also entail the Group forging new partnerships with other existing or new emerging and promising satellite operators to reduce its dependence on Inmarsat. While the Group seeks to increase its competitive strengths, there can be no assurance of its success in this regard.

### ***The Group is dependent on key management and technical personnel***

The Group's success depends on the continued effort and abilities of its management team and technical personnel. Any of the Group's key employees may voluntarily terminate their employment or the Group may be obliged to terminate their employment at any time. The loss of the services of key personnel and the inability to attract additional suitably qualified personnel (either as replacements or for expansion) could have a material adverse effect on the Group's business, operating results or financial condition.

### ***The Group faces global competition in employing suitably qualified personnel***

The Group's human resources are vital assets that can significantly influence its business and performance. It is important that the Group attracts and retains qualified and skilled personnel with the right combination of technical skills. The global competition for highly skilled employees is intense and the process of hiring employees with the right combination of skills and qualifications can be time-consuming. The Group's inability to attract, train, motivate and retain employees would impair its development of new platforms and/or solutions, its ability to provide design and consulting services and the management of its business.

### ***The Group's business may be impacted by major man-made or natural disasters such as earthquakes, tsunamis or fire events***

The Group's business could be impacted by major natural disasters such as earthquakes, tsunamis, extreme weather conditions resulting from climate change, fire events or man-made events such as civil disorders, riots, cyber-attacks or military conflicts affecting its operational locations or suppliers, or by other significant events in the supply chain or by IT system failures (including failures due to cyber-attacks), rendering critical systems or manufacturing locations unable to function. Unscheduled interruptions to business activities could result in reduced profits, loss of customer satisfaction, potential cost outlays, and reputational impact.

### ***Cyber-security breaches and other disruptions could compromise our information and expose the Group to liability, which would cause the Group's business and reputation to suffer***

In the ordinary course of our business, the Group collects and stores sensitive data, including intellectual property, our proprietary business information and that of the Group's customers, suppliers and business partners, and personally identifiable information of its customers and employees, in its data centres and on its networks. The secure processing, maintenance and transmission of this information is critical to the Group's operations and business strategy. Despite the Group's security measures, its information technology and infrastructure may be exposed to malware, cyberattacks, attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise the Group's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt the Group's operations and the services it provides to customers, damage the Group's reputation, and cause a loss of confidence in the Group's products and

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## RISK FACTORS

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services, which could adversely affect the Group's business/operating margins, revenues and competitive position.

The secure processing, maintenance and transmission of this information is critical to the Group's operations and business strategy, and the Group devotes significant resources to protecting its information. The expenses associated with protecting the Group's information could reduce its operating margins.

***The Group's product and/or solution development investments may not yield profitable and commercially viable products and services***

The Group invests significant resources in product and/or solution development. However, its development efforts may not yield commercially viable products and/or solutions. The qualification process for such new products and/or solutions is conducted in various stages which may take one or more years to complete, and during each stage there is a substantial risk that the Group will have to abandon a potential product and/or solution which is no longer marketable and in which it has invested significant resources.

In the event that the Group is successful with the qualification of its new products and/or solutions, a significant amount of time would have elapsed between its investment in the new product and/or solution development and the receipt of any related revenues. There is no assurance that the Group's product and/or solution development investments will yield profitable and commercially viable products and/or solutions and increased revenues.

***Technological changes may render the Group's technologies and design platforms obsolete***

The satellite communication industry is constantly evolving with the introduction of new technologies and innovations. In order to build up the Group's position as an effective total satellite communication solution provider, it has to harness new technologies to refresh its design platforms and innovations so as to enhance its competitive edge in the offering of solutions to the industry. If the Group is unable to respond quickly and successfully to development and change, it may lose its competitive edge and some of its technologies and design platforms may become obsolete.

***The Group may not be able to obtain materials and components required for its business at reasonable prices or in sufficient quantities***

Due to the practical difficulty and constraints faced in securing contractual arrangements with any supplier to procure all the materials required for each type of order, the Group has no contractual arrangements with any of its suppliers to ensure the availability of the required components. There is therefore no guarantee that these suppliers will continue to supply their products to the Group. The failure of these suppliers to meet increasing demands may also prevent them from supplying to the Group as and when required.

In the event that these suppliers cease to supply or limit the supply of their products or increase their selling prices and the Group is unable to find alternative sources for such products at competitive prices, the Group's costs will increase and its profit margin will decrease.

Further, a large proportion of the materials and components required for the Group's business, particularly for the space industry, have a lead time of eight to twelve months, and any delay in this regard can result in failure by the Group in meeting project schedules.

In addition, the Group's ability to respond competitively to a customer's quotation depends on whether these suppliers are able to provide the Group with quotes in a timely fashion. The supply of components is done on commercial terms, and the Group may not have the same advantages (in terms of price and allocation) as a more established competitor that is able to offer better payment terms to the suppliers. This may be exacerbated for components that are in short supply. Any unavailability of components, or lengthy lead times in the delivery of the required components will materially impair the Group's ability to secure orders. Even if a customer has accepted a lead time committed to by the Group's suppliers, any shipment delay on the part of the suppliers will also result in delays in the delivery of the Group's end products, and will therefore affect its financial performance since there will be a corresponding delay in income recognition.

Such delays will also result in delays in receipts from the Group's customers. This will then result in cost

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overruns since it will have to incur higher interest costs for carrying the inventory longer than expected.

Prices of certain components may also fluctuate rapidly such that the prices at the point of commitment to the Group's customers differ from those at the time of actual billing. The Group may not be able to pass on such price increases to its customers which will negatively impact its margins.

***The Group's failure to obtain intellectual property licences or adequately protect its proprietary rights could materially harm its business***

The Group's success depends, in part, on its proprietary technology as well as the licensing of intellectual property from third parties. Also, the Group generally relies on patents, copyrights, trademarks and trade secret laws to establish and protect its proprietary rights in technologies and products. Despite the precautions which the Group may take to protect its intellectual property, there is no assurance that third parties will not try to challenge, invalidate or circumvent these patents. There is also no assurance that the rights granted under the Group's patents will provide it with any competitive advantages, patents will be issued on any of the Group's pending applications or future patents will be sufficiently broad to protect the Group's technology. Further, the laws of foreign countries may not protect the Group's proprietary rights in those countries to the same extent as Singapore law protects these rights in Singapore. There is no assurance that the Group's reliance on patent, copyright, trademark and trade secret protection will be enough to be successful and profitable in the industries in which the Group competes.

***Intellectual property infringement by or against the Group could materially harm the Group's business***

In jurisdictions where the laws relating to intellectual property infringement are not well developed or stringently enforced, it is possible that competitors may adopt product or service names similar to that of the Group's, notwithstanding that the Group's trademarks may be registered in those jurisdictions. These competitors may try to prevent the Group from using its trademarks by claiming the trademarks to be theirs, thereby impeding the Group's ability to compete and build brand identity and leading to confusion among its customers. Notwithstanding that the Group is or may be in the process of registering its trademarks, there is no certainty that the Group's products and services do not or will not infringe upon valid patents, trademarks, designs, copyrights or other intellectual property rights held by third parties. The Group may also be subject to legal proceedings and claims from time to time relating to its use of the intellectual property of others in the ordinary course of its business. If such claims do arise, the Group may incur substantial expense and expend substantial resources in defending against these third-party infringement claims regardless of their merit. Any successful infringement claims against the Group may result in substantial monetary liability or may materially disrupt the conduct of its business.

***The Group needs to constantly develop and maintain its reputation and brand name***

Establishing and maintaining the Group's brand name and reputation for quality products and services is important for increasing and maintaining the Group's customer base. The Group's brand name and reputation will in turn be dependent on the success of its continuing efforts in providing quality products and services to customers. Failure to consistently deliver quality products and services necessary to develop and maintain the Group's reputation and the goodwill associated with its name may adversely affect the Group's ability to retain customers or secure new businesses, thereby hampering the Group's future business growth in the global market.

***The Group needs to keep up with changes to existing communications regulatory requirements***

The Group needs to constantly keep abreast of the latest developments in communications regulatory requirements. The Group will have to redesign technological platforms and products to comply with any new regulatory requirements. The Group's failure to keep pace with these changes will hamper its future business growth.

***The Group is exposed to foreign exchange transaction risks***

Foreign exchange may adversely affect the Group's financial position and operating results which are prepared and reported in US\$. The Group transacts mainly in US\$ and S\$ and is therefore exposed to the effects of



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changes in currency exchange rates. Unfavourable movements in these exchange rates may have an adverse effect on the Group's revenue and/or cost of operation. The Group currently does not use any financial instruments to hedge against revenue and expenses denominated in foreign currencies.

### ***The Group may not be aware of certain government regulations***

The supply of satellite communication products and the provision of related services are highly regulated in many countries. The Group may not be aware of whether some of its customers and/or companies with which the Group or its customers do business with hold the requisite licences and approvals as required in such countries.

As regulatory schemes vary by country and evolve over time, the Group may be subject to regulations in foreign countries of which it is not presently aware. If that were to be the case, the Group could be subject to sanctions by a foreign government that could materially and adversely affect the Group's ability to operate in that country. The Group's current regulatory approvals may not be (or may become) insufficient in the view of such foreign regulatory authorities, and any additional necessary approvals may not be granted on a timely basis (or at all). In all jurisdictions in which the Group wishes to offer products and /or services, the applicable restrictions in those jurisdictions could become unduly burdensome. The failure to obtain the authorisations necessary to operate satellites internationally could also have a material adverse effect on the Group's business, operating results or financial condition.

### ***The Group's distribution partners and service providers face increasing regulation in many countries, and end-users often require licences to operate end-user terminals. This regulatory burden could increase the costs to the Group's distribution partners and service providers or restrict their ability to sell the Group's products and/or solutions***

The Group's distribution partners and service providers require licences and regulatory consents to offer the Group's products and/or services in many countries where they operate. In addition, end-users often require licences to use the Group's terminals and/or solutions. Any delay or failure by the Group's distribution partners, their service providers or end-users to obtain the required licences in connection with the distribution of the Group's services or use of terminals could present the Group's services from being distributed, sold or used in some countries or lead to unauthorized use that could adversely affect the reputation of the Group's brand which could have a material adverse effect on the Group's business, operation results and financial condition.

### ***The Group may be adversely affected by the current disruption in the global economy and financial markets***

Disruption in the global credit markets, geopolitical developments, rising inflation rates and a slowdown in the global economy have created increasingly difficult conditions in the financial markets. These conditions have resulted in historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

It is difficult to predict how long these conditions will exist and how the Group and operating markets will be adversely affected. These conditions may be exacerbated by persisting volatility in the financial sector and the capital markets, or concerns about, or a default by, one or more institutions, which could lead to significant market wide liquidity problems, losses or defaults by other institutions. Accordingly, these conditions could adversely affect the Group's financial condition or results of operations in future periods. Furthermore, it is not possible to predict what structural and/or regulatory changes may result from the current market conditions or whether such changes may be materially adverse to the Group and its prospects.

The Group is vulnerable to the uncertain economic outlook resulting from the global financial crisis, and a prolonged downturn in the world economy would have a material and adverse impact on the Group's operations, financial performance and condition, and may also adversely affect the Group's ability to seek viable and profitable new business proposals.

## **RISKS RELATING TO AN INVESTMENT IN THE RIGHTS, THE CONVERTIBLE BONDS AND THE CONVERSION SHARES**

### ***The Convertible Bonds are not secured***

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The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations. The Convertible Bonds do not impose any negative pledge on the Company in relation to its present and future borrowings.

On a winding-up or dissolution of the Company, the Bondholders will not have recourse to any specific assets of the Company and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Convertible Bonds owed to the Bondholders and there can be no assurance that there would be sufficient value in the assets of the Company, after meeting all claims ranking ahead of the Convertible Bonds, to discharge all outstanding payment and other obligations under the Convertible Bonds owed to the Bondholders.

***Shareholders will suffer dilution of their ownership interest if they do not or are unable to accept their Rights, or do not exercise their Conversion Right if other Bondholders do, and may also suffer economic dilution and may not receive interest if they do not or are unable to subscribe for the Convertible Bonds***

If any Shareholder does not, or is unable to, accept his or her Rights, his or her proportionate voting and ownership interest will be reduced upon the issue of the Conversion Shares. The percentage that such Shareholder's Shares represent of the Company's enlarged share capital after the issue of the Conversion Shares will also be diluted. The magnitude of the reduction of a Shareholder's percentage ownership will depend upon the number of Convertible Bonds ultimately converted into Conversion Shares. Furthermore, if any Shareholder does not accept his or her Rights, he or she will not be entitled to receive interest on the Convertible Bonds and will not be granted any right to receive Conversion Shares. Even if a Shareholder sells his or her Rights or his or her Rights are sold on his behalf, any consideration he or she receives may not be sufficient to compensate him or her fully for the dilution of his or her interest in the Company as a result of the Rights Issue.

In particular, Foreign Shareholders will not be eligible to participate in the Rights Issue. The Company may, at its absolute discretion and if it is practicable to do so, arrange for the Rights which would otherwise have been allotted to such Foreign Shareholders to be sold on SGX-ST as soon as practicable after dealings in the Rights commence. However, there is no guarantee that such sale will be successful and even if successful, the proceeds of any such sale may not be sufficient to compensate a Foreign Shareholder fully for the dilution of his or her interest in the Company as a result of the Rights Issue.

Additionally, the Company may seek to raise additional funding after the Rights Issue, which may be by way of a further rights offering or through the issuance and placement of new Shares. In the event that a Bondholder is not a Shareholder at the time of such fundraising, he or she may be unable to participate in such fundraising and thereafter, if there is no adjustment to the Conversion Price in accordance with the Terms and Conditions, the percentage of such Bondholder's interest in the Company upon the exercise of his Conversion Right may also be diluted.

***The Company may be unable to redeem the Convertible Bonds in certain circumstances***

The Company may be unable to redeem all or a portion of the Convertible Bonds in certain circumstances, including but not limited to (i) on the Maturity Date of the Convertible Bonds or (ii) on a delisting of the Shares. If such an event were to occur, the Company may not have sufficient cash reserves and may not be able to arrange financing to redeem the Convertible Bonds in the specified timeframe, or on acceptable terms, or at all. The ability of the Company to redeem the Convertible Bonds in such event may also be limited by the terms of other debt instruments. Failure by the Company to repay or redeem tendered Convertible Bonds would constitute an event of default under the Convertible Bonds, which may also constitute a default under the terms of other indebtedness of the Company. If such an event were to occur, no assurance can be given that the Company will have sufficient funds to or be able to raise sufficient financing to meet its payment obligations under those agreements.

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### ***Bondholders will have no rights as Shareholders until they are issued Conversion Shares upon the conversion of the Convertible Bonds***

Subject to the Terms and Conditions, Bondholders have the right to convert their Convertible Bonds into Conversion Shares. Unless and until the Bondholders are issued Conversion Shares upon conversion of the Convertible Bonds, the Bondholders will have no rights as Shareholders (including voting rights and rights to receive dividends or distributions) with respect to the Conversion Shares. For example, should the Company seek approval from Shareholders for a potential merger, or if an amendment is proposed to the Constitution which may require Shareholders' approval, the Bondholders will not be entitled to vote on the merger or amendment.

Bondholders who are issued the Conversion Shares upon the exercise of their Conversion Rights will be entitled to exercise rights as Shareholders only as to actions for which the applicable record date occurs on or after the Registration Date in respect of the Conversion Shares, subject to the Terms and Conditions.

### ***The Trustee may request that the Bondholders provide an indemnity and/or security and/or pre-funding to its satisfaction***

In certain circumstances (including the giving of a notice to the Company or taking action pursuant to the Terms and Conditions), the Trustee may, at its discretion, request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if not first fully indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken, or at all. The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

### ***The market value of the Convertible Bonds and the Shares may be subject to fluctuation***

The trading prices of the Convertible Bonds and the Shares may be subject to fluctuation in response to numerous factors, including (i) the market for similar securities, (ii) the periodic operating results and financial condition of the Group, (in the case of the Convertible Bonds) the trading price of the Shares and (iv) political, economic, financial and any other factors that can affect capital market conditions, the Group and the industries in which the Group operates. Adverse economic developments in Singapore as well as countries in which the Group operates or has business dealings could have a material adverse effect on the business, results of operations, financial position and prospects of the Group and the market value of the Convertible Bonds and the Shares. As a result of any of the above, the market price of the Convertible Bonds may fall below the Issue Price and the market price of the Shares may fall below the Conversion Price.

### ***The Conversion Price of the Convertible Bonds is not an indication of the underlying value of the Shares. Further, the Rights Issue may cause the price of the Shares to fluctuate or decrease.***

Taking into account the Issue Price (which is at a discount of 6.9% to the principal amount of S\$1.00 per Convertible Bond) and the initial Conversion Price of S\$0.0170 per Conversion Share, each Conversion Share is effectively priced at approximately S\$0.0158, which represents: (i) a premium of approximately 5.33% to the VWAP of S\$0.0150 per Share for trades done on the SGX-ST on 6 July 2022, being the full Market Day immediately prior to the date of the Announcement on which trades were done; and (ii) a premium of approximately 21.54% to the closing price of S\$0.013 per Share for trades done on the SGX-ST on the Latest Practicable Date. The Conversion Price does not bear a direct relationship to the book value of the Company's assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Shareholders should not consider the Conversion Price to be any indication of the underlying value of the Shares.

The market price for the Shares on the SGX-ST (including the Rights and the Conversion Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market's perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Company's control. Examples of such factors include but are not limited to: (a) variation in its operating results;

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(b) changes in securities analysts' estimates of the Group's financial performance; (c) fluctuations in stock market prices and volume; (d) general changes in rules and regulations with regard to the industry that the Group operates in, including those that affect the demand for the Group's services; and (e) economic and credit conditions.

Any of these events could result in a decline in the market price of the Shares (including the Rights and the Conversion Shares) during and after the Rights Issue. There is no assurance that the market price of the Shares will be equal to or higher than the Conversion Price of the Convertible Bonds.

### ***An investment in the Convertible Bonds is subject to interest rate risk***

Bondholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. The Convertible Bonds are a form of fixed interest security and may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Convertible Bonds. The market value of the Convertible Bonds may be similarly affected which may result in a capital loss for Bondholders. Conversely, when interest rates fall, the prices of the Convertible Bonds and the prices at which the Convertible Bonds trade may rise. Bondholders may enjoy a capital gain but interest received may be reinvested at lower prevailing interest rates.

### ***The Convertible Bonds may not be a suitable investment for all investors***

The subscription or purchase of the Convertible Bonds involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Investors should ensure that they fully understand the nature of all these risks before making a decision to invest in the Convertible Bonds. Each potential investor in the Convertible Bonds must also determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Convertible Bonds, the merits and risks of investing in the Convertible Bonds and the information contained in this Offer Information Statement and the Product Highlights Sheet;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his or her particular financial situation, an investment in the Convertible Bonds and the impact such investment will have on his or her overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Convertible Bonds;
- understand thoroughly the terms of the Convertible Bonds; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect his investment and his or her ability to bear the applicable risks.

The Convertible Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Convertible Bonds, which are complex financial instruments, unless he or she has the expertise (either alone or with the help of a financial adviser) to evaluate how the Convertible Bonds will perform under changing conditions, the resulting effects on the value of such Convertible Bonds, and the impact that this investment will have on the potential investor's overall investment portfolio.

This Offer Information Statement and the Product Highlights Sheet are not and do not purport to be investment advice. Investors should conduct such independent investigation and analysis regarding the Convertible Bonds as they deem appropriate. Investors should also consult their own legal, tax, accounting, financial and other professional advisers to assist them in determining the suitability of the Convertible Bonds for them as an investment. Investors should make an investment only after they have determined that such investment is

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suitable for their financial investment objectives. Investors should consider carefully whether the Convertible Bonds are suitable for them in light of their experience, objectives, financial position and other relevant circumstances.

***The Company is primarily a holding company and payments with respect to the Convertible Bonds are structurally subordinated to liabilities and obligations of each of the Company's subsidiaries***

The Company is primarily a holding company and its ability to make payments in respect of the Company depends largely upon the receipt of dividends, distributions, interests or advances from its wholly or partly-owned subsidiaries and associated companies. The ability of the subsidiaries and associated companies of the Company to pay dividends and other amounts to the Company may be subject to their profitability and to applicable laws. Payments under the Convertible Bonds are not guaranteed by the Company's subsidiaries and are structurally subordinated to all existing and future liabilities and obligations of each of the Company's subsidiaries and associated companies. Claims of creditors of such companies will have priority as to the assets of such companies over the Company and its creditors, including holders of the Convertible Bonds.

***The Convertible Bonds may be redeemed at the Company's option in accordance with the Terms and Conditions***

The Convertible Bonds may be redeemed at the sole option of the Company in whole or in part at any time after the third (3<sup>rd</sup>) anniversary of the Issue Date. The Terms and Conditions also provide that the Company has the right to redeem all (and not some only) of the Convertible Bonds, at any time on giving not less than thirty (30) nor more than sixty (60) days' irrevocable notice to the Bondholders at 100 per cent. (100%) of their principal amount plus unpaid interest accrued to (but excluding) the date fixed for redemption if (i) the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 9 of the Terms and Conditions, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date, and (ii) such obligations cannot be avoided by the Company taking reasonable measures available to it.

Please refer to Condition 8, as set out in **Appendix A** to this Offer Information Statement, for more information on the redemption of the Convertible Bonds.

The date on which the Company elects to redeem the Convertible Bonds may not accord with the preference of individual Bondholders. This may be disadvantageous to the Bondholders in light of market conditions or the individual circumstances of the Bondholder.

In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Convertible Bonds.

***Save in limited circumstances, the Convertible Bonds are not redeemable at the option of the Bondholders***

The Convertible Bonds may be redeemed at the sole option of the Company in whole or in part at any time after the third (3<sup>rd</sup>) anniversary of the Issue Date or in whole for taxation reasons in accordance with the Terms and Conditions. The Convertible Bonds may become due and payable as a result of an Event of Default. However, Bondholders have no right to require the Company to redeem the Convertible Bonds save in the event that the Shares cease to be listed or traded on the SGX-ST. Unless redeemed at the option of the Company or unless the Convertible Bonds become due and payable as a result of an Event of Default, the Convertible Bonds can only be disposed of by sale prior to the Maturity Date or by conversion into Conversion Shares during the Conversion Period. Upon such conversion, Bondholders will receive Conversion Shares and will not be repaid in cash. Bondholders who wish to sell their Convertible Bonds may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Convertible Bonds or if permission is not granted by the SGX-ST for the listing and quotation of the Convertible Bonds on the Main Board of the SGX-ST due to an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds or any other reason.

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### ***An active trading market in the Rights may not develop***

An active trading market in the Rights may not develop on SGX-ST during the trading period for such Rights. In addition, because the trading price of the Rights depends on the trading price of the Shares, the trading price of the Rights may be volatile and subject to the same risks affecting the trading price of the Shares. See the risk factor titled “**The market value of the Shares may be subject to fluctuation**”.

### ***The Convertible Bonds may not be listed on the SGX-ST***

On 26 September 2022, the SGX-ST granted approval in-principle for the listing and quotation for, among other things, the Convertible Bonds on the Main Board of the SGX-ST, subject to, *inter alia*, there being a sufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds. There is no assurance that the Convertible Bonds will, upon issue, be listed and quoted on the Main Board of the SGX-ST. In the event that permission is not granted by the SGX-ST for the listing and quotation of the Convertible Bonds on the Main Board of the SGX-ST due to an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds or any other reason, the Company shall nevertheless proceed and complete the Rights Issue. In such event, the Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System and will be cleared through CDP. However, Bondholders will not be able to trade their Convertible Bonds on the SGX-ST.

### ***There is no prior market for the Convertible Bonds and no assurance that one will develop to provide liquidity for the Convertible Bonds***

The Convertible Bonds are a new issue of securities for which there is currently no trading market. No assurance can be given that an active trading market for the Convertible Bonds will develop or, if a market does develop, as to the liquidity or sustainability of any such market and the ability of the Bondholders to sell their Convertible Bonds. If an active market for the Convertible Bonds fails to develop or is not sustained, the trading price of the Convertible Bonds could fall below the Issue Price. Even if an active market for the Convertible Bonds were to develop, the Convertible Bonds could trade at prices that may be lower than the Issue Price. The trading price of the Convertible Bonds will depend on many factors, including (a) prevailing interest rates and the market for similar securities; (b) the Group’s financial condition, financial performance and future prospects; and (c) fluctuations in the market price of the Shares.

### ***The Company may raise or redeem other capital which affects the price of the Convertible Bonds***

The Company may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Company may issue or incur and which rank senior to, or *pari passu* with, the Convertible Bonds. Similarly, subject to compliance with the Terms and Conditions, the Company may redeem securities that rank junior to, *pari passu* with, or senior to the Convertible Bonds. The issue of any such securities, the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by Bondholders on a winding-up of the Company. The issue of any such securities, the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Convertible Bonds and/or the ability of Bondholders to sell their Convertible Bonds.

### ***Future issuances or sales of Shares could adversely affect the market value of the Shares and the Convertible Bonds and Shareholders may suffer dilution of their ownership interest***

Any future issue or sale of Shares could have a dilutive effect on Shareholders and could have a downward pressure on the market value of the Shares and the Convertible Bonds. In particular, the sale of a significant amount of Shares on SGX-ST after the Rights Issue, or the perception that such sale may occur, could materially affect the market prices of the Shares. These factors could also affect the Company’s ability to undertake future equity fundraising.

### ***An investment in the Convertible Bonds is subject to inflation risk***

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders may have an

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anticipated real rate of return based on expected inflation rates on the subscription or purchase of Convertible Bonds. An unexpected increase in inflation could reduce the actual real returns.

***The performance of contractual obligations by the Company is dependent on other parties***

The ability of the Company to make payments in respect of the Convertible Bonds may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder, including the performance by the Trustee, the Principal Agent and/or the Bond Registrar of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Company of its obligations to make payments in respect of the Convertible Bonds, the Company may not, in such circumstances, be able to fulfil its obligations to the Bondholders.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (i) Convertible Bonds and Conversion Shares are legal investments for him or her, (ii) Convertible Bonds and Conversion Shares can be used as collateral for various types of borrowing, and (iii) other restrictions apply to his or her purchase or pledge of any Convertible Bonds and Conversion Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Convertible Bonds and Conversion Shares under any applicable risk-based capital or similar rules.

***Converting Bondholders are required to make certain representations and agreements in the Conversion Notice (as defined in the Terms and Conditions)***

The Rights, the Conversion Bonds and the Conversion Shares have not been and will not be registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights, the Conversion Bonds and the Conversion Shares are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S under the Securities Act.

Accordingly, in order to exercise the Conversion Right attaching to any Convertible Bond, a Bondholder must *inter alia* provide the representations and agreements required in the Conversion Notice (the form for the time being current obtainable from the Conversion Agent (as defined in the Terms and Conditions)). If any Bondholder is unable to provide the representations and agreements required in the Conversion Notice, the Bondholder will not be entitled to exercise its Conversion Right and thus will not receive any Conversion Shares.

***Bondholders are exposed to financial risks***

The Terms and Conditions provide for interest and principal to be payable at specified periods regardless of the performance of the Group. In the event that the Group suffers a deterioration in its financial condition (such as a serious decline in net operating cash flows), there is no assurance that the Company will have sufficient cash flow to meet payments under the Convertible Bonds. Under such circumstances, the ability of the Company to comply with its payment obligations under the Trust Deed and the Convertible Bonds may be adversely affected.

***Bondholders are subject to the Terms and Conditions of the Convertible Bonds, which include provisions as to modifications and waivers, and events of default***

The Terms and Conditions of the Convertible Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Convertible Bonds also provide that the Trustee may (but shall not be obliged to), without any consent or sanction of the Bondholders concur with the Company in making any modification

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(except as provided in the Terms and Conditions of the Convertible Bonds), to any of the Terms and Conditions of the Convertible Bonds or any of the provisions of the Trust Deed or the Agency Agreement which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders, or which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by CDP.

Further, the Terms and Conditions of the Convertible Bonds provide that if an Event of Default under the Convertible Bonds occurs and is continuing, the Trustee may give notice to the Company that the Convertible Bonds are immediately due and payable if so requested in writing by the holders of not less than 25% in principal amount of the Convertible Bonds then outstanding or if directed by an extraordinary resolution of Bondholders.

Accordingly, Bondholders holding in aggregate less than 25% of the principal amount of the Convertible Bonds outstanding would not be able to instruct the Trustee to declare the Convertible Bonds immediately due and payable if an Event of Default under the Convertible Bonds occurs and is continuing. Further, the Trustee may, at its discretion, request the Bondholders to provide pre-funding and/or an indemnity and/or security to its satisfaction before it takes action on behalf of Bondholders, as further described in the risk factor entitled **“The Trustee may request that the Bondholders provide an indemnity and/or security and/or pre-funding to its satisfaction”**.

### ***Exchange rate risks and exchange controls may result in Bondholders receiving less interest or principal than expected***

The Company will pay interest on the Convertible Bonds in Singapore dollars. This presents certain risks relating to currency conversions if a Bondholder’s financial activities are denominated principally in a currency or currency unit (referred to in this paragraph as the **“Investor’s Currency”**) other than Singapore dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of Singapore dollars or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to Singapore dollars would decrease (i) the Investor’s Currency equivalent yield on the Convertible Bonds, (ii) the Investor’s Currency equivalent value of the principal payable on the Convertible Bonds and (iii) the Investor’s Currency equivalent market value of the Convertible Bonds.

### ***The liquidity of the Shares may decline***

Generally, the liquidity of the market for a particular company’s shares is dependent on, among others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiments. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on SGX-ST may not change or decline after the Rights Issue.

### ***A change in Singapore law may adversely affect Bondholders***

The Convertible Bonds are governed by Singapore law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision in Singapore or change to Singapore law or administrative practice after the date of issue of the Convertible Bonds and any such change could materially impact the value of any Convertible Bonds affected by it.

### ***Consequences of non-availability of definitive certificates in respect of the Convertible Bonds***

The Convertible Bonds will be in the form of the global certificate and except in the limited circumstances described in the global certificate, owners of interests in Convertible Bonds represented by the global certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Convertible Bonds.

For the purpose of the initial allocation of the Convertible Bonds, investors in the Convertible Bonds under the Rights Issue must already have, or must open, a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. An investor’s ability to pledge his interest in the Convertible Bonds to any person or otherwise take action in respect of his interest may be affected by the lack



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of any definitive bond certificates.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Convertible Bonds credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor's accounts maintained with it to secure any amounts which may be owing by such investor to it.

All notices to the Bondholders will be validly given if published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times) or so long as the Company or the Convertible Bonds are listed on the SGX-ST, published or announced on the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)). There may, so long as the Convertible Bonds are represented by a global bond certificate and such global bond certificate is held in its entirety on behalf of CDP, be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to (subject to the agreement of CDP) CDP for communication by it to the Bondholders, except that if the rules of the SGX-ST so require, notice will in any event be published in accordance with the preceding sentence. Any such notice shall be deemed to have been given to the Bondholders on the seventh (7<sup>th</sup>) day after the date on which the said notice was given to CDP.

For so long as any of the Convertible Bonds is represented by the global certificate and the global certificate is registered in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Convertible Bonds shall be treated by the Company, the Trustee, the Principal Agent and the Bond Registrar as the holder of such principal amount of Convertible Bonds standing to the credit of its securities account for all purposes other than with respect to the payment of principal, distribution or redemption and/or any other amounts which accrue or are otherwise payable by the Company through CDP in respect of the Convertible Bonds. Convertible Bonds which are represented by the global bond certificate will be transferable only in accordance with the rules and procedures for the time being of CDP. Where the Convertible Bonds are held by an investor in his direct Securities Account with CDP, payments in respect of the Convertible Bonds will be credited through CDP from the Company. Where the Convertible Bonds are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. The Company, the Trustee, the Bond Registrar and the Principal Agent accept no responsibility for any failure or delay on the part of the Depository Agents in performing their contractual duties to investors.

Holders of beneficial interests in the global certificate will not have a direct right to vote in respect of the Convertible Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled to appoint appropriate proxies. Similarly, holders of beneficial interests in the global certificate will not have a direct right under the global certificate to take enforcement action against the Company except in certain limited circumstances in respect of the relevant Convertible Bonds and will have to rely upon their rights under the Trust Deed.

### ***Application of Singapore insolvency and related laws to the Company may result in a material adverse effect on the Bondholders***

There can be no assurance that the Company will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Company, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Bondholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Bondholders.

Where the Company is insolvent or close to insolvent and undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Company. It may also be possible that if a company related to the Company proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Company may also seek a moratorium even if the Company is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Company, the need to obtain court permission may result

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## RISK FACTORS

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in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Bondholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Bondholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the “**IRD Act**”) was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Convertible Bonds.

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## CLEARING, SETTLEMENT AND CUSTODY

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The following is a summary of the clearance, settlement and custody arrangements for the Convertible Bonds.

### **Clearance and Settlement through CDP**

The Convertible Bonds, upon being accepted for clearance by CDP, will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

The Convertible Bonds, upon being accepted for clearance by CDP, are to be held by CDP in the form of a global certificate for persons holding the Convertible Bonds in Securities Accounts with CDP (together, the "**Convertible Bond Depositors**"). Delivery and transfer of the Convertible Bonds between Convertible Bond Depositors is by electronic book-entries in the records of CDP only, as reflected in the Securities Accounts of Convertible Bond Depositors.

Settlement of over-the-counter trades in the Convertible Bonds through the Depository System may be effected through securities sub-accounts held with Depository Agents. Convertible Bond Depositors holding the Convertible Bonds in direct securities accounts with CDP, and who wish to trade Convertible Bonds through the Depository System, must transfer the Convertible Bonds to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities. Although CDP has established procedures to facilitate transfers of interests in the Convertible Bonds in global form among Convertible Bond Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Trustee, the Principal Agent, the Share Registrar, the Bond Registrar or any other agents will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations, including in relation to the Accepted Electronic Services.

### **Custody Arrangements with Depository Agents**

Definitive bond certificates or certificates representing the Convertible Bonds will not be issued to individual Bondholders (except in the limited circumstances described in the provisions of the global bond certificate).

The Convertible Bonds, as represented by the global bond certificate, will be credited to the accounts of the Bondholders with CDP. For so long as the Convertible Bonds are represented by the global bond certificate held through CDP, the Depository Agents and individual Bondholders with direct Securities Accounts will be treated as Bondholders for all purposes other than with respect to the payment of principal, distributions or other amounts in respect of the Convertible Bonds, the right to which shall be vested, as against the Company, solely in the registered holder of the global bond certificate.

### **Clearing Fees**

With effect from 1 June 2014, a clearing fee for the trading of the Convertible Bonds on the Main Board of the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee may be subject to goods and services tax at the prevailing rate (currently 7.0%).

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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### 1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue, access and download this Offer Information Statement and the Product Highlights Sheet from the SGX-ST's website at <http://www.sgx.com/securities/company-announcements> or the Company's website at <https://www.addvaluetech.com/rights-issue>, and to receive the OIS Notification Letter, together with the ARE or the PAL, as the case may be, at their respective Singapore addresses.

Entitled Depositors who do not receive the OIS Notification Letter or the ARE may contact CDP during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the OIS Notification Letter or the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Convertible Bonds under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date, fractional entitlements to be disregarded. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights Trading Period prescribed by the SGX-ST) their Rights and are eligible to apply for additional Convertible Bonds in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Convertible Bonds will be disregarded in arriving at the Shareholders' entitlements and will, together with such Convertible Bonds that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold Rights of Foreign Shareholders and any Convertible Bonds that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the ARE, the PAL and (if applicable) the Constitution, be aggregated and used to satisfy applications for Excess Convertible Bonds (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Convertible Bonds, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and the allotment of Excess Convertible Bonds.

**All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.**

The Convertible Bonds will, upon issue, initially be represented by a global certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the global certificate, owners of interests in the Convertible Bonds represented by the global certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Convertible Bonds.

**Accordingly, Entitled Scripholders and their renounees who wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds, and who wish to trade the Convertible Bonds issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open and maintain Securities Accounts with CDP in their own names if they do not already maintain Securities Accounts in order that that the number of Convertible Bonds and, if applicable, the Excess Convertible Bonds that may be allotted to them may be credited by CDP into their Securities Accounts.**

**Entitled Scripholders and their renounees who wish to accept the Rights and/or apply for Excess Convertible Bonds and have their Convertible Bonds credited into their Securities Account must provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) in the relevant forms comprised in their PALs. Entitled Scripholders or their renounees who fail to provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration**

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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numbers (for corporations) in the forms comprised in their PALs or who have given incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose Securities Account numbers provided are not otherwise accepted by CDP for the credit of the Convertible Bonds that may be allotted to them or whose particulars as provided in the forms comprised in the PALs differ from those particulars given to CDP for the opening of their Securities Accounts or whose particulars as provided in the forms comprised in the PALs differ from those particulars currently maintained with CDP are liable to have their acceptances of their Rights and (if applicable) applications for Excess Convertible Bonds rejected.

Entitled Shareholders should note that all notices and documents will be sent to their last registered addresses with CDP or the Share Registrar (as the case may be) as at the Record Date.

For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of Rights and (if applicable) applications for Excess Convertible Bonds must be made through the relevant SRS Approved Banks, finance companies or Depository Agents, respectively. Such investors are advised to provide their respective SRS Approved Banks, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by such intermediaries in order for such intermediaries to make the relevant acceptances of Rights and (if applicable) applications for Excess Convertible Bonds on their behalf by the Closing Date. Any acceptance and/or application made by such investors directly through CDP, Electronic Applications at ATMs of Participating Banks, an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

The Convertible Bonds are not eligible for inclusion under the CPF Investment Scheme. Accordingly, for CPFIS Members, acceptances of their Rights and (if applicable) applications for Excess Convertible Bonds must be done through the CPF agent banks with which they maintain their CPF Investment Accounts. CPFIS Members who have previously purchased their Shares using CPF Funds and wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds will need to instruct their respective CPF agent banks to accept their Rights and (if applicable) apply for Excess Convertible Bonds on their behalf **USING CASH** and in accordance with the terms and conditions of this Offer Information Statement. The Convertible Bonds will not be held through the CPF Investment Account.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation, splitting and/or sales of Rights and applications for Excess Convertible Bonds, including the different modes of acceptance or application and payment, are contained in **Appendices B to D** to this Offer Information Statement and in the ARE, the ARS and the PAL (as the case may be).

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, the Rights, the Convertible Bonds and/or the Conversion Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Rights to any Securities Account, the receipt of any Rights, access to the electronic version of this Offer Information Statement and the Product Highlights Sheet, or receipt of the OIS Notification Letter and its accompanying documents will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may participate in the Rights Issue. Investors are cautioned to note the offering, selling and transfer restrictions set forth in the section titled "**Offering, Selling and Transfer Restrictions**" of this Offer Information Statement.

### 2. Foreign Shareholders

This Offer Information Statement and its accompanying documents, including the Product Highlights Sheet, have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of this Offer Information Statement and/or its accompanying documents, including the Product Highlights Sheet, may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. For practical reasons and in order to avoid any

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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violation of the securities legislation applicable in jurisdictions other than Singapore, the Convertible Bonds will not be offered to, and this Offer Information Statement and its accompanying documents, including the Product Highlights Sheet, have not been and will not be despatched or disseminated to, Foreign Shareholders or into any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be eligible to participate in the Rights Issue. No Rights will be allotted to Foreign Shareholders, and no purported acceptance of or application for Rights or Convertible Bonds by any Foreign Shareholder will be valid.** However, the Company may, at its sole discretion, determine whether to allow the participation in the Rights Issue by a Foreign Shareholder, subject in all cases to compliance with the applicable laws in the relevant jurisdiction.

This Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the Rights credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the Rights renounced to him. The Company reserves the right to reject any acceptances of the Rights and/or applications for Excess Convertible Bonds where it believes, or has reason to believe, that such acceptance and/or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate the applicable legislation of such jurisdiction; or (ii) purports to exclude any deemed representation or warranty required by the terms of this Offer Information Statement, the ARE, the ARS or the PAL.

The Company further reserves the right to reject any acceptances of Rights and/or applications for Excess Convertible Bonds where it believes, or has reason to believe, that such acceptances and/or applications may violate any applicable legislation of any jurisdiction. Notwithstanding the foregoing paragraphs, the Company may, in its sole discretion, determine whether to allow the participation in the Rights Issue by Shareholders who are located, resident or with a registered address in other jurisdictions outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdictions.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore wishing to take up their provisional allotment of the Convertible Bonds or apply for Excess Convertible Bonds under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

Access to the electronic version of this Offer Information Statement and the Product Highlights Sheet and receipt of the OIS Notification Letter, the ARE, the ARS and/or the PAL, or the crediting of Rights to a Securities Account shall not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, the OIS Notification Letter, the ARE, the ARS and/or the PAL must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of the OIS Notification Letter, the ARE, the ARS and/or the PAL and/or a credit of Rights to a Securities Account in any territory other than Singapore may treat the same as constituting an invitation or offer to him, nor should he in any event use any such ARE, ARS or PAL and/or accept any credit of Rights to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such ARE, ARS or PAL and/or credit of Rights to a Securities Account could lawfully be used or accepted, and any transaction resulting from such use or acceptance could be effected, without contravention of any registration or other legal or regulatory requirements.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of the OIS Notification Letter, the ARE, the ARS and/or the PAL or whose Securities Accounts are credited with Rights should not distribute or send the same or transfer Rights in or into any jurisdiction where to do

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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so would or might contravene local securities laws or regulations. If the OIS Notification Letter, the ARE, the ARS and/or the PAL or a credit of Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the Rights, and renounce the ARE, ARS or PAL or transfer the Rights unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who forwards the OIS Notification Letter, the ARE, the ARS and/or the PAL, or transfers Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of the relevant sections of this Offer Information Statement.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Rights which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on SGX-ST as soon as practicable after commencement of trading of Rights. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them by ordinary post at their own risk, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such person shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where such Rights are sold "nil-paid" on SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such person shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in respect of such sales or the proceeds thereof, the Rights or the Convertible Bonds represented by such Rights.

If such Rights cannot be sold or are not sold on SGX-ST as aforesaid for any reason by such time as SGX-ST shall have declared to be the last day for trading of the Rights, the Convertible Bonds represented by such Rights will be issued to satisfy applications for Excess Convertible Bonds (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such person shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders. However, the Company reserves the right to make similar arrangements for the Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold "nil-paid" on SGX-ST as soon as practicable after dealings in the Rights commence, where the beneficial holders of such Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue.

**SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD HAVE PROVIDED CDP (AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588) OR THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD. (AT 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621), AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.**

**Notwithstanding anything herein, Entitled Shareholders and/or any other person having possession of the OIS Notification Letter and its accompanying documents and access to the electronic version of this Offer Information Statement and the Product Highlights Sheet, are**

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents, including the Product Highlights Sheet, may treat the same as an offer, invitation or solicitation to subscribe for any Convertible Bonds unless such offer, invitation or solicitation could lawfully be made without violating any other regulatory or legal requirements in such territory.



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## OFFERING, SELLING AND TRANSFER RESTRICTIONS

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No action has been taken or will be taken to permit a public offering of the Rights, the Convertible Bonds or the Conversion Shares to occur in any jurisdiction, or the possession, circulation, distribution or dissemination of this Offer Information Statement, the OIS Notification Letter, the Product Highlights Sheet, any accompanying documents or any other material relating to the Company, the Rights, the Convertible Bonds or the Conversion Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the MAS.

Accordingly, the Rights, the Convertible Bonds and the Conversion Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, the OIS Notification Letter, the Product Highlights Sheet, any accompanying documents or any offering materials or advertisements in connection with the Rights, the Convertible Bonds or the Conversion Shares may be distributed, disseminated or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to accepting any Rights, applying for Excess Convertible Bonds or making any offer, sale, resale, pledge or other transfer of the Rights, the Convertible Bonds or the Conversion Shares.

The Company has not taken any action, nor will the Company take any action, in any jurisdiction that would permit a public offering of the Convertible Bonds or the Conversion Shares, or the possession, circulation or distribution of this Offer Information Statement, the OIS Notification Letter, the Product Highlights Sheet or any other material relating to the Company, the Convertible Bonds or the Conversion Shares in any jurisdiction other than Singapore where action for that purpose is required.

The distribution of this Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Shareholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) may treat the same as an offer, invitation or solicitation to subscribe for any Rights, Convertible Bonds or Conversion Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulations or legal requirements in such territory.

**THIS OFFER INFORMATION STATEMENT AND ITS ACCOMPANYING DOCUMENTS (INCLUDING THE PRODUCT HIGHLIGHTS SHEET) ARE BEING SUPPLIED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.**

The Rights, the Convertible Bonds and the Conversion Shares are being offered and sold outside the U.S. in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

Each purchaser of Rights, Convertible Bonds and/or the Conversion Shares offered and sold outside the U.S. and in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights, Convertible Bonds and/or Conversion Shares is, outside the U.S.; and (ii) is acquiring the Rights, Convertible Bonds and/or Conversion Shares in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights, the Convertible Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the U.S. in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Company, its respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The Company has not taken any action, and will not take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights, the Convertible Bonds and the Conversion Shares, or the

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## **OFFERING, SELLING AND TRANSFER RESTRICTIONS**

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possession, circulation or distribution of this Offer Information Statement or any other material relating to the Company, the Rights, the Convertible Bonds or the Conversion Shares in any jurisdiction other than Singapore where action for that purpose is required.

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## TRADING

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### 1. Listing of and Quotation for the Convertible Bonds and the Conversion Shares

On 26 September 2022, the SGX-ST granted approval in-principle for the listing of and quotation for the Convertible Bonds and the Conversion Shares, subject to the following conditions:

Compliance with the SGX-ST's listing requirements:-

- (a) a written undertaking from the Company that it will comply with Listing Rules 704(30) and 1207(20) in relation to the use of the proceeds from the Rights 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;
- (b) a written undertaking from the Company that it will comply with Listing Rule 877(10) with regards to the allotment of any Excess Convertible Bonds;
- (c) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the undertaking shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings;
- (d) announcement of the conditions under which the Conversion Price may be adjusted and the conditions under which the Convertible Bonds may be redeemed;
- (e) a written confirmation from the Company that the terms of the Convertible Bonds will comply with Listing Rule 829;
- (f) a written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1);
- (g) a written undertaking from the Company to announce the expiry of the Convertible Bonds and the notice of expiry to be sent to all holders of the Convertible Bonds at least 1 month before the expiration date, pursuant to Listing Rule 829(2);
- (h) a written undertaking from the Company that any material amendment to the terms of the Convertible Bonds after issue to the advantage of the holders of the Convertible Bonds to be approved by shareholders, except where the amendment is made pursuant to the terms of the issue, pursuant to Listing Rule 829(3);
- (i) a written undertaking from the Company that Listing Rules 820 and 830 will be complied with (including a written undertaking from the Company to announce any adjustments made pursuant to the Terms and Conditions of the Convertible Bonds);
- (j) a written confirmation from the Company that there is a satisfactory spread of holders of the Convertible Bonds to provide an orderly market for the Convertible Bonds, in compliance with Listing Rule 826; and
- (k) the Audit Committee to review the use of proceeds from fund raising activities in the past 2 years and provide a confirmation whether the proceeds are utilised as proposed.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.

Upon listing and quotation on the Main Board of the SGX-ST, the Convertible Bonds and the Conversion Shares will, when issued, be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system.

All dealings in and transactions (including transfers) in relation to the Convertible Bonds and the Conversion Shares effected through the SGX-ST and/or CDP (as the case may be) shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Account with The Central

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## TRADING

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*Depository (Pte) Limited*", copies of which are available from CDP, and in the case of the Convertible Bonds, additionally, the Depository Agreement, as the same may be amended from time to time.

**In the event that permission is not granted by the SGX-ST for the listing and quotation of the Convertible Bonds on the Main Board of the SGX-ST due to an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the trading of the Convertible Bonds, the Company shall nevertheless proceed with and complete the Rights Issue. In the Event that the Company is unable to obtain a listing for the Convertible Bonds on the SGX-ST, Bondholders will not be able to trade their Convertible Bonds on SGX-ST. However, the Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System. In addition, if a Bondholder were to exercise his or her Convertible Bonds in accordance with the Terms and Conditions, the Conversion Shares arising therefrom will be listed and quoted on the Main Board of the SGX-ST.**

The Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each and will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Convertible Bonds represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Convertible Bonds. Convertible Bonds which are represented by the global bond certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

### 2. Important Notice to Entitled Scripholders

Entitled Scripholders and their renounees who wish to accept their Rights and (if applicable) apply for Excess Convertible Bonds, and who wish to trade the Convertible Bonds issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Convertible Bonds and, if applicable, the Excess Convertible Bonds that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept their Rights and/or apply for Excess Convertible Bonds and have their Convertible Bonds credited into their Securities Accounts must provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) or who have given incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose Securities Account numbers provided are not otherwise accepted by CDP for the credit of the Convertible Bonds that may be allotted to them or whose particulars as provided in the forms comprised in the PALs differ from those particulars given to CDP for the opening of their Securities Accounts or whose particulars as provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, are liable to have their acceptances of their Rights and (if applicable) applications for Excess Convertible Bonds rejected.

If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address immediately, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST must deposit his or her share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and payment of S\$10.00 plus goods and services tax at the prevailing rate, and have his Securities Account credited with the number of existing Shares, as the case may be, before he or she can effect the desired trade.

### 3. Trading of Odd Lots

Shareholders should note that the Shares are, and the Conversion Shares will be, quoted on the SGX-ST in board lot sizes of 100 Shares. Shareholders who hold odd lots of Shares (including Conversion

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## TRADING

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Shares) (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market of the SGX-ST.

The Convertible Bonds will be traded on the Main Board of the SGX-ST in board lots of 100 Convertible Bonds with a principal amount of S\$100. Bondholders who hold odd lots of Convertible Bonds (that is, lots other than board lots of 100 Convertible Bonds with a principal amount of S\$100) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Convertible Bonds in board lots of one Convertible Bond with a principal amount of S\$1.00 on the Unit Share Market.

Shareholders or Bondholders who hold odd lots of Shares or Convertible Bonds (as the case may be) may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares or Convertible Bonds.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement and the Product Highlights Sheet, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward looking statements.

These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement and the Product Highlights Sheet regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement and the Product Highlights Sheet, undue reliance must not be placed on these statements.

The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be discussed in those forward-looking statements.

In light of the ongoing uncertainties in the global financial markets and its contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement and the Product Highlights Sheet must be considered with significant caution and reservation.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgment of this Offer Information Statement with the Authority but before the Closing Date and are material, or are required to be disclosed by law and/or the SGX-ST, the Company will make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

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## TAKE-OVERS

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### The Take-over Code

The Take-over Code regulates the acquisition of ordinary shares of, inter alia, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council of Singapore, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the holders of any class of share capital of the Company which carries votes and in which such person, or persons acting in concert with him, hold shares in accordance with the provisions of the Take-over Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into, rights to subscribe for and options in respect of new shares which carry voting rights (such as the Convertible Bonds) does not give rise to an obligation to make a mandatory take-over offer under the Take-over Code. However, the exercise of any conversion rights or subscription rights or options will be considered to be an acquisition of voting rights for the purposes of the Take-over Code.

The Company will **not** be making an application to the Securities Industry Council of Singapore to seek a waiver of the obligation of any Shareholder to make a mandatory take-over offer under the Take-over Code as a result of the conversion of the Convertible Bonds into Conversion Shares. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any conversion of Convertible Bonds into Conversion Shares should consult the Securities Industry Council of Singapore and/or their professional advisers.

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## TAXATION

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The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines and circulars issued by the relevant authorities in force as of the date of this Offer Information Statement and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of these laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offer Information Statement are intended or are to be regarded as advice on the tax position of any holder of the Convertible Bonds or the Conversion Shares or of any person acquiring, selling, converting or otherwise dealing with the Convertible Bonds or the Conversion Shares or on any tax implications arising from the acquisition, sale, conversion or other dealings in respect of the Convertible Bonds or the Conversion Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Convertible Bonds or the Conversion Shares (including conversion of the Convertible Bonds) and do not purport to deal with all of the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Entitled Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of, conversion or disposition of the Convertible Bonds or the Conversion Shares, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Company nor any other persons involved in this Offer Information Statement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding, conversion or disposal of the Convertible Bonds or the Conversion Shares.

### General

#### Individual Taxpayers

An individual is tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 22%. Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 22%.

#### Corporate Taxpayers

A company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

However, foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 is exempt from tax if certain prescribed conditions are met, including the following:

- (a) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received



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## TAXATION

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on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“IRAS”) with respect to such conditions.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is currently 17%. In addition, three-quarters of up to the first S\$10,000 of a company’s annual normal chargeable income, and one-half of up to the next S\$190,000, is exempt from corporate tax from the year of assessment (“YA”) 2020 onwards. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate.

New companies will also, subject to certain conditions and exceptions, be eligible for tax exemption on three-quarters of up to the first S\$100,000 of a company’s annual normal chargeable income, and one-half of up to the next S\$100,000, a year for each of the company’s first three YAs from YA 2020 onwards. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate.

### Convertible Bonds

#### Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

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## TAXATION

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### **Gains on Disposal (including by way of conversion) of the Convertible Bonds**

Singapore does not impose tax on capital gains. However, there are currently no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Convertible Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

A conversion of the Convertible Bonds into the Conversion Shares may be regarded as a disposal of the Convertible Bonds for Singapore income tax purposes and Bondholders may consequently need to recognise a gain or loss. Such gain or loss may be income or capital in nature depending on the circumstances of the holder (e.g. whether he is trading in securities) and may or may not be taxable or deductible accordingly. Bondholders are advised to seek their own tax advice on the tax consequences to them of a conversion of the Convertible Bonds into the Conversion Shares.

In addition, Bondholders who apply or are required to apply Singapore Financial Reporting Standard (“**FRS**”) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Convertible Bonds, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be), even though no sale, disposal or conversion is made. Please see the section below on “**Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore income tax purposes**”.

### **Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes**

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implication Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Bondholders or holders of Conversion Shares who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, conversion or disposal of the Convertible Bonds or the Conversion Shares.

### **Conversion Shares**

#### **Dividend Distributions**

Dividends received in respect of the Conversion Shares by either a resident or non-resident of Singapore are not subject to Singapore income tax and Singapore withholding tax, on the basis that the Company is tax resident in Singapore.

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system (“**one-tier system**”). Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

### **Gains on Disposal of the Conversion Shares**

Singapore does not impose tax on capital gains (i.e. gains which are considered to be capital in nature) but imposes tax on income. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Conversion Shares may

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## TAXATION

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be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Holders of the Conversion Shares who apply or are required to apply FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Conversion Shares, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section entitled “**Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore income tax purposes**” above.

### **Stamp Duty**

There is no stamp duty payable in respect of the issuance and holding of the Conversion Shares.

Singapore stamp duty is payable on a transfer of the Conversion Shares if there is an instrument of transfer executed in Singapore or if there is an instrument of transfer executed outside Singapore which is received in Singapore. In such situations, stamp duty is payable on the instrument of transfer of the Conversion Shares at the rate of 0.2% of the consideration for, or market value of, the Conversion Shares, whichever is higher.

The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Conversion Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Conversion Shares through the scripless trading system operated by CDP.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**PART 2 — IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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<b>Directors</b>	<b>Address</b>
Dr Chan Kum Lok, Colin (Executive Chairman)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332
Mr Tan Khai Pang (Chief Executive Officer)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332
Mr Richard J Denny (Independent Director)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332
Mr Wong Ming Ghee, Bernard (Independent Director)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332
Mr Paul C Burke (Non-Executive and Non-Independent Director)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332
Mr Chua Chwee Koh (Non-Executive and Non-Independent Director)	: c/o 202 Bedok South Avenue 1 #01-11 Singapore 469332

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**Advisers**

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
  - (b) the underwriter to the offer, if any; and
  - (c) the legal adviser for or in relation to the offer, if any.
- 

Manager to the Rights Issue	: Not applicable
Underwriter to the Rights Issue	: Not applicable
Legal Adviser to the Company as to Singapore law	: <b>Morgan Lewis Stamford LLC</b> 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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Legal Advisor to the Trustee, the Principal Agent and the Bond Registrar as to Singapore law : **Shook Lin & Bok LLP**  
1 Robinson Road  
#18-00 AIA Tower  
Singapore 048542

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**Registrars and Agents**

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

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Share Registrar	: <b>KCK CorpServe Pte. Ltd.</b> 24 Raffles Place #07-07, Clifford Centre Singapore 048621
Receiving Bank	: <b>DBS Bank Ltd</b> 12 Marina Boulevard, DBS Asia Central, MBFC Tower 3 Singapore 018982
Trustee	: <b>Pacific Trustees (Singapore) Ltd.</b> 60 Paya Lebar Rd #08-30 Paya Lebar Square Singapore 409051
Principal Agent	: <b>Pacific Trustees (Singapore) Ltd.</b> 60 Paya Lebar Rd #08-30 Paya Lebar Square Singapore 409051
Bond Registrar	: <b>Pacific Trustees (Singapore) Ltd.</b> 60 Paya Lebar Rd #08-30 Paya Lebar Square Singapore 409051

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**PART 3 — OFFER STATISTICS AND TIMETABLE**

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**Offer Statistics**

1. For each method of offer, state the number of securities or securities-based derivatives contracts being offered.
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Renounceable non-underwritten rights issue of up to S\$6,484,064 in aggregate principal amount of 6.0 per cent. (6.0%) Convertible Bonds in the denomination of S\$1.00 for each Convertible Bond and integral multiples thereof, at the Issue Price of 93.1% of the principal amount of the Convertible Bonds, on the basis of one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders at the Record Date, fractional entitlements to be disregarded.

Assuming that (a) all the Convertible Bonds under the Rights Issue are fully subscribed for, (b) there are no adjustments to the Conversion Price, (c) all the Convertible Bonds are converted into Conversion Shares, the maximum number of Conversion Shares to be issued is 381,415,529.

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**Method and Timetable**

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:
- (a) the offer procedure; and
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
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Noted. Please refer to paragraphs 3 to 7 of this Part.

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3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.
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Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and the applications for Excess Convertible Bonds, including the different modes of acceptances or application and payment, are contained in **Appendices B to D** of this Offer Information Statement and in the PAL, the ARE and the ARS.

The timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may upon consultation with its advisers and with the approval of the SGX-ST and/or CDP (if necessary), modify the timetable subject to any limitation under any applicable laws. In such event, the Company will

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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publicly announce any change to the timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

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**4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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The Convertible Bonds are payable in full upon acceptance and/or application. The detailed procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Convertible Bonds including the different modes of acceptance or application and payment, are contained in **Appendices B to D** to this Offer Information Statement and in the PAL, the ARE and the ARS.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for the last date and time for acceptances, excess applications and payment for the Convertible Bonds and, if applicable, Excess Convertible Bonds.

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**5. State, where applicable, the methods of and time limits for:**

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
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The Convertible Bonds will be provisionally allotted to Entitled Shareholders by crediting the Rights to the Securities Accounts of Entitled Depositors maintained with CDP so that the Rights are available for trading on or around 13 October 2022 or through the despatch of the PALs to Entitled Scripholders on or about 13 October 2022, based on their respective shareholdings in the Company as at the Record Date.

The Convertible Bonds will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Convertible Bonds represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Convertible Bonds. Upon crediting of the Convertible Bonds to the Securities Accounts of the relevant subscribers, it is expected that CDP will send to the relevant subscriber, at the relevant subscriber's own risk, a notification letter stating the number of Convertible Bonds credited to the relevant subscriber's Securities Account.

Entitled Scripholders and their renounees who wish to accept the Rights and (if applicable) apply for Excess Convertible Bonds, and who wish to trade the Convertible Bonds issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Convertible Bonds and, if applicable, Excess Convertible Bonds that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept their Rights and/or apply for Excess Convertible Bonds and have their Convertible Bonds credited into their Securities Accounts must provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for

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individuals) or registration numbers (for corporations) or who have given incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose Securities Account numbers provided are not otherwise accepted by CDP for the credit of the Convertible Bonds that may be allotted to them or whose particulars as provided in the forms comprised in the PALs differ from those particulars given to CDP for the opening of their Securities Accounts or whose particulars as provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, are liable to have their acceptances of their Rights and (if applicable) applications for Excess Convertible Bonds rejected.

All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on SGX-ST.

Please refer to **Appendices B to D** to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable. There are no pre-emptive rights to subscribe for or purchase the securities being offered.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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### Results of the Rights Issue

As soon as practicable after the Closing Date, the Company will announce the results of the allotment of the Convertible Bonds through an SGXNET announcement to be posted on the internet at the SGX-ST's website, <http://www.sgx.com>.

### Manner of Refund

When any acceptance for Convertible Bonds and/or excess application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three (3) Business Days after the commencement of the trading of the Convertible Bonds, by any one or a combination of the following:

- (a) where the acceptance and/or application had been made through CDP, by crediting their designated bank account via CDP's Direct Crediting Service or in the case where refunds are to be made to Depository Agents or Member Companies, by means of telegraphic transfer. In the event that an applicant is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*" (Cash Ledger and Cash Distributions are as defined herein) (such retention by CDP being a good discharge of the Company's obligations);



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- (b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address in Singapore as maintained with the Share Registrar; and
- (c) where the acceptance and/or application had been made through Electronic Applications through an ATM of a Participating Bank or an Accepted Electronic Service, by crediting their bank accounts with the relevant bank at their own risk, the receipt by such bank being a good discharge of the Company's and CDP's obligations.

The details of refunding excess amounts paid by applicants are contained in **Appendices B to D** of this Offer Information Statement and in the PAL, the ARE and the ARS.

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**PART 4 — KEY INFORMATION**

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**Use of Proceeds from Offer and Expenses Incurred**

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
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Noted. Please refer to paragraphs 2 to 7 of this Part.

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2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
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Assuming that the Rights Issue is fully subscribed, the estimated Net Proceeds from the issue of the Convertible Bonds are expected to be approximately S\$5.60 million, after taking into account the discount to Issue Price of 6.9% and deducting professional fees and related expenses incurred in connection with the Rights Issue of approximately S\$0.40 million.

All of the Net Proceeds will go to the Company.

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3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
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The Company intends to deploy the Net Proceeds in the following proportions:

Use of Net Proceeds	Amount (S\$'000)	Percentage of Net Proceeds (%)
Repayment of balance of borrowings <sup>(1)</sup>	2,500	44.6
Repayment of payables	600	10.7
Working capital of the Group (including materials and testing costs for order fulfilment, marketing and administrative expenses) and for business expansion	2,500	44.6
<b>Total</b>	<b>5,600</b>	<b>100</b>

**Note:-**

- (1) The sum of S\$2.5 million allocated out of the Net Proceeds is intended to repay the outstanding borrowings related to the convertible loan note of principal amount S\$3.45 million issued by the Company and subscribed by Mr. Paul Clark Burke on 6 August 2019 (the “Convertible Loan Note”). As announced by the Company on 14 July 2022, the Company had entered into the Undertaking

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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Shareholders' Loan Agreements with each of the Undertaking Shareholders under which the principal amounts of the loans granted by the Undertaking Shareholders repayable by the Company to each of the Undertaking Shareholders will be set off (in full or partially) against the consideration payable by each of the Undertaking Shareholders under the Rights Issue. In this regard, each of the Undertaking Shareholders have provided their Irrevocable Undertakings. For more details on the Undertaking Shareholders' Loan Agreements and the Irrevocable Undertakings, please refer to paragraph 1(f) of the section entitled "**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**" of this Offer Information Statement. As at the Latest Practicable Date, the loans granted by the Undertaking Shareholders pursuant to the Undertaking Shareholders' Loan Agreements have been fully disbursed to the Company and the outstanding balance of the Convertible Loan Note has been fully repaid with the said loans.

Pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets instruments and/or marketable securities, and/or used for working capital or any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The foregoing represents the Company's best estimate of its allocation of the Net Proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Net Proceeds within the categories described above or to use portions of the Net Proceeds for other purposes. In the event that the Company decides to reallocate the Net Proceeds or use portions for other purposes, it will publicly announce its intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST's website, <http://www.sgx.com>.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the annual report(s) of the Company, until such time such proceeds have been fully utilised. Where the Net Proceeds have been used for general corporate and/or working capital purposes, the Company will also announce and provide a breakdown with specific details on the use of the Net Proceeds in the financial statements and annual reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

The Rights Issue is not underwritten by any financial institution. However, subject to the conditions of their respective Irrevocable Undertakings, the Undertaking Shareholders have undertaken to, *inter alia*, subscribe and pay in full for their *pro-rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of all valid applications by other Shareholders (the "**Undertaking Shareholders' Balance Applications**") of up to a combined aggregate amount of S\$3.5 million. Such Undertaking Shareholders' Balance Applications shall rank in priority after allocations of Excess Convertible Bonds to other Shareholders. In addition, as a demonstration of their confidence in and commitment to the prospects of the Group, the Undertaking Directors have each provided a Directors' Confirmation to the Company that they will subscribe and pay in full for their *pro rata* entitlement under the Rights Issue. As a result of the Irrevocable Undertakings and the Directors' Confirmations, the Company has received assurance that at least 60% of the entitlements under the Rights Issue will be subscribed for and paid in full.

For more details on the Irrevocable Undertakings and the Directors' Confirmations, please refer to paragraph 1(f) of the section entitled "**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**" of this Offer Information Statement.

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4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

For each dollar of the gross proceeds of approximately S\$6.0 million from the Rights Issue (assuming the Rights Issue is fully subscribed and taking into account the discount to the Issue Price):

- (a) approximately 41.7 cents will be used for the repayment of the balance of the borrowings;
- (b) approximately 10.0 cents will be used for repayment of payables;
- (c) approximately 41.7 cents will be used for general working capital purposes (including materials and testing costs for order fulfilment, marketing and administrative expenses) and for business expansion; and
- (d) approximately 6.6 cents will be used for estimated expenses incurred or to be incurred in connection with the Rights Issue.

5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds raised from the Rights Issue, direct or indirectly, to acquire or refinance the acquisition of any asset, business or entity other than in the ordinary course of business.

6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

Approximately S\$2.5 million of the Net Proceeds will be used to repay the balance of the principal amount and interest accrued on a convertible loan note of principal amount S\$3.45 million issued by the Company and subscribed by Mr. Paul Clark Burke on 6 August 2019 (the "**Convertible Loan Note**").

Details on the Convertible Loan Note are set out below:

<b>Original Indebtedness</b>	<b>Purpose of Indebtedness</b>	<b>Original Amount Outstanding as at the Latest Practicable Date</b>	<b>Net Proceeds Usage</b>	<b>Final Maturity Date of Original Indebtedness</b>
Convertible Loan Note of principal amount S\$3.45 million	Capability Development Program for Space and working capital	N.A. <sup>(1)</sup>	S\$2.5 million	N.A. <sup>(1)</sup>

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**Note:-**

- (1) As of the Latest Practicable Date, the Convertible Loan Note has been fully repaid with the loans extended by the Undertaking Shareholders to the Company under the Undertaking Shareholders' Loan Agreements. Please refer to note (1) of paragraph 3 of the section entitled "**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Securities-Based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**" of this Offer Information Statement for more details.

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- 7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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Not applicable. The Rights Issue is not underwritten by any financial institution and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

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### **Information on the Relevant Entity**

- 8. Provide the following information:**

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity.**

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Registered address and principal place of business	:	202 Bedok South Avenue 1 #01-11 Singapore 469332
Telephone number	:	(65) 6509 5700
Facsimile number	:	(65) 6509 5701
E-mail address	:	colin.kl.chan@addvalue.com.sg

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- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group**
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The principal activities of the Company are those of an investment holding company.

The Group is a 'one-stop shop' communications technology products developer that is principally engaged in the design, development and/or distribution of satellite communication equipment and other innovative digital broadband products and solutions for a variety of connectivity for applications at seas, on land, on flight and in space, as well as related products and customised solutions derived from its proven technologies and established capabilities, supporting coverage provided by satellite communication operators. The Group also offers customised design services tailored to the unique needs of its customers.

As of the Latest Practicable Date, the Group's business segments are as follows:

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### Space Connectivity (“SPC”) Related Business (previously known as the IDRS-related Business)

The Group’s SPC business relates to IDRS, which provides end-to-end real-time, always-on data communications for LEO satellite operators on a global basis. As of the Latest Practicable Date, the Group has secured 10 IDRS customers, including Capella Space, Hedron, ITRI, Synspective Inc., Atomos Space and Loft Orbital. These accounts represent an aggregate of more than 280 satellites in their planned constellations to be launched over the next few years. If all of their planned satellites are launched with the IDRS data connection services, these accounts shall provide a healthy growth rate in both terminal sales and recurring airtime/value-added services revenue for the Group. As of the Latest Practicable Date, there are 7 IDRS terminals operating in space and are generating airtime revenue.

### Advance Digital Radio (“ADR”) Related Business (previously known as the RES-related Business)

The Group’s ADR business relates to re-configurable embedded hardware system for SDR and agile communications applications. As announced in February 2022, the Group has secured a S\$3.6 million contract for the supply of its proprietary software defined and RF modules to a large technology company. In September 2022, the Group debuted the ADRS1000™, a state-of-the-art 16-channel highly compact advanced digital radio communication module developed on the back of the Group’s RF and FPGA-SoC embedded system design. The ADRS1000™ is positioned to be a core building block for a wide range of advanced radio, radar, digital beam-forming, and complex image processing for applications in anti-drone systems, software-define satellite communications, 5G networks, high-performance instrumentation and many other bespoke wireless digital communications.

### Satcom Connectivity (“STC”) Related Business (previously known as the IPS-related Business)

The Group’s STC business relates to growing needs for satcom-based digital connectivity solutions, including developing solutions for fishing fleets and providing terminals embedded with VMS solutions for fisheries regulations, as well as providing end-to-end satcom IoT/M2M solutions for environmental utilities and mining markets. In August 2020, the Group rolled-out its Addvalue iFleetONE-VMS™ Terminals which provides new satellite communication capabilities for vessels, including solutions for vessels to comply with the relevant fisheries regulations.

### Design Engineering Services (“DES”) Related Business (previously known as the Design-cum-Supply Business)

The Group’s DES business offers third-party product development services. In June 2021, the Group signed a memorandum of understanding with Micro-Ant LLC to jointly develop and promote satellite terminals for end-user applications globally.

Further information on the principal activities of the subsidiaries of the Company as at the Latest Practicable Date are set out as follows:

Name of Subsidiary	Country of business/ incorporation	Principal Activities	Effective Interest held by the Group
<b>Held by the Company:</b>			
Addvalue Communications Pte Ltd	Singapore	Design, development and distribution of tele-communication equipment and related products	100%
Addvalue Innovation Pte Ltd (“AVI”)	Singapore	Design, development and distribution of tele-communication equipment and related products	100%

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<b>Name of Subsidiary</b>	<b>Country of business/ incorporation</b>	<b>Principal Activities</b>	<b>Effective Interest held by the Group</b>
Zhongxin Chuangzhi Holding Pte. Ltd.	Singapore	Investment company holding	100%
Addvalue Capital Pte. Ltd.	Singapore	Investment company holding	100%
Addvalue Global Limited	Hong Kong	Business development, sale and marketing of satellite communication equipment	100%
<b>Held by Zhongxin Chuangzhi Holding Pte. Ltd.:</b>			
Zhongxin Chuangzhi (Beijing) Technology Ltd., Co (“ZXCZ”)	People’s Republic of China	Business development, sale and marketing of satellite communication equipment	100%
<b>Held by AVI:</b>			
Addvalue Solutions Pte. Ltd.	Singapore	Design and supply of communication products and services	100%
<b>Held by Addvalue Capital Pte. Ltd.</b>			
Revere Space Inc.	United States of America	Business development, sale and marketing of satellite communications products and services	100%

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- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since:**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
  - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published**
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The general development of the business of the Group in chronological order since 1 April 2020 to the Latest Practicable Date are set out below. The commentaries included in this section have been extracted from the related announcements released by the Company via SGXNET and the information presented herein is correct as at the date of the relevant announcement. Shareholders are advised to refer to the related announcements for further details.

**FY2020**

- (a) **Addvalue iFleetONE-VMS™ expansion of National Oceanic and Atmospheric Administration (“NOAA”)/National Marine Fisheries Service (“NMFS”) Type-Approval from the US Government**

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On 2 April 2019, the Company announced that AVI had obtained the Type Approval for the Addvalue proprietary iFleetONE-VMS™ bundled with the Inmarsat 4 satellite communications and GPS positioning service from the US NMFS Office of Law Enforcement (“OLE”) for meeting the requirements of the NMFS/OLE VMS programme for use in the NMFS Southeast Region fisheries. This was in addition to the previous type approval by the NMFS in October 2018 for three regions – Alaska, Pacific Islands and the West Coast. It is mandatory for all commercial fishing vessels legally licensed and permitted to fish in certain US fisheries management regions to carry NMFS/OLE type approved VMS terminals that securely report their GPS positions via a secure satellite link.

On 1 November 2020, the Company announced that the Group had secured the type-approval conferred by the NMFS/NOAA on its iFleetONE maritime broadband terminal for a new reporting regulation required on all vessels that are to be chartered for spot fishing in the South East Region and the Gulf of Mexico (the “Gulf-for-Hire Approval”). The Addvalue iFleetONE-VMS™ is the first and only broadband IP data solution type-approved as an Enhanced Mobile Transceiver Unit by NMFS/NOAA for regulatory VMS fishing reporting in all its fisheries regions in the United States. This Gulf-for-Hire Approval is a further extension to the Group’s list of its approval status with NMFS/NOAA. The Group has forged partnerships with leading market players to launch the Addvalue iFleetONE-VMS™ in response to introduction of new reporting regulations as part of the NMFS/NOAA’s unrelenting programme for sustainable fishing activities.

**(b) Additional Order for the Supply of Multiple IDRS Terminals**

On 30 April 2019, the Company announced that AVI had, pursuant to an existing IDRS supply contract signed with a client, secured a significant additional order for multiple space-qualified IDRS terminals worth over US\$1 million.

**(c) Issue of Convertible Loan Note in the Principal Amount of S\$3.45 Million**

On 30 June 2019, the Company announced that it had on 28 June 2019 entered into a subscription agreement for the issue of a convertible loan note in the principal amount of S\$3.45 million convertible into 150,000,000 new Shares at the conversion price of S\$0.023 per Share with Mr. Paul Clark Burke.

As of the Latest Practicable Date, the balance of the principal amount and interest accrued of approximately S\$2.5 million has been fully repaid with the loans extended by the Undertaking Shareholders to the Company under the Undertaking Shareholders’ Loan Agreements. Please refer to paragraphs 3 and 6 of the section entitled “**Disclosure Requirements under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**” of this Offer Information Statement for more details.

**(d) Contract worth at least US\$1 million to supply the Group’s Proprietary Very Small Aperture Terminal (“VSAT”) Solution to the Indonesia Government and its Military Agency**

On 3 July 2019, the Group announced that it had entered into an agreement with an Indonesian company which specialises in providing satcom and IT solutions to the Indonesian government and its military agency to supply the Group’s proprietary VSAT solution for a minimum order of US\$1 million for the next 12-month period.

The said agreement is renewable annually, subject to mutually agreed minimum order commitment from the Indonesian partner for the subsequent 12 months. Subsequently, the said agreement was terminated due to the prolonged lockdown caused by the COVID-19 pandemic, which resulted in the project being suspended.



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**(e) Notice of 3 Consecutive Years' Losses**

On 13 July 2019, the Group gave notice pursuant to Rule 1312 of the Listing Manual that it had recorded pre-tax losses for the 3 most recently completed consecutive financial years (based on audited full year consolidated accounts).

**(f) Retirement of Lead Independent Non-Executive Director**

On 31 July 2019, the Group announced that Mr. Lim Han Boon, the lead independent non-executive Director (as well as the chairman of the Audit and Nominating Committees and a member of the Remuneration Committee), had retired as a Director at the conclusion of the Company's annual general meeting on 31 July 2019, and would instead serve as a non-board executive finance director of the Company.

**(g) Partnership between the Group and Inmarsat with Capella Space**

On 5 August 2019, the Company announced that the Group had entered into an agreement with Capella Space, an information services company that provides Earth observation data on demand, for use of the Group's IDRS via Inmarsat's global L-Band satellite communications network. The lightweight Addvalue terminals on Capella satellites drastically reduce the time required to order and deliver high-resolution imagery from anywhere in the world and the IDRS will keep Capella's constellation of Synthetic Aperture Radar ("SAR") small satellites in constant contact with Inmarsat's award-winning global L-Band network, enabling two-way, secure and fast IP-based connectivity.

**(h) Change of Registered Office**

On 4 September 2019, the Company announced that the registered office of the Company had been changed to 202 Bedok South Ave 1, #01-11, Singapore 469332 with effect from 4 September 2019.

**(i) Successful Delivery of the First Flight IDRS Terminal for Installation on Board one of the Low Earth Orbit ("LEO") Satellites of a Multi-LEO-Satellite Constellation Operator Scheduled for Commercial Service Launch**

On 3 October 2019, the Company announced that AVI had, pursuant to an IDRS contract signed with a multi-LEO-satellite constellation operator in 2018, successfully delivered the first flight IDRS terminal for installation on board one of the LEO satellites of the satellite operator scheduled for commercial service launch.

**(j) Delivery of the First Flight Model of the Group's IDRS Terminal to Capella Space**

On 22 October 2019, the Company announced that AVI had delivered the first flight model of the Group's IDRS terminal to Capella Space. The partnership between the Group, Capella Space and Inmarsat is powered by Inmarsat's award-winning global L-band network, and the three companies are working towards outfitting Capella's constellation of small LEO SAR satellites with the Group's IDRS terminals, thereby enabling two-way, secure and always-on IP-based connectivity.

On 5 February 2020, the Company further announced that Capella's Space Programme would kick-start with the launch of seven LEO SAR satellites (which were equipped with the Group's IDRS terminals) and commence commercial operations in 2020.

On 2 June 2020, the Company announced that the Group had delivered the flight IDRS terminals to cover the rescheduled launches of Capella Space in 2020 (which had been delayed due to the COVID-19 pandemic).

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## **DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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On 23 November 2020, the Company announced, after a five-year collaboration between Inmarsat and AVI, the Commercial Service Introduction (CSI) of the IDRS service following the successful demonstration of the first live data connectivity between Capella Space's Control Centre and its Sequoia satellite at low earth orbit. This new data link should reduce waiting times for data transfers from several hours to a handful of minutes, and can enhance live-saving efforts in a natural disaster or enable observers to spot issues and direct resources to tackle them before they develop or get out of hand. The new system, consisting of the Addvalue on-board terminal and the Inmarsat data relay service, achieved a world first by allowing persistent, on-demand transfer of data, creating a new paradigm for smallsat LEO operations.

On 27 January 2021, the Company announced the successful launch to orbit of the second and third Capella SAR imaging satellites, equipped with Addvalue's IDRS terminals, on 24 January 2021.

On 1 July 2021, the Company announced Capella Space's intention to equip additional satellites in its SAR constellation with AVI's IDRS terminals. These additional terminals were scheduled for delivery in 2021 and 2022. To date, Capella Space has 7 satellites with IDRS terminals installed and operational in space and which are currently generating recurring airtime revenue for the Group.

**(k) Entry into Cooperation Agreement with Cloud Constellation Corporation in support of Cloud Constellation's SpaceBelt™ Satellite Constellation Development**

On 29 October 2019, the Company announced that AVI had entered into a cooperation agreement with Cloud Constellation Corporation focused on the development of satellite products and services in support of Cloud Constellation's SpaceBelt™ Data Security as a Service cloud services. Pursuant to the cooperation agreement, the Group would lend its satellite communications expertise to the development and manufacture of SpaceBelt satellite communications terminal, as well as supporting design activities related to Cloud Constellation's inter-satellite communication protocols and a high performance, space-resilient, software-defined, embedded hardware solution capable of supporting edge computing for artificial intelligence and blockchain applications.

**(l) Launch of the First Type-Approved IP-based Terminal and VMS for Fishing Vessels operating in United States Waters**

On 21 November 2019, the Company announced that Inmarsat had, together with its partners AVI and Network Innovations, launched the first type-approved IP-based terminal and VMS for fishing vessels operating in United States waters, marking a significant milestone for sustainable fishing in the U.S. The Addvalue iFleetONE communications terminal and proprietary VMS had been type-approved in four of the five U.S. fisheries management regions, as required by the U.S. National Maritime Fisheries Service Office of Law Enforcement. The iFleetONE VMS was the first and only mobile satellite terminal to provide secure VMS services for NMFS with full-featured voice and IP-based communications capabilities. It also, for the first time, enabled every stakeholder in the VMS ecosystem, including NMFS Law Enforcement, fisheries management officials and other end users to have a suitable platform to develop many new and innovative applications that had been limited previously by the lack of availability and affordability of legacy technologies.

**(m) Proposed Placement of 266,666,600 Shares at an Issue Price of S\$0.0225 per Share and Conditional Grant of Share Options Exercisable into up to 444,444,400 Shares at an Exercise Price of S\$0.0225 per Share**

On 16 December 2019, the Company announced that it had entered into a subscription agreement with Bright Star Tech Pte. Ltd. For the issue and allotment of 266,666,600 new Shares at an issue price of S\$0.0225 per Share and the grant of the conditional right to require

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the Company to issue and allot up to an additional 444,444,400 new Shares at an exercise price of S\$0.0225 per Share.

On 26 March 2020, the Company announced that pursuant to further discussions between the Company and Bright Star Tech Pte. Ltd., it had been mutually agreed that the long-stop date for the proposed placement would not be extended and the subscription agreement had accordingly been terminated in accordance with its terms.

**(n) Cessation of Quarterly Reporting of Financial Statements**

On 13 February 2020, the Company announced that following the amendments to Rule 705 of the Listing Manual, which took effect from 7 February 2020, the Company would not be required to release its unaudited financial statements on a quarterly basis. Accordingly, after due deliberation, the Board had decided to prepare and publicly release the unaudited financial statements of the Company only on a semi-annual basis.

**(o) Entry into Licensing Agreement for Licensing of Intangible Properties for US\$6 Million to a Leading Company which Utilises Satellite-based Infrastructure in Providing Strong Security Enabled Cloud Data Management Services for Global Enterprise Organisations**

On 26 March 2020, the Company announced that AVI had on 25 March 2020 entered into a licensing agreement with a leading company which utilises satellite-based infrastructure in providing strong security enabled cloud data management services for global enterprise organisations (the “Assignee”), in connection with a licensing arrangement to be forged with the Assignee, on a non-exclusive, perpetual and global basis, for a one-time licensing fee of US\$6 million. Pursuant to the licensing agreement, AVI shall license to the Assignee the rights of use of such intellectual properties as required by the Assignee or any company controlled by the Assignee to develop satellite-based terminals needed for the Assignee group’s cloud data management services targeting global enterprise organisations.

On 15 July 2022, the Company announced the provision for impairment of US\$6 million of the licensing fee as the said receivable has been overdue for more than 2 years and there was uncertainty whether the customer would be able to fulfil its obligations to the Group due to the heightened volatility and uncertainty in the economic environment that the customer operates in, thereby resulting in a significant increase in the credit risk relating to the receivable since initial recognition. With reference to SFRS(I)9, the Company has recognised a full impairment of this trade receivable.

**(p) Proposed Placement of 266,666,600 Shares at an Issue Price of S\$0.0225 per Share**

On 26 March 2020, the Company announced that it had entered into a subscription agreement with Rain Asia Pacific Pte. Ltd. for the issue and allotment of 266,666,600 new Shares at an issue price of S\$0.0225 per Share.

On 4 May 2020, the Company announced that it had received the listing and quotation notice for the listing and quotation of the 266,666,600 new Shares to be issued to Rain Asia Pacific Pte. Ltd.

On 20 May 2020, the Company announced that it had received a request from Rain Asia Pacific Pte. Ltd. for the closing of the placement to be deferred to 21 May 2020. On 22 May 2020, the Company had received a request from Rain Asia Pacific Pte. Ltd. for a further deferment of the closing of the placement to 29 May 2020. On 1 June 2020, the Company announced that it had received a request from Rain Asia Pacific Pte. Ltd. for a further deferment of the closing of the placement to 10 June 2020. On 15 June 2020, the Company announced that it had received a request from Rain Asia Pacific Pte. Ltd. for a final deferment of the completion of the placement to no later than 23 June 2020. However, the SGX-ST had

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notified the Company that it had to seek the approval of Shareholders pursuant to Rule 811(3) of the Listing Manual.

On 29 November 2020, the Company announced that the proposed placement was to be subject to further discussions and suspended for the time being.

**(q) Proposed Placement of 517,000,000 New Warrants Exercisable into up to 517,000,000 Shares at an Exercise Price of S\$0.0205 per New Warrant**

On 26 March 2020, the Company announced that it had entered into warrant subscription agreements with Rain Asia Pacific Pte. Ltd. and Paul Clark Burke for the subscription of 490,000,000 new warrants exercisable into 490,000,000 new Shares at an exercise price of S\$0.0205 per warrant and 27,000,000 new warrants exercisable into 27,000,000 new Shares at an exercise price of S\$0.0205 respectively.

On 29 November 2020, the Company announced that the proposed placement of warrants to Rain Asia Pacific Pte. Ltd. was to be subject to further discussions and suspended for the time being and that the proposed placement of warrants to Paul Clark Burke would not be proceeded with.

**(r) New Corporate Logo and Slogan**

On 31 March 2020, the Company announced that it had launched the new corporate logo and slogan of the Group.

### **FY2021**

**(a) (i) Proposed Placement of 100,873,400 new Shares at a Placement Price of S\$0.02385 per Share; (ii) Proposed Placement of 10,500,000 new Shares at a Placement Price of \$0.02385 per Share as part of the Restructuring of an Existing Convertible Loan Note; and (iii) Proposed Issue of a Convertible Loan Note in the Principal Amount of S\$2 Million Convertible into 83,857,442 new Shares at a Conversion Price of S\$0.02385 per Share**

On 5 August 2020, the Company announced that it had on 4 August 2020, entered into several subscription agreements for the allotment issue of: (i) an aggregate of 100,873,400 new Shares to be subscribed by a group of subscribers at a placement price of S\$0.02385 per Share; and (ii) 10,500,000 new Shares to be subscribed by Wang Yu Huei as part of the restructuring of an existing convertible loan note at a placement price of S\$0.02385 per Share. The Company also announced that it had entered into a new convertible loan agreement with Wang Yu Huei for the proposed issue of a convertible loan note in the principal amount of S\$2 million convertible into 83,857,442 new Shares at a conversion price of S\$0.02385 per Share.

On 14 August 2020, the Company announced that it had entered into supplemental agreements to revise the placement price and the conversion price from S\$0.02385 to S\$0.02394 per Share. In addition, the Company had mutually agreed with Bambang Sugeng bin Kajairi that he would withdraw from the proposed placement. Accordingly, the total number of placement Shares had been revised from 111,373,400 to 107,373,400 Shares and the total number of conversion Shares had been revised from 83,857,442 to 83,542,188 Shares.

On 17 September 2020, the Company announced that it had obtained the in-principle approval from the SGX-ST for the listing and quotation of the 107,373,400 placement Shares and the 83,542,189 conversion Shares.

On 23 September 2020, the Company announced that it had completed the proposed placement of 107,373,400 Shares and the proposed issue of a convertible loan note in the

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principal amount of S\$2 million convertible into 83,542,188 new Shares at a conversion price of S\$0.02394 per Share.

On 2 December 2021, the convertible loan note was terminated and converted into a term loan.

**(b) Entry into Sales Agreement with CTTIC Shanghai Co Ltd (“CTTIC-Shanghai”) to make a Maiden Foray into the Controlled Regulatory Fisheries Sustainability Market of the Pacific Ocean**

On 10 August 2020, the Company announced that ZXCZ had entered into a sales agreement (with an initial terminal sales order of US\$200,000) with CTTIC-Shanghai, a subsidiary under China Transportation and Telecommunications Information Centre (which is an organisation under the China Ministry of Transport) and an exclusive service provider of Inmarsat plc in China, to make a maiden foray into the controlled Regulatory Fisheries Sustainability Market of the Pacific Ocean via the roll-out and sales of the Group’s all-in-one IP-based satellite broadband terminals (the Addvalue iFleetOne-VMS™ Terminals), embedded with the Group’s proprietary VMS solution which has been type-approved separately by each of the Pacific Islands Forum Fisheries Agency (the “FFA”) and the Western and Central Pacific Fisheries Commission (the “WCPFC”) (the “Addvalue Type-Approved VMS Solution”), to the China-registered fishing fleets which carry out deep sea fishing activities in the Pacific Ocean and therefore are regulated by the FFA and the WCPFC. Compared with other approved competing VMS solutions, the Addvalue Type-Approved VMS Solution accords end users with the convenience of “all-in-one-terminal” and future-ready to support new regulatory features such as electronic forms for catch reporting and on board IoT applications to support advanced fisheries operations.

On 31 May 2021 and 2 June 2021, the Company announced that ZXCZ had secured a follow-on contract with CTTIC-Shanghai for a second batch of 100 units of of Addvalue iFleetONE-VMS™ Terminals, with a view to equip the Chinese fishing fleet of more than 1,000 vessels with new satellite communication capabilities that include solutions for complying with the regulations for fisheries sustainability. This follow-on contract is subsequent to the first contract which both ZXCZ and CTTIC-Shanghai entered into in August 2020 that witnessed the successful roll-out of the first 100 units.

**(c) Incorporation of a New Subsidiary**

On 14 August 2020, the Company announced that it had incorporated a new wholly-owned subsidiary, Addvalue Capital Pte. Ltd. The principal activities of Addvalue Capital Pte. Ltd. is that of an investment holding company.

**(d) Appointment of Non-Executive Director**

On 1 October 2020, the Company announced that it had on 29 September 2020 appointed Mr. Paul Clark Burke as a non-executive Director of the Company.

**(e) Entry into Teaming Agreement with AIOT Chile SpA (“SmartDots”) to Offer Smart Environmental Monitoring IoT/M2M Solutions to San Ignacio Del Huinay Foundation**

On 9 October 2020, the Company announced that it had on entered into a teaming agreement with SmartDots, a Chilean company specialising in smart Internet-of-Things solutions for the South America market, to provide a smart satcom-based digital IoT/M2M solution, using the Group’s Satellite Terminal Sabre Ranger 5000 as the primary communication device based on the Inmarsat BGAN M2M Satellite Service, for the Program of Terrestrial and Aquatic Ecosystem Observation in remote locations of the Chilean Patagonia so as to facilitate the carrying out of scientific research activities that will contribute to the amelioration of the local ecosystem. This project is funded by the San Ignacio del Huinay Foundation, and targets to

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overcome the problems of poor or unavailable cellular connectivity in remote areas.

**(f) Proposed *Pro-Rata*, Non-Renounceable and Non-Underwritten Rights Issue**

On 29 November 2020, the Company announced that it was proposing to undertake a *pro-rata*, non-renounceable and non-underwritten rights issue of up to 737,118,890 new Shares at an issue price of S\$0.0225 per Share, on the basis of one rights Share for every three existing Shares held by entitled Shareholders.

On 8 January 2021, the Company announced that it had received the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for, up to 737,118,890 rights Shares.

On 4 February 2021, the Company announced that valid acceptances and excess applications were received for a total of 173,697,491 rights Shares. On 8 February 2021, the Company announced that 173,697,491 rights Shares had been issued and allotted for gross proceeds of approximately S\$3.91 million.

**(g) New Fleet One VMS Solution Launched to Enable U.S. Sport Fishing Vessels Compliance with 2021 Sustainability Regulations**

On 2 December 2020, the Company announced that AVI had partnered with Inmarsat and Pivotal to offer owners and operators of sport fishing vessels in the United States the most complete connectivity solution on the market. The collaboration would deliver both compliance with 2021 NOAA Fisheries regulations and demand for reliable on-board satellite communications.

**(h) SpaceChain Receives Grant from EUREKA GlobalStars-Singapore Call to Jointly Develop Decentralised Satellite Infrastructure with Consortium Partners**

On 10 December 2020, the Company announced that EUREKA Globalstars-Singapore Call had awarded GBP440,000 in funding together with access to research and development facilities and resources to SpaceChain UK Limited and consortium partners AVI and Alba Orbital. The companies will jointly develop a decentralised satellite infrastructure (DSI) that powers a blockchain payload at its core to enable direct tasking of a satellite in real-time. The DSI is set to democratise access to the nascent space sector with lower barriers to entry by individual companies. The innovation will be made possible collectively with the blockchain payload and software package developed by SpaceChain, the Unicorn-2 PocketQube platform built by Alba Orbital, and on-demand real-time communication provided by AVI through its IDRS that leverages LEO-Geosynchronous Earth Orbit (GEO) links.

**(i) New IDRS Customer**

On 21 December 2020, the Company announced that AVI had received commitment from another New Space LEO satellite operator to use AVI's IDRS in its multi-satellite constellation. The new customer is engaged in the business of designing and operating a multi-LEO-satellite constellation, and AVI's IDRS will serve as the communications backbone of the constellation in its provision of data services to commercial and government entities.

**(j) Endorsement of IDRS Service as a Key Component of EO-ALERT**

On 21 January 2021, the Company announced that AVI had won endorsement for its proprietary IDRS from EO-ALERT, a European Union's Horizon 2020 funded consortium comprising leading members of the European space industry as well as academic partners, as a key enabler for a real-time global delivery service for Earth Observation ("EO") products. EO-ALERT primarily aims to define and develop the next-generation EO data and processing chain based on a novel flight segment architecture that moves key optimized EO data

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processing elements from the ground to space using on-board processing with the objective of providing the EO products to the end user within minutes of collecting the data. Within the frame of EO-ALERT, Addvalue's IDRS service provides a very compelling option for delivering the on-board processed products to end users globally and within seconds.

**(k) Additional Order for the Group's Reconfigurable Embedded System-related Business**

On 24 January 2021, the Company announced that the Group's reconfigurable embedded system business ("RES")-related business, riding on its in-house FPGA-based re-configurable hardware development capability, has procured another new order with an established customer for its proprietary SDR module for agile communications applications, thereby bringing its total secured order to date to S\$1.7 million from both government agencies and commercial enterprises since the start of the COVID-19 pandemic in early 2020.

**(l) Collaboration between Analytical Space, Inc. ("ASI"), Inmarsat and AVI**

On 29 January 2021, the Company announced that it had entered into a partnership with ASI and Inmarsat to enable ASI to leverage unique aspects of the Inmarsat and Addvalue network ecosystems, and this will be an important enabler in ASI's roll-out of its Fast Pixel Network™. The Fast Pixel Network is a data transport satellite network in low Earth orbit that ingests data from Earth observation satellites, routes that ingested data from node to node via high speed optical intersatellite links and downlinks that data in near real time to government and commercial consumers. The partnership will open additional communications pathways between the Fast Pixel Network's Earth observation constellation customers based in low Earth orbit and Inmarsat's communication satellite network in geostationary orbit - without the need for those constellation operators to change their existing hardware architectures. Additionally, ASI's Fast Pixel Network satellites will benefit from the "always-on" telemetry, tracking, and control (TT&C) capabilities delivered by Addvalue's proprietary IDRS technology. This capability will ensure that ASI's constellation is always poised to serve customers with TT&C data relay.

**(m) Entry into Major Design Contract with Cloud Constellation for the Design and Development of a Satellite-based Data Communication Network**

On 29 January 2021, the Company announced that AVI had secured a design contract of up to US\$8.1 million with Cloud Constellation Corporation. Pursuant to the design contract, the Group will lend its satellite communications expertise to Cloud Constellation for the bespoke design and development of SpaceBelt satellite communications ground terminals and space payloads capable of supporting Cloud Constellation's inter-satellite communication protocols. The design contract will be carried out in accordance with the conclusions/recommendations on any variation reached by a study (to be conducted at the onset) and such being accepted by Cloud Constellation.

**(n) Entry into Memorandum of Understanding with Dragonfly Aerospace**

On 8 February 2021, the Company announced that AVI had entered into a memorandum of understanding with Dragonfly Aerospace, a leading South African-based space engineering cum space mission company, for a joint marketing collaboration in cross promoting Dragonfly Aerospace's imaging payloads and satellites and the Group's IDRS.

**(o) Grant of Awards and Issuance of Award Shares Pursuant to the Addvalue Technologies Performance Share Plan 2017**

On 19 February 2021, the Company announced that it had issued 97,300,000 new Shares pursuant to the Addvalue Technologies Performance Share Plan 2017.

**(p) Incorporation of Subsidiary**

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On 2 March 2021, the Company announced that it had, through its wholly-owned subsidiary, Addvalue Capital Pte. Ltd., incorporated a new wholly-owned subsidiary, Revere Space Inc. Revere Space Inc. is registered in the United States, with a view to address the active U.S. space market, particularly as it relates to the fast growing demand for the Company's space-based communications products and services.

**(q) GateHouse SatCom and the Group to Co-build the World's First 5G Narrow Band-IoT Satellite Terminal**

On 18 March 2021, the Company announced that GateHouse SatCom (a subsidiary of GateHouse) and AVI would jointly develop the world's first 5G NB-IoT satellite communication terminal ("**5G NB-IoT Satcom Terminal**") for collaboration with companies that aspire to take advantage of the fast-growing 5G satellite systems. The 5G NB-IoT Satcom Terminal, based on the 3rd Generation Partnership Project (3GPP) standards, will be fully functional with all 5G satellite networks worldwide. The standardisation will drive scalability and globalization of satellite communication in the future, thereby allowing operators to move their focus from technical challenges towards their core business and in providing improved services to their customers. The availability of standardised solutions, apart from supporting the scalability of business, will, both in the short-term and the long-term, help to save cost and rid the hassle of low or no coverage.

**(r) New Order for Several More IDRS Terminals**

On 23 March 2021, the Company announced that AVI had secured a new order for several more IDRS terminals worth well over US\$1 million.

### **FY2022**

**(a) New IDRS Order from Another New IDRS Customer**

On 29 April 2021, the Company announced that AVI had secured a new order from a new customer for its IDRS terminal supply and related provision of airtime service.

On 1 October 2021, the Company announced that as it was no longer constrained by non-disclosure obligations, it could identify the customer in question as Industrial Technology Research Institute.

**(b) Stable and Reliable 24/7 Connection to LEO Satellites with New SB-SAT Technology for IDRS Terminals**

On 18 June 2021, the Company announced that the Danish satellite communications specialist, GateHouse SatCom, had developed testing capabilities for IDRS with terminals offered by Addvalue. LEO customers can use the Gatehouse technology to test how connectivity is affected by link conditions, ensuring that the IDRS-based application works under all circumstances.

**(c) Entry into Memorandum of Understanding with Micro-Ant LLC for New Satellite Communication Product Development**

On 28 June 2021, the Company announced that AVI had entered into a memorandum of understanding with Micro-Ant LLC to jointly develop and promote satellite terminals for end-user applications globally.

**(d) Sixth IDRS Customer**

On 29 July 2021, the Company announced that the Group had secured an order from a new



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customer for the supply of its IDRS terminals, bringing it to a total of six IDRS customers with an aggregate of more than 200 satellites to be deployed in accordance with their respective constellation plans. The Group had started generating recurring IDRS airtime revenue following the successful commissioning of five IDRS terminals for commercial service in space since early 2021.

**(e) New Sales Orders for the Group's RES-related Business**

On 19 August 2021, the Company announced that the Group's RES-related business, riding on its in-house FPGA-based re-configurable hardware development and SDR capability, had garnered more new sales orders to deliver more than S\$1.5 million of sales to its government users and commercial enterprises for FY2022.

**(f) Introduction of State-of-the-Art Re-configurable Digital Radio Module Equipped ADRS1000™ for High-end SDR Systems Targeting the High Growth 5G, Mobile Satellites and Unmanned Vehicles Markets**

On 2 September 2021, the Company announced that AVI had introduced ADRS1000™, an ultra-high performance re-configurable digital radio module with the aim to enable its customers to accelerate the development and deployment of highly complex wireless systems. Incorporated with the latest Xilinx Zynq® UltraScale+™ RFSoc ("Zynq RFSoc"), the ADRS1000™ will bring to life the non-pareil capabilities of the Zynq RFSoc, a single chip design that is packed with built-in adaptive digital radio front-end, an Arm® Cortex®-A53 processing subsystem and UltraScale+ programmable logic with ample computing resources to meet most demanding digital signal processing jobs required of in today's increasingly complex digital radio applications.

**(g) Addvalue iFleetONE-VMS™ to capitalise on USA NOAA's Phase-2 Mandatory Requirements**

On 9 September 2021, the Company announced that AVI sought to partner Pivotel America, an Australian-owned international company and airtime distribution partner of Inmarsat, in providing a suite of satellite communication services globally, to leverage on its Addvalue iFleetONE-VMS™ solution in capitalising on the new mandatory requirements promulgated by the NOAA Fisheries Southeast Regional Office of the US Department of Commerce on all charter or headboat vessels with a Gulf Federal For-Hire permits in the U.S. pursuant to the Southeast For-Hire Integrated Electronic Reporting Programme.

**(h) Announcement Pursuant to Rule 704(5) of the Listing Manual**

On 14 September 2021, the Company announced that the independent auditors of the Company, Mazars LLP, had, without qualifying their opinion, highlighted a material uncertainty related to going concern in respect of the ability of the Group and the Company to continue as going concerns in view of the following:

- (i) that the Group reported a net loss of approximately US\$6.2 million and net operating cash outflows of US\$2.8 million for FY2021 and was in a net current liability position of approximately US\$0.8 million as at 31 March 2021; and
- (ii) that the ability of the Group and the Company as at 31 March 2021 to meet their financial obligations depends on the Group's success:
  - A. in completing the funding transaction from a third-party investor in extending a one-year loan of S\$8.5 million at an interest rate of 8% per annum to AVI against a corporate guarantee to be provided by the Company pursuant to a loan agreement entered into on 13 September 2021 between AVI and the third-party investor; and

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B. in generating sufficient positive cash flows from its operations.

**(i) Appointment of Independent Non-Executive Director**

On 29 September 2021, the Company announced that it had on 29 September 2021 appointed Mr. Wong Ming Ghee, Bernard as an independent non-executive Director of the Company.

**(j) Retirement of Independent Non-Executive Director**

On 29 September 2021, the Company announced that as Mr. Michael J Butler had served on the Board for more than 9 years as an independent Director, he would not be seeking re-election and would be retiring as an independent non-executive Director with effect from 29 September 2021.

**(k) Change of Place at Which Register of Members and Index is Kept**

On 18 October 2021, the Company announced the change of address of its Share Registrar and the change of place at which the Register of Members and Index is kept to 24 Raffles Place, #07-07 Clifford Centre, Singapore 048621.

**(l) New IDRS Order from Seventh IDRS Customer**

On 20 October 2021, the Company announced that AVI had secured a new order from its seventh IDRS customer for the supply of IDRS terminals and the provision of related airtime service. The said IDRS customer has a planned constellation of more than 40 LEO satellites. This brought the Group to a total of seven IDRS customers with an aggregate of more than 240 satellites to be deployed in accordance with the respective customers' constellation plan. The Group had started generating recurring IDRS airtime revenue following the successful commissioning of five IDRS terminals for commercial service in space since early 2021.

**(m) Proposed Placement of 2,340,000,000 new Shares at an Issue Price of S\$0.0127 per Share to PT. Tron Asia Pasifik**

On 20 November 2021, the Company announced that it had on 18 November 2021 entered into a subscription agreement with PT. Tron Asia Pasifik for the issue and allotment of 2,340,000,000 new Shares at an issue price of S\$0.0127 per Share.

On 5 December 2021, the Company announced that the subscription agreement with PT. Tron Asia Pasifik had been terminated by mutual agreement.

**(n) Proposed Fund-Raising Exercise**

On 5 December 2021, the Company announced that it had embarked on and concluded a fund-raising exercise that secured conditional commitments from new investors, Directors, employees and business associates to subscribe for a total of 433,010,000 new Shares at an issue price of S\$0.0127 per Share, raising total gross proceeds of S\$5,499,227. In addition, rights to subscribe for up to 610,240,000 new Shares at the same issue price of S\$0.0127 per Share have been granted in the form of subscription rights and warrants issued free of payment to the new investors, such subscription rights and warrants when exercised in full will raise additional gross proceeds of S\$7,750,048.

As at the Latest Practicable Date, the fund-raising exercise has concluded, and the net proceeds raised as of the Latest Practicable Date (including optional subscription rights exercised as at the Latest Practicable Date) is approximately S\$10.44 million. As at the Latest Practicable Date, optional subscription rights exercisable into 197,000,000 new Shares remain outstanding.

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**(o) Appointment of Non-Executive Non-Independent Director**

On 31 December 2021, the Company announced that Mr. Chua Chwee Koh would be appointed as a non-executive non-independent Director of the Company with effect from 1 January 2022.

**(p) Appointment of Chief Executive Officer**

On 31 December 2021, the Company announced that Mr. Tan Khai Pang would be appointed as Chief Executive Officer of the Company with effect from 1 January 2022, replacing the incumbent Chief Executive Officer of the Company, Dr. Chan Kum Lok, Colin. Dr. Chan Kum Lok, Colin would continue with his appointment as Executive Chairman.

**(s) Grant of Awards and Issuance of Award Shares Pursuant to the Addvalue Technologies Performance Share Plan 2017**

On 13 January 2022, the Company announced that it had issued 11,850,000 new Shares pursuant to the Addvalue Technologies Performance Share Plan 2017.

**(t) New IDRS Order from Eighth IDRS Customer**

On 10 February 2022, the Company announced that AVI had secured a new IDRS order from its eighth IDRS customer for the supply of IDRS terminals and the provision of related airtime service.

**(u) Contract to Supply Communication Modules to a Singapore Company**

On 15 February 2022, the Company announced that AVI had secured a S\$3.6 million contract (with an option to further increase the contract value up to S\$4.4 million) from a Singapore company for the supply of the Group's proprietary communication modules.

**1 April 2022 to the Latest Practicable Date**

**(a) Partnership Between Synspective Inc. and AVI**

On 1 June 2022, the Company announced that AVI had partnered with Synspective Inc., a SAR satellite data and solutions provider, to enable urgent delivery of high-quality imagery in challenging disaster environments. The collaboration will leverage Addvalue's innovative IDRS implemented over Inmarsat's world-leading ELERA satellite network.

**(b) Identification of Synspective Inc. as One of the Group's Existing IDRS Customers**

On 2 June 2022, the Company announced that Synspective Inc. was one of the nine existing IDRS customers of the Group.

**(c) Collaboration with Atomos Space**

On 6 July 2022, the Company announced that AVI and Atomos Space, a privately funded in-space transportation company, were partnering to enable orbital transfer vehicles that relocate LEO satellites and provide flexible terrestrial logistics in orbit. The collaboration would leverage Addvalue's IDRS terminal operating over Inmarsat's ELERA GEO satellite network.

**(d) New IDRS Order from Tenth IDRS Customer and Identification of Atomos Space as One of the Group's Existing IDRS Customers**

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On 7 July 2022, the Company announced that Atomos Space was one of the nine existing IDRS customers of the Group.

The Company also announced that it had secured its tenth IDRS customer.

**(e) Proposed Placement of 135,120,000 new Shares at an Issue Price of S\$0.0148 per Share**

On 7 July 2022, the Company announced that it had on 6 July 2022 entered into subscription agreements with (i) THEG Pte. Ltd. for the issue and allotment of 67,560,000 new Shares; and (ii) PY Opulence Investment Pte. Ltd. for the issue and allotment of 67,560,000 new Shares, for the issue and allotment of an aggregate of 135,120,000 new Shares at an issue price of S\$0.0148 per Share.

On 11 August 2022, the Company announced that the proposed placements have been completed, raising net proceeds of approximately S\$1.96 million.

**(f) Update of IDRS terminals supply contract with one of its existing customers**

On 1 August 2022, the Company announced that AVI and one of its existing IDRS customers had updated their IDRS terminals supply agreement with confirmed orders of more than US\$1.3 million and optional orders of up to US\$3.7 million.

**(g) Partnership with Loft Orbital**

On 10 August 2022, the Company announced that AVI was partnering Loft Orbital, a provider of Space infrastructure as a Service, to offer rapid, secure and simplified access to space, enhanced by always available end-user access with their IDRS terminals.

**(h) Identification of Loft Orbital as one of the Group's 10 existing customers**

On 10 August 2022, the Company announced that Loft Orbital was one of the Group's existing 10 IDRS customers.

**(i) Cooperation with IQ spacecom on the development of InCommand, the new on-demand TM/TC service**

On 10 August 2022, the Company announced that IQ Technologies for Earth and Space GmbH (IQ spacecom) and Addvalue Solutions Pte Ltd had entered into a memorandum of understanding for the development and marketing of the Inmarsat ELERA based InCommand service.

**(j) Addvalue announces AMD-Xilinx-powered RFSOC enabled 16- channel re-configurable wireless SOM for counter drone market**

On 1 September 2022, the Company announced that AVI had started rolling out the ADRS1000™, a state-of-the-art 16-channel Direct Sampling re-configurable wireless System-on-Module (SOM) to target emerging sectors like the 5G, mobile satellite and optimally designed for counter drone market.

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**(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing:**

- (i) in the case of the equity capital, the issued capital; or**
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon.**

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As at the Latest Practicable Date, the Company's equity capital and loan capital are as follows:

Issued and paid-up share capital	:	S\$118,775,161 divided into 3,242,031,975 Shares (the Company does not have any treasury shares)
Optional subscription right granted to Economic Development Innovations Singapore Pte. Ltd. outstanding	:	The optional subscription right is exercisable into up to 315,000,000 new Shares. As at the Latest Practicable Date, the optional subscription right has been partially exercised and 118,000,000 new Shares have been allotted and issued pursuant to such exercise. The remaining outstanding amount of the optional subscription right may be exercised for up to an aggregate principal amount of S\$2,501,900 divided into 197,000,000 Shares.
Loan capital	:	<p>The S\$2 million loan from Economic Development Innovations Singapore Pte. Ltd. at an interest rate of 6% per annum. As at the Latest Practicable Date, the amount of S\$2 million is outstanding.</p> <p>The S\$1 million loan from PY Opulence Investment Pte. Ltd. at an interest rate of 6% per annum. As at the Latest Practicable Date, the amount of S\$1 million is outstanding.</p> <p>The S\$500,000 loan from Mr. Wang Yu Huei at an interest rate of 6% per annum. As at the Latest Practicable Date, the amount of S\$500,000 is outstanding.</p>

(e) where:

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date

As at the Latest Practicable Date, based on the information in the Register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, the interests of the Substantial Shareholders in Shares are as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	(%)( <sup>1</sup> )	No. of Shares	(%)( <sup>1</sup> )	No. of Shares	(%)( <sup>1</sup> )
Economic Development Innovations Singapore Pte. Ltd.	196,700,000	6.07	Nil	Nil	196,700,000	6.07
Wang Yu Huei	160,399,700	4.95	6,807,733 <sup>(2)</sup>	0.23	167,207,433	5.16

**Notes:**

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,242,031,975 Shares.
- (2) Mr. Wang Yu Huei is deemed interested in the 6,807,733 Shares held by Asdew Acquisitions Pte Ltd, an investment holding company whereby he is the major shareholder.

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group

As at the date of this Offer Information Statement, the Directors are not aware that any member of the Group is engaged in any legal or arbitration proceedings to which any member of the Group is a party (including those which are pending or known to be contemplated) which may have, or which have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group as a whole.

- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date:
- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or
- (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests

**(i)**

During the 12 months immediately preceding the Latest Practicable Date, the Company undertook the following issuances for cash:

- (a) On 11 August 2022, the Company issued an aggregate of 135,120,000 new Shares at an issue price of S\$0.0148 per Share (comprising 67,560,000 new Shares to each of THEG Pte. Ltd. and PY Opulence Investment Pte. Ltd.).
- (b) Pursuant to the fund-raising exercise announced by the Company on 5 December 2021, the Company had issued the following:

<b>Security / Securities-based Derivatives Contract / Equity Interests</b>	<b>Number</b>	<b>Price</b>
Shares	433,010,000 new Shares	S\$0.0127 per Share
Optional subscription right granted to Economic Development Innovations Singapore Pte. Ltd.	The optional subscription right is exercisable into up to 315,000,000 new Shares. As at the Latest Practicable Date, the optional subscription right has been partially exercised and 118,000,000 new Shares have been allotted	S\$0.0127 per Share

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and issued pursuant to such exercise.

Optional subscription right granted to Cheng Kwee Kiang	The optional subscription right is exercisable into up to 110,000,000 new Shares. As at the Latest Practicable Date, the optional subscription right has been fully exercised and 110,000,000 new Shares have been allotted and issued pursuant to such exercise.	S\$0.0127 per Share
Free warrants convertible into Shares	185,240,000 free warrants convertible into up to 185,240,000 new Shares. As at the Latest Practicable Date, all 185,240,000 warrants have been converted into 185,240,000 Shares.	S\$0.0127 per warrant Share

**(ii)**

The Company has not issued any securities, securities-based derivatives contracts or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

For the avoidance of doubt, the Company has from time to time granted awards under its share-based incentive plan, the Addvalue Technologies Performance Share Plan 2017. The movement of share awards granted pursuant to the Addvalue Technologies Performance Share Plan 2017 are disclosed in the Company's announcements and annual reports.

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- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

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Save as disclosed below, the members of the Group have not entered into any material contracts outside the ordinary course of business for the period of two (2) years immediately preceding the date of lodgment of this Offer Information Statement:

- (a) On 5 August 2020, the Company announced that it had on 4 August 2020, entered into several subscription agreements for the allotment issue of: (i) an aggregate of 100,873,400 new Shares to be subscribed by a group of subscribers at a placement price of S\$0.02385 per Share; and (ii) 10,500,000 new Shares to be subscribed by Wang Yu Huei as part of the restructuring of an existing convertible loan note at a placement price of S\$0.02385 per Share. The Company also announced that it had entered into a new convertible loan agreement with Wang Yu Huei for the proposed issue of a convertible loan note in the principal amount of S\$2 million convertible into 83,857,442 new Shares at a conversion price of S\$0.02385 per Share.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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On 14 August 2020, the Company announced that it had entered into supplemental agreements to revise the placement price and the conversion price from S\$0.02385 to S\$0.02394 per Share. In addition, the Company had mutually agreed with Bambang Sugeng bin Kajairi that he would withdraw from the proposed placement. Accordingly, the total number of placement Shares had been revised from 111,373,400 to 107,373,400 Shares and the total number of conversion Shares had been revised from 83,857,442 to 83,542,188 Shares.

On 17 September 2020, the Company announced that it had obtained the in-principle approval from the SGX-ST for the listing and quotation of the 107,373,400 placement Shares and the 83,542,189 conversion Shares.

On 23 September 2020, the Company announced that it had completed the proposed placement of 107,373,400 Shares and the proposed issue of a convertible loan note in the principal amount of S\$2 million convertible into 83,542,188 new Shares at a conversion price of S\$0.02394 per Share.

On 2 December 2021, the convertible loan note was terminated and converted into a term loan.

- (b) On 5 December 2021, the Company announced that it had embarked on and concluded a fund-raising exercise that secured conditional commitments from new investors, Directors, employees and business associates to subscribe for a total of 433,010,000 new Shares at an issue price of S\$0.0127 per Share, raising total gross proceeds of S\$5,499,227. In addition, rights to subscribe for up to 610,240,000 new Shares at the same issue price of S\$0.0127 per Share have been granted in the form of subscription rights and warrants issued free of payment to the new investors, such subscription rights and warrants when exercised in full will raise additional gross proceeds of S\$7,750,048.

As at the Latest Practicable Date, the fund-raising exercise has concluded, and the net proceeds raised as of the Latest Practicable Date (including optional subscription rights exercised as at the Latest Practicable Date) is approximately S\$10.44 million. As at the Latest Practicable Date, optional subscription rights exercisable into 197,000,000 new Shares remain outstanding.

- (c) On 7 July 2022, the Company announced that it had on 6 July 2022 entered into subscription agreements with (i) THEG Pte. Ltd. for the issue and allotment of 67,560,000 new Shares; and (ii) PY Opulence Investment Pte. Ltd. for the issue and allotment of 67,560,000 new Shares, for the issue and allotment of an aggregate of 135,120,000 new Shares at an issue price of S\$0.0148 per Share.
- (d) The Irrevocable Undertakings and the Undertaking Shareholders' Loan Agreements, the details of which are set out under paragraph 1(f) of the section entitled "**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**" of this Offer Information Statement.

For further details on the above, please refer to the respective announcements.



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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
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**PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Operating Results**

1. Provide selected data from:
    - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
    - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
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Please refer to **Appendix E** of this Offer Information Statement.

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2. The data referred to in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:
    - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
    - (b) earnings or loss per share; and
    - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
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Noted. Please refer to **Appendix E** of this Offer Information Statement.

Please also refer to the section entitled “**Additional Disclosure Requirements under Appendix 8.2 of the Listing Manual**” of this Offer Information Statement for details on the earnings/(loss) per Share (“**EPS**”) and EPS after adjustment to reflect the Rights Issue.

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3. Despite paragraph 1 of this Part, where –
  - (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
  - (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the

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unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

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Not applicable.

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#### 4. In respect of:

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FY2020, FY2021 and FY2022 is set out below.

#### **FY2020 compared to FY2019**

##### **Turnover**

The Group more than doubled its turnover to US\$9.6 million in FY2020 from a turnover of US\$4.0 million in FY2019. The significant increase in turnover was principally attributed to an one-off licensing fee (the “**Licensing Fee**”) income earned in the ordinary course of business via the grant of right-of-use (on a non-exclusive, perpetual and global basis) of certain of the Group’s in-house developed intellectual properties (“**IPs**”) to a customer in facilitating the said customer to integrate the IPs into its own telecommunication products to be developed and manufactured in conjunction with its space-based global managed network. The Licensing Fee income represented a fresh revenue stream of the Group as it seeks to unlock and monetise its intellectual property assets which the Group has and will continue to have developed over the past years and in the years to come.

The Group was affected by the COVID-19 pandemic in the last quarter of FY2020 when several of our projected sales deliveries were pushed back due to the many lockdowns in the region, though it did not receive any cancellation of orders.

##### **Profitability**

The Group registered a gross profit of US\$7.2 million against a gross profit margin of 74.4% for FY2020 relative to a gross profit of US\$1.9 million against a gross profit margin of 46.6% for FY2019. The improved gross profit and gross profit margin were attributable mainly to the aforesaid Licensing Fee income.

The selling and distribution expenses of the Group decreased by US\$197,000 or 30.7%, from US\$641,000 in FY2019 to US\$444,000 in FY2020, while the administrative expenses of the Group decreased by US\$192,000 or 8.1%, from US\$2.4 million in FY2019 to US\$2.2 million in FY2020. The decreases were due principally to our continued stringent cost containment measures, particularly

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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through the curtailment of manpower costs brought about by reduced headcount and decrease in rental expense as a result of the mandatory adoption of SFRS(I) 16 – Leases, the new accounting standard concerning operating lease, albeit increased legal and professional fees arising from various corporate exercises carried out in FY2020.

Our other operating expenses decreased by US\$377,000 or 15.5%, from US\$2.4 million in FY2019 to US\$2.1 million in FY2020, due mainly to the impairing loss allowance on trade and other receivables recognised in FY2019, notwithstanding the increased amortisation and depreciation expenses in FY2020.

Our other operating income increased by US\$264,000 or 142.6%, from US\$185,000 in FY2019 to US\$450,000 in FY2020, due mainly to foreign exchange gain in respect of the outstanding balances of the convertible loan notes issued on 31 May 2017 in the aggregate principal amount of approximately S\$7.1 million (the “**2017 Convertible Loan Notes**”), the convertible loan notes issued on 6 August 2019 in the aggregate principal amount of approximately S\$3.45 million (the “**2019 Convertible Loan Notes**”) and other borrowings.

The increase in finance expenses in FY2020 relative to FY2019 was attributed mainly to the imputed interest charge arising from the conversion feature of the outstanding balances of the 2017 Convertible Loan Notes and the 2019 Convertible Loan Notes as well as the interest on lease liabilities arising from the mandatory adoption of SFRS(I) 16 – Leases in FY2020.

As a consequence of the above, the Group reversed its bottom line from a net loss of US\$4.1 million in FY2019 to a net profit of US\$1.8 million in FY2020.

### **FY2021 compared to FY2020**

#### **Turnover**

The Group recorded a turnover of US\$2.7 million in FY2021 vis-à-vis that of US\$9.6 million in FY2020. The decrease was principally attributed to the one-off Licensing Fee of US\$6.0 million earned in FY2020 and that several of the Group’s projected sales deliveries were being pushed back in FY2021 as a result of the many lockdowns in the regions and travel restrictions faced amidst the prevailing global Covid-19 pandemic crisis.

Notwithstanding the curtailed business activities, the Group recorded a near three-fold increase in turnover to US\$2.0 million in the second half of FY2021 (“**2H2021**”) from that of US\$0.7 million in the first half of FY2021 (“**1H2021**”) as some of its deferred delivery schedules were reactivated by its clients in 2H2021.

#### **Profitability**

The Group registered a gross profit of US\$0.7 million against a gross profit margin of 27.3% for FY2021 relative to a gross profit of US\$7.2 million against a gross profit margin of 74.4% for FY2020. The lower gross profit margin attained in FY2021 was principally attributed to the relatively higher yielding Licensing Fee recorded in FY2020 and the higher cost charged for design costs compared to revenue recognised for design services in FY2021.

The administrative expenses of the Group increased by US\$1,535,000 or 70.6%, from US\$2.2 million in FY2020 to US\$3.7 million in FY2021, due principally to: (1) the full one-off cost of US\$1.6 million associated with the grant of 97,300,000 award shares by the Company on 19 February 2021 (which carried no vesting period) as an incentive to retain and reward loyal Directors and employees (the “**Award Shares**”); and (2) increased manpower costs resulted from the increase in headcount to cater for the growing needs of new business segments, albeit offset by lower rental costs.

Our other operating expenses decreased by US\$449,000 or 21.8%, from US\$2.1 million in FY2020 to US\$1.6 million in FY2021, due mainly to lower impairment loss on development expenditure and

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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inventory write-off as well as reduced laboratory expenses and travelling costs as a result of reduced business activities, albeit the foreign exchange loss incurred on revaluation of Singapore denominated outstanding borrowings and convertible loan notes.

Our other operating income for FY2021 comprised mainly grants received in connection with the Job Support Scheme initiated by the Singapore Government in providing wage support to employers to help them retain their staff during this period of economic uncertainty and a reversal of allowance for trade receivable while that of FY2020 relates mainly to foreign exchange gain in respect of the outstanding balances of the convertible loan notes and borrowings of the Group denominated in Singapore dollars.

The increase in finance expenses in FY2021 relative to FY2020 was attributed mainly to higher imputed interest charge in connection with the carrying value of the conversion feature of the outstanding balances of the convertible loan notes of the Group as well as increased borrowings.

As a consequence of the above, the Group incurred a net loss of US\$6.2 million in FY2021 compared to a net profit of US\$1.8 million in FY2020.

### **FY2022 compared to FY2021**

#### **Turnover**

The Group registered a two-fold increase in its turnover of US\$5.5 million for FY2022, compared to US\$2.7 million in FY2021. The two-fold increase was mainly contributed by the SPC-Related Business which has increased in revenue by more than US\$2 million in FY2022 with the deliveries of 19 IDRS terminals during the year, with more than half was delivered in 2H2022.

#### **Profitability**

The Group recorded a gross profit of US\$3.8 million against a gross profit margin of 69.1% for FY2022 compared to a gross profit of US\$0.7 million against a gross profit margin of 27.3% for FY2021.

The higher gross profit margin attained was attributed principally to the delivery of more high yielding products in FY2022 relative to FY2021.

The selling and distribution expenses of the Group decreased by US\$158,000 or 33.3% from US\$475,000 in FY2021 to US\$317,000 in FY2022 due mainly to reduced marketing staff.

The administrative expenses of the Group decreased from US\$3,709,000 in FY2021 to US\$2,442,000 in FY2022 due primarily to share-based payments of about US\$1.6 million granted to Directors and eligible employees in FY2021, offset by higher manpower costs and related expenses as a result of increased headcount, in gearing up for new processes in the SPC-Related Business and ADR-Related Business of the Group.

The higher other operating expenses was mainly attributed to the impairment loss provided on certain development expenditure amounted to US\$600,000 due to the reduced forecast of the future income of one of the cash generating units of the Group as well as the provision for impairment of a trade receivable amounted to US\$6 million in FY2022 relating to a one-off licensing fee income in FY2020, for the licensing of certain in-housed developed intellectual properties to a third party customer (“**Customer**”). The settlement is still subject to the successful completion of the Customer’s on-going fund-raising exercise. Due to the significant delays in the completion of their funding exercise and with the current economic environment, there is no certainty for the timely completion of their funding exercise and the recovery of the debt, hence, a full provision was made for this receivable in FY2022.

The other operating income of the Group decreased from US\$727,000 in FY2021 to US\$627,000 in FY2022 due mainly to reduced grants, in relation to job support credit scheme, received from the Singapore government, offset by fair value gain from quoted equity investment and gain from

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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extinguishment of loan recognised in FY2022.

The higher finance expenses incurred by the Group in FY2021 was attributed mainly to the higher imputed interest charged on convertible loan notes.

As a consequence of the above, the Group reported a net loss to US\$8.0 million in FY2022 compared to a net loss of US\$6.2 million in FY2021.

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### **Financial Position**

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:
- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.

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Please refer to **Appendix F** of this Offer Information Statement.

6. The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

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Noted. Please refer to **Appendix F** of this Offer Information Statement.

Please also refer to the section entitled “**Additional Disclosure Requirements under Appendix 8.2 of the Listing Manual**” of this Offer Information Statement for details on Net Asset Value per Share (“NAV”) and NAV after adjustment to reflect the Rights Issue.

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### **Liquidity and Capital Resources**

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.

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Please refer to **Appendix G** of this Offer Information Statement for the audited consolidated statement

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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of cash flows of the Group for FY2021 and FY2022.

A review of the cash flow position of the Group for FY2022 and FY2021 is set out below:

### **FY2022**

The positive operating cash flows of the Group generated before working capital changes was US\$1.1 million. Its net cash outflow used in operating activities after taking into account of working capital changes was US\$434,000, principally as a result of the Group's operating profits in FY2022.

A net cash of US\$0.2 million was utilised by the Group for investment activities, mainly for the development expenditures incurred in developing in house propriety products, albeit being offset by the proceeds from government grants received.

The net cash generated from the financing activities of the Group was US\$161,000, attributed mainly to proceeds from borrowings and placement shares, offset with the repayment of borrowings.

As a result of the above, there was a net increase in cash and cash equivalents of the Group by US\$358,000, with its resultant cash and cash equivalents amounted to US\$632,000 as at the end of FY2022.

### **FY2021**

The negative operating cash flow of the Group generated before working capital changes was US\$1,716,000. Its net cash outflow, subsequent to working capital changes, was US\$2,790,000, mainly as a result of the Group's operating loss incurred in FY2021.

The Group utilised a net cash of US\$1,126,000 for investment activities, mainly for the development expenditures incurred in developing in house propriety products, albeit being offset by the proceeds from government grants received.

The net cash generated from the financing activities of the Group was US\$4,130,000 attributed mainly to proceeds from a placement and rights issue exercise as well as borrowings, albeit repayments of borrowings which were due during the year.

Following from the above, there was a net increase in cash and cash equivalents of the Group by US\$214,000, with its resultant cash and cash equivalents amounted to US\$274,000 as at the end of FY2021.

- 
8. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable

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## **DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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opinion that, barring unforeseen circumstances, after taking into consideration the Group's present internal resources, operating cash flows and present bank facilities available to the Group, and in the event the Rights Issue is not fully subscribed, the working capital available to the Group is insufficient for at least the next twelve (12) months. In the event that the working capital available to the Group is not sufficient to meet its requirements for at least the next twelve (12) months, the Company will use its best endeavours to raise funds to meet working capital requirements through appropriate equity and/or debt financing.

Please refer to paragraph 1(f) in the section entitled "**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**" of this Offer Information Statement for further details on the Irrevocable Undertakings and the Directors' Confirmations.

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9. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide:**
- (a) **a statement of that fact;**
  - (b) **details of the credit arrangement or bank loan; and**
  - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

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To the best knowledge of the Directors, as at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

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### **Trend Information and Profit Forecast or Profit Estimate**

10. **Discuss: -**
- (a) **the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
  - (b) **any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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“**Cautionary Note on Forward-Looking Statements**” of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

### **Business and Financial Prospects of the Group for the next Twelve (12) Months from the Latest Practicable Date**

Notwithstanding the current global uncertainties due to the COVID-19 pandemic, the Russia-Ukraine conflict, the tension between the U.S. and China and the global supply chain issues, it is encouraging that in the FY2022, the Group has recorded a two-fold increase in revenue to US\$5.5m with a commendable 5.7 fold increase in recurring revenue generated from air time and application services of \$482,000 as compared to US\$2.7m revenue with a corresponding US\$84,000 in recurring revenue achieved in FY2021. Hence, the Group will continue to focus on growing our revenue through the following business pillars:

1. The Group’s SPC business pillar relating to IDRS has recorded a three-fold increase in the delivery of IDRS terminals to 19 units in FY2022 as compared to 6 units delivered in FY2021 and 3 units delivered in FY2020. To date, we have secured 10 IDRS customers with an aggregate of about 280 satellites in their planned constellations to be launched over the next few years with an outstanding order of about US\$1.7 million and optional order of about US\$3.6 million. In addition, we currently have 7 IDRS terminals commercially operational in space and generating recurring revenue. Riding on our pole position, we will increase our sales and marketing efforts to grow our IDRS business.
2. The Group’s ADR business pillar relating to SDR and agile communications modules is fast gaining traction. As announced on 15 February 2022, the Group has secured a S\$3.6 million contract for the supply of our proprietary software defined and RF communication modules to a large technology company to be substantially fulfilled within the current financial year. On 2 September 2021, the Group has started its campaign to launch our proprietary ADRS1000 modules developed on the back of our rich heritage in the development of RF modules and FPGA-SoC embedded systems for bespoke wireless applications in defence and other mission-critical industries. Targeting at government agencies and commercial enterprises globally, ADRS1000 is well suited for compact digital beam-forming and agile radio applications such as 5G networks, anti-drone systems, radar systems and high-performance test and measurement instrumentation. The Group has received initial orders for ADRS1000 for fulfilments within the current financial year. The Group will also work aggressively with our partners and customers to rapidly grow this business pillar riding on the momentum of our initial successful commercial roll out.
3. The Group’s STC business pillar pivoting to growing needs for satcom-based digital connectivity solutions has showed good commercial traction in environmental sustainability and industrial IoT markets and we will continue to pursue business opportunities in these markets.

### **Trends, Uncertainties, Demands, Commitments or Events**

Certain business factors or risks which could materially affect the Group’s business, profitability, financial position and/or results of operations are set out in the section entitled “**Risk Factors**” of this Offer Information Statement. These are uncertainties, demands, commitments or events that may have a material and adverse impact on the business, profitability, financial position and/or results of operations of the Group, should they occur.



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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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The section entitled “**Risk Factors**” of this Offer Information Statement is only a summary, and are not an exhaustive description, of all uncertainties, demands, commitments or events. There may be additional uncertainties, demands and commitments or events not presently known to the Group or that the Group may currently deem immaterial, which could affect its business, profitability, financial position and/or results of operations.

Save as disclosed in this Offer Information Statement and, in particular, the section entitled “**Risk Factors**” in this Offer Information Statement, the Company’s annual reports, circulars and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group’s net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

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11. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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12. **Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

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13. **Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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14. **Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –**

(a) **a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**

(b) **a statement by an auditor of the relevant entity, prepared on the basis of the auditor’s examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor’s attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit**

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forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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**Significant Changes**

16. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period,  
  
to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

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Save as disclosed in this Offer Information Statement, the Directors are not aware of any event which has occurred since 31 March 2022 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

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**Meaning of “published”**

17. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

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Noted.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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### PART 6 – THE OFFER AND LISTING

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#### Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**
- 

The Issue Price for each Conversion Share is 93.1% of the principal amount of the Convertible Bonds, or S\$0.931 for each S\$1.00 in principal amount of the Convertible Bonds, payable in full upon acceptance and/or application. For the avoidance of doubt, no further cash outlay will be required from Bondholders for the conversion of the Convertible Bonds into Conversion Shares.

Subject to adjustments in accordance with the Terms and Conditions, the price at which the Convertible Bonds will be converted into Conversion Shares shall be S\$0.0170 per Conversion Share.

Taking into account the Issue Price (which is at a discount of 6.9% to the principal amount of S\$1.00 per Convertible Bond) and the initial Conversion Price of S\$0.0170 per Conversion Share, each Conversion Share is effectively priced at approximately S\$0.0158.

The expenses incurred by the Company in the Rights Issue will not be specifically charged to subscribers of the Convertible Bonds.

For Electronic Applications made through ATMs of the Participating Bank, a non-refundable administrative fee of S\$2 for each application will be charged by the Participating Bank at the point of application. No administrative fee will be borne by the subscribers of the Convertible Bonds for Electronic Applications made through an Accepted Electronic Service.

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- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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See paragraph 1 of this Part for the Issue Price and the Conversion Price.

There is no established market for the Convertible Bonds. Approval in-principle has been obtained from SGX-ST for the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of SGX-ST subject to, among others, there being a sufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds.

The Directors have determined the Issue Price to be 93.1% of its principal amount, or S\$0.931 for each S\$1.00 in principal amount of the Convertible Bonds.

Taking into account the Issue Price (which is at a discount of 6.9% to the principal amount of S\$1.00 per Convertible Bond) and the initial Conversion Price of S\$0.0170 per Conversion Share, each Conversion Share is effectively priced at approximately S\$0.0158, which represents a premium of approximately 5.33% to the VWAP of S\$0.0150 per Share for trades done on the SGX-ST on 6 July 2022, being the full Market Day immediately prior to the date of the Announcement on which trades were done.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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The Issue Price and the Conversion Price were determined by the Directors after taking into account the prevailing market price of the Shares and the size and terms of the issue.

For the avoidance of doubt, no further cash outlay will be required from Bondholders for the conversion of the Convertible Bonds into Conversion Shares.

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3. **If:**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
  - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

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None of the Shareholders or other equity interest-holders have pre-emptive rights to subscribe for or purchase the Convertible Bonds.

As there may be prohibitions or restrictions against the offering of the Convertible Bonds in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections entitled "**Offering, Selling and Transfer Restrictions**" and "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further details.

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4. **If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange –**
- (a) **in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
    - (i) **for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
    - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
  - (b) **in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
    - (i) **for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
    - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

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- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

- (a) The Convertible Bonds are a new issue of securities with no established trading market. The Convertible Bonds are convertible into Conversion Shares. The Conversion Shares will, when issued, be traded on the Main Board of the SGX-ST. The highest and lowest market prices and the volume of the Shares traded on the SGX-ST during each of the last 12 calendar months immediately preceding the Latest Practicable Date are as follows:

Month	Price Range		Volume
	High (S\$) <sup>(1)</sup>	Low (S\$) <sup>(2)</sup>	Traded ('000) <sup>(3)</sup>
October 2021	0.014	0.011	45,846
November 2021	0.017	0.012	104,172
December 2021	0.019	0.013	129,960
January 2022	0.015	0.011	56,037
February 2022	0.014	0.011	49,599
March 2022	0.014	0.011	24,057
April 2022	0.020	0.013	368,201
May 2022	0.017	0.014	92,330
June 2022	0.018	0.014	113,972
July 2022	0.016	0.014	39,533
August 2022	0.017	0.015	55,382
September 2022	0.018	0.012	91,533
1 October 2022 to the Latest Practicable Date	0.014	0.013	2,905

Source: Shareinvestor.com<sup>(4)</sup>

**Note(s):**

- (1) High price was based on the highest closing price for the Shares in a particular month.
- (2) Low price was based on the lowest closing price for the Shares in a particular month.
- (3) Volume traded was based on the total volume of the Shares traded in a particular month.
- (4) Shareinvestor.com has not provided its consent, for the purposes of Sections 249 and 277 of the SFA, to the inclusion of the information above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While the Company has taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, neither the Company nor any other party has conducted an independent review of the information nor verified the accuracy of the contents of the information.

- (b) Not applicable. The Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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- (c) Save for temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST in accordance with the requirements of the Listing Manual, there has not been any significant trading suspension of the Shares that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Not applicable. Please refer to paragraph 4(a) of this Part for the volume of Shares traded during each of the last twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 October 2022 to the Latest Practicable Date.

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5. **Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –**

- (a) **a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**

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Please refer to the Terms and Conditions set out in **Appendix A** to this Offer Information Statement.

### Convertible Bonds

The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

### Conversion Shares

The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares as at the Registration Date, save for any dividends, rights, allotments and other distributions for which the record date precedes the relevant Registration Date of the Conversion Shares, subject to the Terms and Conditions.

### Resolutions, Authorisations and Approvals

Shareholders had, by ordinary resolution passed at the annual general meeting of the Company held on 29 July 2022 (referred to in this paragraph as the “**Resolution**”), given to the Directors authority to, pursuant to Section 161 of the Companies Act and the Listing Manual, at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (a)
  - (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise;
  - (ii) make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively referred to in this paragraph as “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares; and
  - (iii) issue additional Instruments arising from adjustments made to the number of

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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Instruments previously issued in the event of rights, bonus or capitalisation issues; and

- (b) (notwithstanding the authority conferred by the Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:
- (i) the aggregate number of Shares to be issued pursuant to the Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to the Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares excluding treasury Shares and subsidiary holdings, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to the Resolution) to be issued other than on a pro rata basis to Shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued Shares excluding treasury Shares and subsidiary holdings, and for the purpose of the Resolution, the total number of issued Shares excluding treasury Shares and subsidiary holdings shall be the Company's total number of issued Shares excluding treasury Shares and subsidiary holdings at the time the Resolution is passed, after adjusting for:
- A. new Shares arising from the conversion or exercise of convertible securities, or
- B. new Shares arising from exercising Share options or vesting of Share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual, and
- C. any subsequent bonus issue, consolidation or subdivision of the Company's Shares,
- and adjustments in accordance with (A) or (B) are only to be made in respect of new Shares arising from convertible securities, Share options or Share awards which were issued and outstanding or subsisting at the time of the passing of the Resolution, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

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### Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

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### Basis of Provisional Allotment

The Rights Issue is made on a renounceable basis to Entitled Shareholders on the basis of one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded. Based on the Existing Share Capital, up to S\$6,484,064 in aggregate principal amount of Convertible Bonds will be issued.

The Convertible Bonds are payable in full upon acceptance and/or application.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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### Entitled Shareholders

Entitled Shareholders will be allotted Rights on the basis of their shareholdings as at the Record Date. Entitled Shareholders are at liberty to accept, decline or renounce their Rights and are eligible to apply for Excess Convertible Bonds. Entitled Depositors are also able to trade their Rights on the SGX-ST during the Rights Trading Period prescribed by the SGX-ST.

Fractional entitlements to the Convertible Bonds will be disregarded in arriving at the provisional entitlements of Entitled Shareholders. Such fractional entitlements to the Convertible Bonds will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy applications for Excess Convertible Bonds (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Convertible Bonds, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for rounding of odd lots and allotment of Excess Convertible Bonds.

As there may be prohibitions or restrictions against the offering of the Rights and the Convertible Bonds in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” and “**Offering, Selling and Transfer Restrictions**” of this Offer Information Statement for further details.

### Irrevocable Undertakings and Directors’ Confirmations

Subject to the conditions of their respective Irrevocable Undertakings, the Undertaking Shareholders have undertaken to, *inter alia*, subscribe and pay in full for their *pro-rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of all valid applications by other Shareholders (the “**Undertaking Shareholders’ Balance Applications**”) of up to a combined aggregate amount of S\$3.5 million. Such Undertaking Shareholders’ Balance Applications shall rank in priority after allocations of Excess Convertible Bonds to other Shareholders. In addition, as a demonstration of their confidence in and commitment to the prospects of the Group, the Undertaking Directors have each provided a Directors’ Confirmation to the Company that they will subscribe and pay in full for their *pro rata* entitlement under the Rights Issue. As a result of the Irrevocable Undertakings and the Directors’ Confirmations, the Company has received assurance that at least 60% of the entitlements under the Rights Issue will be subscribed for and paid in full.

For more details on the Irrevocable Undertakings and the Directors’ Confirmations, please refer to paragraph 1(f) of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**” of this Offer Information Statement.

The Convertible Bonds are not offered through the selling efforts of any broker or dealer.

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7. **Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
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### Underwriting

Not applicable. The Rights Issue is not underwritten by any financial institution.



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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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### Irrevocable Undertakings and Directors' Confirmations

Subject to the conditions of their respective Irrevocable Undertakings, the Undertaking Shareholders have undertaken to, *inter alia*, subscribe and pay in full for their *pro-rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of all valid applications by other Shareholders (the “**Undertaking Shareholders’ Balance Applications**”) of up to a combined aggregate amount of S\$3.5 million. Such Undertaking Shareholders’ Balance Applications shall rank in priority after allocations of Excess Convertible Bonds to other Shareholders. In addition, as a demonstration of their confidence in and commitment to the prospects of the Group, the Undertaking Directors have each provided a Directors’ Confirmation to the Company that they will subscribe and pay in full for their *pro rata* entitlement under the Rights Issue. As a result of the Irrevocable Undertakings and the Directors’ Confirmations, the Company has received assurance that at least 60% of the entitlements under the Rights Issue will be subscribed for and paid in full.

For more details on the Irrevocable Undertakings and the Directors’ Confirmations, please refer to paragraph 1(f) of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by Way of Rights Issue**” of this Offer Information Statement.

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**PART 7 – ADDITIONAL INFORMATION**

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**Statements by Experts**

1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.

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Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —
- (a) state the date on which the statement was made;
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
  - (c) include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.

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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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**Consents from Issue Managers and Underwriters**

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

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Not applicable. No issue manager or underwriter was appointed for the Rights Issue.

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**Other Matters**

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —
- (a) the relevant entity's business operations or financial position or results; or

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
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- (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.
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Saved as disclosed in this Offer Information Statement and to the best of their knowledge, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations or financial position or results or investments by the holders of securities or securities-based derivative contracts in the Company.

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND  
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**PART 8 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF  
DEBENTURES**

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**Guarantor Entity, Advisers and Agents**

1. Provide the name and address of each paying agent of the relevant entity.
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Please refer to paragraph 3 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 2 – Identity of Directors, Advisers and Agents**” of this Offer Information Statement.

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2. In the case of a guaranteed debenture issue, provide –
- (a) the name and address of the guarantor entity; and
  - (b) the names and addresses of each of the directors or equivalent person of the guarantor entity.
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Not applicable.

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3. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will –
- (a) enforce a lien against the property of the relevant entity;
  - (b) act on behalf of the debenture holders; or
  - (c) take any action at the request of the debenture holders.
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The names and addresses of the Trustee, the Principal Agent and the Bond Registrar are set out in paragraph 3 of the section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 2 – Identity of Directors, Advisers and Agents**” of this Offer Information Statement.

**Trust Deed**

The Convertible Bonds will be constituted by the Trust Deed to be entered into between the Company, as issuer, and Pacific Trustees (Singapore) Ltd., as trustee for the Bondholders. The Trustee has agreed to act as trustee of the Trust Deed for the benefit of the Bondholders on the terms and subject to the conditions contained in the Trust Deed and the Convertible Bonds. The rights and interests of the Bondholders will be contained in the Trust Deed.

The Trust Deed will provide for the Trustee to take action on behalf of the Bondholders in certain circumstances, subject to the Trustee being first fully indemnified and/or secured and/or pre-funded to its satisfaction. In particular, subject to the terms of the Trust Deed and the Terms and Conditions, at any time after the Convertible Bonds shall have become due and payable pursuant to the Terms and

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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Conditions, the Trustee may, without further notice to the Company, institute such proceedings against the Company as it may think fit to enforce any term or condition binding on the Company under the Trust Deed and/or repayment thereof together with premium (if any) and accrued interest and any other moneys payable pursuant to the Trust Deed, but it will not be bound to take any step unless (a) it shall have been so requested in writing by the holders of not less than 25% in principal amount of the Convertible Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of Bondholders and (b) it shall have been first fully indemnified and/or secured and/or pre-funded to its satisfaction by the Bondholders against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith.

The Trustee may, at the expense of the Company, in relation to any of the issue documents (including the Trust Deed), consult, act or refrain from acting and rely conclusively on the opinion or advice of, or information, report or certificate obtained from, any legal adviser, valuer, banker, financial adviser, securities company, broker, surveyor, auctioneer, financial institution, rating agency, expert or other professional adviser (including the auditors and any other auditors or accountants) (each an “**Adviser**”) in Singapore or elsewhere, and each of its directors, officers, employees and agents shall be protected and incur no liability and shall not be responsible to anyone for any loss occasioned by so acting or refraining from acting, whether such advice is obtained by or addressed to the Company, the Trustee, the Trustee, the Principal Agent, the Registrar or any other person, whether such Adviser is an employee of, or Adviser to, the Company and the Trustee. Any such opinion, advice, report, certificate or information may be sent or obtained by letter, fax or electronic mail and the Trustee and each of its directors, officers, employees and agents, attorneys, and delegates shall not be liable to anyone for acting or refraining to act on any opinion, advice, report, certificate or information purporting to be conveyed by such means, notwithstanding any limitation on liability (monetary or otherwise) or the scope and/or basis in relation to such opinion, advice, report, certificate or information, or even if it contains some error or is not authentic provided that the Trustee had acted in good faith in reliance on such opinion, advice, report, certificate or information. Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Company, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

The Trust Deed will also provide that the Trustee shall not be bound to make any enquiry or to take any steps to ascertain whether any Event of Default or Potential Event of Default (each as defined in the Trust Deed) has occurred and shall not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so. Until it has actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume without enquiry (it being the intention that it should assume without enquiry) and shall not be liable for assuming, that no such event has occurred and that the Company is performing all its obligations under this Trust Deed and the Convertible Bonds and shall not be liable to the Bondholders or any other person by so doing. The Trustee shall not be responsible for the performance by any person appointed by the Company in relation to the Convertible Bonds. In particular, the Trustee shall not be required to monitor the financial performance of the Company or ensure the compliance by the Company of its obligations contained hereunder and under the Trust Deed and the Convertible Bonds and will not be responsible or liable to any person for failing to do so.

The Trust Deed will be governed by, and construed in accordance with, the laws of Singapore.

The other functions, rights and obligations of the Trustee will be set out in the Trust Deed.

### Agency Agreement

The administrative matters relating to the Convertible Bonds will be addressed in the Agency Agreement.

Pacific Trustees (Singapore) Ltd. will be appointed as the Principal Agent in respect of the Convertible

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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Bonds in accordance with the terms and conditions of the Agency Agreement. The Bond Registrar will maintain a register for the Convertible Bonds in accordance with the terms and conditions of the Agency Agreement.

The Principal Agent will pay or cause to be paid on behalf of the Company the amounts due in respect of the Convertible Bonds and facilitate the conversion of the Convertible Bonds into Conversion Shares and the transfer of the Convertible Bonds in accordance with the Agency Agreement and the Terms and Conditions of the Convertible Bonds.

The functions, rights and obligations of the Principal Agent will be set out in the Agency Agreement.

### Depository Agreement and Deed of Covenant

CDP will be appointed to act as depository for the Convertible Bonds on the terms and conditions of the Depository Agreement and the Deed of Covenant.

The Terms and Conditions of the Convertible Bonds are set out in **Appendix A** to this Offer Information Statement.

Copies of the Trust Deed, the Agency Agreement, the Deed of Covenant and the Depository Agreement will be available for inspection by Bondholders at the specified office of the Principal Agent from the Issue Date in accordance with the Terms and Conditions of the Convertible Bonds.

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4. **If, in the reasonable opinion of the directors or equivalent persons, the trustee or representative for the debenture holders has a material relationship with the relevant entity which could cause a conflict to arise between the trustee's or representative's interest as a trustee or representative for the debenture holders and the trustee's or representative's other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider the appointment to be appropriate.**
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The Directors are of the reasonable opinion that the Trustee does not have a material relationship with the Company which could cause a conflict to arise between the Trustee's interest as the trustee for the Convertible Bonds and the Trustee's other interests.

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### Offer Statistics

5. **State –**

- (a) **where the amount of subscriptions that are being sought is fixed at the date of lodgment of the offer information statement –**
- (i) **that amount; and**
  - (ii) **where applicable, that that amount may be reduced and how and when the relevant entity will inform investors of the final amount of subscriptions sought;**
- (b) **where the amount of subscriptions that are being sought is not fixed at the date of lodgment of the offer information statement –**
- (i) **the range of that amount; and**
  - (ii) **how and when the relevant entity will inform investors of the final amount of subscriptions sought;**

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
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- (c) the nature and denomination of the debentures or units of debentures, as the case may be, being offered
- (d) where the number of debentures or units of debentures being offered is fixed at the date of lodgment of the offer information statement –
  - (i) that number; and
  - (ii) where applicable, that that number may be reduced, and how and when the relevant entity will inform investors of the final number of debentures or units of the debentures, as the case may be, offered;
- (e) where the number of debentures or units of debentures being offered is not fixed at the date of lodgment of the offer information statement –
  - (i) the range of that number; and
  - (ii) how and when the relevant entity will inform investors of the final number of debentures or units of debentures, as the case may be, offered;
- (f) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and
- (g) the currency of the issue and, if the issue is payable in any other currency, that fact.

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Please refer to the sections entitled “**Summary of the Rights Issue and the Convertible Bonds**”, paragraphs 1 to 7 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 3 – Offer Statistics and Timetable**”, and paragraphs 1 and 2 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing – Offer and Listing Details**” of this Offer Information Statement.

Subscription is being sought, and the offer is being made, in respect of up to S\$6,484,064 in aggregate principal amount of 6.0 per cent. (6.0%) Convertible Bonds at the Issue Price of S\$0.931 for each S\$1.00 in principal amount of the Convertible Bonds (on the basis of one (1) Convertible Bond for every five hundred (500) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded). The currency for the issue is Singapore dollars and the Issue Price is payable in Singapore dollars.

As soon as practicable after the Closing Date, the Company will announce the results of the allotment of the Convertible Bonds, including the final principal amount of the Convertible Bonds to be issued pursuant to the Rights Issue, through an SGXNET announcement to be posted on the internet at the SGX-ST’s website, <http://www.sgx.com>.

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6. If the amount of the debentures or units of debentures, as the case may be, being offered can be increased, such as by the exercise of an underwriter’s over-allotment option or “greenshoe option”, state the exercise period of and amount under that option. To avoid doubt, the amount of subscriptions to be stated under paragraph 5(a) or (b) of this Part and the number of debentures or units of debentures being offered to be stated under paragraph 5(d) or (e) of this Part must not include any amount of debentures or units of debentures being offered that can be increased under such an option.

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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
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Not applicable. No over-allotment option or “greenshoe option” has been granted and the principal amount of Convertible Bonds being offered pursuant to the Rights Issue may not be increased.

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**Principal Terms and Conditions**

- 7. Provide the following information on the debentures or units of debentures, as the case may be, being offered:**
- (a) where the yield is fixed at the date of lodgment of the offer information statement, that yield and a summary of the method by which that yield is calculated;**
  - (b) where the yield is not fixed at the date of lodgment of the offer information statement –**
    - (i) how and when the relevant entity will inform investors of the final yield; and**
    - (ii) a statement that subscriptions from investors (other than any institutional investor, relevant person as defined in section 275(2) of the Act, or person who intends to subscribe for the debentures or units of debentures, as the case may be, at a consideration of at least \$200,000) will be accepted only after the final yield is made known to the investors;**
  - (c) where the nominal interest rate is set at the date of lodgment of the offer information statement, the nominal interest rate and –**
    - (i) if the nominal interest rate is a floating rate, how the rate is calculated; and**
    - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;**
  - (d) where the nominal interest rate is not set at the date of lodgment of the offer information statement –**
    - (i) how and when the relevant entity will inform investors of the final nominal interest rate; and**
    - (ii) a statement that subscriptions from investors (other than any institutional investor, relevant person as defined in section 275(2) of the Act, or person who intends to subscribe for the debentures or units of debentures, as the case may be, at a consideration of at least \$200,000) will be accepted only after the nominal interest rate is made known to the investors;**
  - (e) the issue and redemption prices;**
  - (f) the date from which interest accrues, and the interest payment dates;**
  - (g) the procedures for, and validity period of, claims for payment of interest and repayment of the principal sum;**
  - (h) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the currency of the issue, that fact;**
  - (i) where the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, may be paid in more than one currency –**



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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF  
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- (i) the persons who have the power to determine –
  - (A) the currency or currencies in which payment is to be made; and
  - (B) the applicable currency exchange rates; and
- (ii) the basis on which each determination in sub-paragraph (i) will be made;
- (j) the final repayment date and, where there is any option for early repayment –
  - (i) that fact;
  - (ii) whether the option is exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures; and
  - (iii) the early repayment date;
- (k) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (l) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;
- (m) where the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors –
  - (i) the aggregate amount of outstanding indebtedness that ranks in priority to the debentures or units of debentures being offered, as of the latest practicable date; or
  - (ii) where there is no limit on the creation of additional indebtedness that ranks in priority to the debentures or units of debentures being offered, that fact;
- (n) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of security holders or creditors;
- (o) the particulars of any security, including provisions relating to the release or substitution of the security, if applicable, and where the security is in the form of a fixed asset, any requirement for the maintenance of that asset;
- (p) the particulars of any significant covenant, including those concerning subsequent issues of other forms, or subsequent series of debentures or units of debentures;
- (q) a statement as to whether or not the relevant entity has any right to create any additional charge over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, being an additional charge that will rank in priority to or equally with the charge to secure the repayment of the debentures or units of debentures, as the case may be, and, if there is any such right, particulars of its nature and extent;
- (r) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be; and the material terms and conditions of any such guarantee, surety or commitment (including all conditions for the application of that guarantee, surety or commitment);

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- (s) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (t) definition of events constituting defaults, the remedies available in the event of default, and the effect (if any) of a default on the acceleration of the maturity of the debentures or units of debentures, as the case may be;
- (u) information on when holders of the debentures or units of debentures are able to take action to enforce their claims;
- (v) the procedures and actions to be taken by the relevant entity, guarantor entity, trustee, fiscal agent or any other representative for the debenture holders (as the case may be) in the event of a default or potential event of default, including –
  - (i) the communication plans with debenture holders;
  - (ii) whether any meeting of debenture holders will be convened by the relevant entity, guarantor entity, trustee, fiscal agent or other representative for the debenture holders;
  - (iii) whether the trustee, fiscal agent or any other representative for the debenture holders is bound to take steps to ascertain whether there is an event of default or a potential event of default; and
  - (iv) the conditions to be fulfilled in order for the trustee or other representative for the debenture holders to take action on behalf of those debenture holders or at the request of those debenture holders, including any threshold of approval or instruction and any pre-funding or indemnification requirement;
- (w) provisions setting out how the terms and conditions of the debentures or units of debentures, as the case may be, or the rights of the holders of the debentures or units of debentures, may be modified;
- (x) the consequences of any failure to make payments that does not constitute an event of default, and the remedies available (under the terms of the debentures or units of debentures, as the case may be, or the applicable law) for any such failure.

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Please refer to the sections entitled “**Summary of the Rights Issue and the Convertible Bonds**”, “**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and/or the Conversion Shares**” and “**Trading**”, paragraph 3 of this Part and paragraphs 1 and 2 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**”, of this Offer Information Statement, as well as the Terms and Conditions of the Convertible Bonds as set out in **Appendix A** to this Offer Information Statement.

#### Ranking and Status

The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations. There is no limit on the creation of additional indebtedness that rank in priority to the Convertible Bonds.

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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As the Convertible Bonds are unsecured, the claims of secured creditors will have priority over the Bondholders. There are no assets of the Company which are subject to a charge to secure the payment of interest or redemption of the Convertible Bonds.

Please refer to the section entitled “**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and/or the Conversion Shares – The Convertible Bonds are not secured**” of this Offer Information Statement.

### Interest, Conversion and Redemption

Please refer to Conditions 5 to 8 of the Terms and Conditions as set out in **Appendix A** to this Offer Information Statement for further information on the interest, conversion and redemption of the Convertible Bonds. Please also refer to the section entitled “**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and/or the Conversion Shares**” of this Offer Information Statement.

### Events of Default

Please refer to Condition 11 of the Terms and Conditions as set out in **Appendix A** to this Offer Information Statement the Events of Default with regard to the Convertible Bonds, the remedies available to Bondholders in such events and information on when Bondholders are able to take action to enforce their claims.

The Trust Deed will provide for the Trustee to take action on behalf of the Bondholders in certain circumstances, subject to the Trustee being first fully indemnified and/or secured and/or pre-funded to its satisfaction. In particular, subject to the terms of the Trust Deed and the Terms and Conditions, at any time after the Convertible Bonds shall have become due and payable pursuant to the Terms and Conditions, the Trustee may, without further notice to the Company, institute such proceedings against the Company as it may think fit to enforce any term or condition binding on the Company under the Trust Deed and/or repayment thereof together with premium (if any) and accrued interest and any other moneys payable pursuant to the Trust Deed, but it will not be bound to take any step unless (a) it shall have been so requested in writing by the holders of not less than 25% in principal amount of the Convertible Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of Bondholders and (b) it shall have been first fully indemnified and/or secured and/or pre-funded to its satisfaction by the Bondholders against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith.

The Trust Deed will also provide that the Trustee shall not be bound to make any enquiry or to take any steps to ascertain whether any Event of Default or Potential Event of Default (each as defined in the Trust Deed) has occurred and shall not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so. Until it has actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume without enquiry (it being the intention that it should assume without enquiry) and shall not be liable for assuming, that no such event has occurred and that the Company is performing all its obligations under this Trust Deed and the Convertible Bonds and shall not be liable to the Bondholders or any other person by so doing. The Trustee shall not be responsible for the performance by any person appointed by the Company in relation to the Convertible Bonds. In particular, the Trustee shall not be required to monitor the financial performance of the Company or ensure the compliance by the Company of its obligations contained hereunder and under the Trust Deed and the Convertible Bonds and will not be responsible or liable to any person for failing to do so.

### Communication with Bondholders

Notices to Bondholders will be validly given if either (a) published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times) or

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## DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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(b) for so long as the Company or the Convertible Bonds are listed on the SGX-ST, published or announced on the website of the SGX-ST at <http://www.sgx.com>. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made in such newspaper or on the website of SGX-ST. Notwithstanding the other provisions of Condition 17 of the Terms and Conditions, all notices to such Bondholders will be validly given if mailed to them at their respective addresses in the register of Bondholders and shall be deemed to have been given on the seventh (7<sup>th</sup>) day after being so mailed.

In the event of an Event of Default, the Company is to make an immediate announcement on SGXNET in accordance with the Listing Manual. In addition, the Company will covenant with the Trustee in the Trust Deed that on the occurrence of any Event of Default or Potential Event of Default, upon request in writing by the Trustee and at the Company's own expense, give notice to the Bondholders of the occurrence of such event and convene meetings of the Bondholders for purposes of taking instructions from Bondholders on whether to declare the Convertible Bonds due and payable after such occurrence of Event of Default.

### Prescription Period

Claims in respect of amounts due in respect of the Convertible Bonds will become prescribed unless it is made within three (3) years from the date on which such payment first became due.

### Modification

Please refer to Condition 14 of the Terms and Conditions as set out in **Appendix A** to this Offer Information Statement and the section entitled "**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and/or the Conversion Shares – Bondholders are subject to the Terms and Conditions of the Convertible Bonds, which include provisions as to modifications and waivers, and events of default**" of this Offer Information Statement for information regarding modification of the Trust Deed and the Terms and Conditions of the Convertible Bonds.

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### Credit Rating

8. **If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose –**
- (a) **the name of the credit rating agency;**
  - (b) **the credit rating (including whether it is a short-term or long-term credit rating);**
  - (c) **whether any fee or benefit of any kind has been paid by the relevant entity, its guarantor entity or any of their related parties to the credit rating agency, in consideration for the credit rating assessment; and**
  - (d) **the date on which the credit rating was given.**

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Not applicable.

9. **If a credit rating is disclosed under paragraph 8 of this Part, provide the following information:**
- (a) **a statement whether the credit rating is current as of the date of lodgment of the offer information statement;**
  - (b) **a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be, and that investors should perform their own**

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evaluation as to whether the investment is appropriate;

- (c) a statement that the credit rating may be revised or withdrawn at any time;
- (d) a statement that the credit rating is a statement of opinion;
- (e) a statement stating the specific publicly available sources where the following information can be obtained:
  - (i) the rating methodology used by the credit rating agency;
  - (ii) the relative ranking of the credit rating;
  - (iii) an explanation of the meaning and limitations of the credit rating;
  - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures or units of debentures being offered or, in the case of a guaranteed debenture issue, its implications on the relevant entity, its guarantor entity or the debentures or units of debentures being offered;
- (f) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available;
- (g) if the credit rating is below BBB by Fitch Ratings, Baa by Moody’s Investors Service, BBB by Standard and Poor’s Ratings Services, or an equivalent rating by any other credit rating agency, provide the following statement:

“This rating is a non-investment grade credit rating.”

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Not applicable.

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- 10. If all of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered have not been given a credit rating by a credit rating agency, state that fact, and provide a statement that not having a credit rating means that no independent assessment by a credit rating agency of the default risk of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered has been made.**
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The Company and the Convertible Bonds are not rated by any credit rating agency. Accordingly, no independent assessment by a credit rating agency of the default risk of the Company and the Convertible Bonds has been made.

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- 11. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form –**
- (a) the aggregate value of the tangible assets owned by the relevant entity;
  - (b) the aggregate value of the tangible assets owned by each, or jointly owned by 2 or more, of its guarantor entities; and
  - (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

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which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

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Not applicable.

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**12. Show also, in the summary –**

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment equally with the amount under the proposed issue;
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

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Not applicable.

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**13. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.**

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Not applicable.

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**14. Where the tangible assets mentioned in paragraph 11 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer.**

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Not applicable.

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**Documents for Inspection**

**15. Provide a statement that, for a period of at least 6 months after the date of lodgment of the offer information statement, the trust deed, fiscal agency agreement or any other document constituting the debentures or units of debentures (or a copy of the trust deed, fiscal agency agreement or other document) and in the case of a guaranteed debenture issue, the guarantee and other related documents (or a copy of the guarantee and related documents), may be inspected by any person at a specified place in Singapore.**

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## **DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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For at least six (6) months after the date of lodgment of this Offer Information Statement, copies of the Trust Deed, the Agency Agreement, the Depository Agreement and the Deed of Covenant will be available for inspection at the specified office of the Principal Agent. Prior to the execution of the Trust Deed, the Agency Agreement, the Depository Agreement and the Deed of Covenant on the Issue Date, drafts of such documents (which shall be subject to final amendments) will be available for inspection.

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### **PART 9 – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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#### **Information on Convertible Debentures**

- 1. Provide information concerning the nature of the securities, securities-based derivatives contracts, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached to the securities, securities-based derivatives contracts, equity interests or property including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.**
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Please refer to the sections entitled “**Summary of the Rights Issue and the Convertible Bonds**”, “**Risk Factors – Risks Relating to an Investment in the Rights, the Convertible Bonds and the Conversion Shares**” and in particular, the risk factors entitled “**Bondholders will have no rights as Shareholders until they are issued Conversion Shares upon the conversion of the Convertible Bonds**” and “**Further issuances or sales of Shares could adversely affect the market value of the Shares and the Convertible Bonds and Shareholders may suffer dilution of their ownership interest**” and paragraphs 1 and 2 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**” of this Offer Information Statement as well as the Terms and Conditions of the Convertible Bonds as set out in **Appendix A** to this Offer Information Statement.

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- 2. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:**
  - (a) the total number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;**
  - (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;**
  - (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;**
  - (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;**
  - (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;**
  - (f) any arrangement for the variation in the subscription price of the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the**

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convertible debentures, or in the number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and

- (g) if there is no established market for the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

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Please refer to the sections entitled “**Summary of the Rights Issue and the Convertible Bonds**”, “**Trading**” and paragraphs 1 and 2 of the section entitled “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing**” of this Offer Information Statement as well as the Terms and Conditions of the Convertible Bonds as set out in **Appendix A** to this Offer Information Statement. For the avoidance of doubt, no further cash outlay will be required from the Bondholders for the conversion of the Convertible Bonds into Conversion Shares.

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**PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS  
ISSUE**

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1. Provide –

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

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- (a) Please refer to the section entitled “**Summary of the Rights Issue and the Convertible Bonds**” of this Offer Information Statement for particulars of the Rights Issue.
  - (b) The last date and time for the splitting of the provisional allotment of the Convertible Bonds is on 21 October at 5.30 p.m. Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.
  - (c) The last date and time for acceptance of and payment for the Convertible Bonds is on 28 October at 5.30 p.m. (and 28 October at 9.30 p.m. for Electronic Applications through the ATMs of Participating Banks or an Accepted Electronic Service). Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.
  - (d) The last date and time for renunciation of and payment by the renounee for the Convertible Bonds is on 28 October at 5.30 p.m. (and 28 October at 9.30 p.m. for Electronic Applications through the ATMs of Participating Banks or an Accepted Electronic Service). Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.

Entitled Depositors who wish to renounce their Rights in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights.

- (e) The allotment and issue of the Convertible Bonds pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, in particular **Appendices B to D** to this Offer Information Statement, and in the PAL, the ARE and the ARS.

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- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and
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Subject to the conditions of their respective Irrevocable Undertakings, the Undertaking Shareholders have undertaken to, *inter alia*, subscribe and pay in full for their *pro-rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of all valid applications by other

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Shareholders (the “**Undertaking Shareholders’ Balance Applications**”) of up to a combined aggregate amount of S\$3.5 million. Such Undertaking Shareholders’ Balance Applications shall rank in priority after allocations of Excess Convertible Bonds to other Shareholders. In addition, as a demonstration of their confidence in and commitment to the prospects of the Group, the Undertaking Directors have each provided a Directors’ Confirmation to the Company that they will subscribe and pay in full for their *pro rata* entitlement under the Rights Issue. As a result of the Irrevocable Undertakings and the Directors’ Confirmations, the Company has received assurance that at least 60% of the entitlements under the Rights Issue will be subscribed for and paid in full.

As announced by the Company on 14 July 2022, the Company had entered into the Undertaking Shareholders’ Loan Agreements with each of the Undertaking Shareholders under which the principal amounts of the loans granted by the Undertaking Shareholders repayable by the Company to each of the Undertaking Shareholders will be set off (in full or partially) against the consideration payable by each of the Undertaking Shareholders under the Rights Issue. In this regard, each of the Undertaking Shareholders have provided their Irrevocable Undertakings and the loans under the Undertaking Shareholders’ Loan Agreements have been fully disbursed to the Company. The principal terms of the Undertaking Shareholders’ Loan Agreements are as follows:

	<b>Economic Development Innovations Singapore Pte. Ltd.</b>	<b>PY Opulence Investment Pte. Ltd.</b>	<b>Mr. Wang Yu Huei</b>
<b>Principal Amount</b>	S\$2 million	S\$1 million	S500,000
<b>Interest</b>		6% per annum	
<b>Irrevocable Undertaking</b>	Please refer below	Please refer below	Please refer below
<b>Repayment (Under Subscription – <i>pro rata</i> entitlement + excess rights)</b>	Principal amount set off against the consideration payable under the Rights Issue, and interest accrued on principal amount payable in cash		
<b>Repayment (Over Subscription – <i>pro rata</i> entitlement only)</b>	Part of the principal amount set off against the consideration payable under the Rights Issue, and remainder of principal amount and interest accrued on principal amount payable in cash		
<b>Repayment (Rights Issue does not proceed)</b>	If the Rights Issue does not take place within nine months from the date of the loan agreement, the principal amount and the interest accrued on principal amount will be repaid in full in cash.		

Irrevocable Undertaking from Economic Development Innovations Singapore Pte. Ltd.

Pursuant to its Irrevocable Undertaking, Economic Development Innovations Singapore Pte. Ltd. has undertaken to, *inter alia*, subscribe and pay in full for its *pro rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue, up to an aggregate amount of S\$2 million.

Irrevocable Undertaking from PY Opulence Investment Pte. Ltd.

Pursuant to its Irrevocable Undertaking, PY Opulence Investment Pte. Ltd. has undertaken to, *inter alia*, subscribe and pay in full for its *pro rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue, up to an aggregate amount of S\$1 million.

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Irrevocable Undertaking from Mr. Wang Yu Huei

Pursuant to his Irrevocable Undertaking, Mr. Wang Yu Huei has undertaken to, *inter alia*, subscribe and pay in full for its *pro rata* entitlement under the Rights Issue, as well as any unsubscribed rights remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue, up to an aggregate amount of S\$500,000.

Directors' Confirmations

As a demonstration of their confidence in and commitment to the prospects of the Group, the Undertaking Directors, namely, Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Bernard Wong and Mr. Chua Chwee Koh, have each provided a written confirmation to the Company that they will subscribe and pay in full for their *pro rata* entitlement under the Rights Issue. Based on their respective shareholdings as at the Latest Practicable Date, the commitment from these Directors to subscribe and pay in full for their *pro rata* entitlement under the Rights Issue will raise approximately S\$162,972.

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**(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

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As a result of the Irrevocable Undertakings and the Directors' Confirmations, the Company has received assurance that at least 60% of the entitlements under the Rights Issue will be subscribed for and paid in full.

In view of the savings enjoyed for not having to bear underwriting fees and given the provision of the of the Irrevocable Undertakings and the Directors' Confirmations, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. No underwriting commitment has been arranged with any financial institution for the Rights Issue.

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 31 March 2020, 31 March 2021 and 31 March 2022 are as follows:

	<b>As at 31 March 2020 (US\$'000) (Audited)</b>	<b>As at 31 March 2021 (US\$'000) (Audited)</b>	<b>As at 31 March 2022 (US\$'000) (Audited)</b>
Total Current Assets	9,298	9,741	5,793
Total Current Liabilities	(9,751)	(10,566)	(10,738)
Net Working Capital	(453)	(825)	(4,945)

### **As at 31 March 2020 compared to 31 March 2019**

As at 31 March 2020, the Group registered a negative working capital of US\$0.5 million, being current assets of US\$9.3 million net of current liabilities of US\$9.8 million. In turn, the current assets comprised mainly inventories and trade and other receivables while the current liabilities comprised mainly trade payables, other payables and accruals as well as borrowings.

As at 31 March 2019, the Group also registered a negative working capital of US\$2.8 million, being current assets of US\$4.1 million net of current liabilities of US\$6.9 million. In turn, the current assets comprised mainly inventories as well as trade and other receivables while the current liabilities comprised mainly trade payables, other payables and accruals as well as borrowings.

The improvement of the working capital of the Group by US\$2.3 million over the above two (2) periods under consideration was due mainly to the increased in trade receivable from the recognition of the one-off licensing fee income of US\$6 million, albeit the increase in borrowings as at 31 March 2020.

### **As at 31 March 2021 compared to 31 March 2020**

As at 31 March 2021, the Group registered a negative working capital of US\$0.8 million, being current assets of US\$9.7 million net of current liabilities of US\$10.5 million. In turn, the current assets comprised mainly inventories as well as trade and other receivables while the current liabilities comprised mainly trade payables, other payables and accruals as well as borrowings.

The decrease in working capital position of the Group by US\$0.3 million, from negative US\$0.5 million as at 31 March 2020 to a negative US\$0.8 million as at 31 March 2021, was due mainly to the increased in borrowings.

### **As at 31 March 2022 compared to 31 March 2021**

As at 31 March 2022, the Group registered a negative working capital of US\$4.9 million, being current assets of US\$5.8 million net of current liabilities of US\$10.7 million. In turn, the current assets comprised mainly inventories and trade and other receivables while the current liabilities comprised mainly trade payables, other payables and accruals as well as borrowings.

The decrease in working capital of the Group by US\$4.1 million from a negative US\$0.8 million as at 31 March 2021 to a negative US\$4.9 million as at 31 March 2022, was due mainly to the reduction in trade receivables due to the provision for impairment of the trade receivable of US\$6.0 million, albeit the increase in advances from customers and receivables due to increased revenue towards the end of FY2022.

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 2. Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.

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- (i) The information required in Rule 832(1) to (9) of the Listing Manual has been set out in the sections entitled “**Summary of the Rights Issue and the Convertible Bonds**”, “**Risk Factors**”, “**Trading**”, “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**” and “**Disclosure Requirements Under the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 9 – Additional Information Required for Convertible Debentures**” of this Offer Information Statement and the Terms and Conditions set out in **Appendix A** to this Offer Information Statement.

The *pro forma* financial effects of the Rights issue as presented herein

- (a) are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2022;
- (c) assume that the Convertible Bonds or, as the case may be, the Conversion Shares had been issued, in respect of profit and loss statement on 1 April 2021, and in respect of balance sheet on 31 March 2022; and
- (d) assume, for illustrative purposes only, that 381,415,529 Conversion Shares are allotted and issued upon conversion of all the Convertible Bonds;
- (e) assume that the Conversion Price will be S\$0.0170 with no adjustment;
- (f) assume that the Net Proceeds of approximately S\$5.6 million from the issue of the Convertible Bonds, after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$0.4 million;
- (g) there is no return earned on the Net Proceeds and no payment of interest on the Convertible Bonds; and
- (h) convertible bond liability is computed assuming no fair value adjustments relating to the Convertible Bonds, redemption option and conversion option. Does not take into account any theoretical ex-rights adjustment factor.

### **Share Capital**

It should be noted that the issue of the Convertible Bonds will not have an immediate effect on the issued share capital of the Company unless and until the Convertible Bonds are converted into Conversion Shares. The effect of the conversion of the Convertible Bonds on the issued share capital of the Company as at the Latest Practicable Date is expected to be as follows:

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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	Number of Shares <sup>(1)</sup>	S\$
Issued share capital as at the Latest Practicable Date	3,242,031,975	118,775,161
Add: Conversion Shares to be issued assuming the conversion of all the Convertible Bonds	381,415,529	6,484,064
Issued share capital after the Conversion of all the Convertible Bonds	3,623,447,504	125,259,225

**Notes:**

(1) Based on the Existing Share Capital.

**Net Tangible Assets**<sup>(1)</sup>

Assuming that the Rights Issue was completed on 31 March 2022, the effects of the Rights Issue on the NTA of the Group are as follows:

**Number of Shares**

Existing number of Shares before the Rights Issue as at 31 March 2022		2,524,601,975
Add: Conversion Shares to be issued assuming the conversion of all the Convertible Bonds		381,415,529
Add: Shares issued pursuant to placement exercises subsequent to 31 March 2022 (the “ <b>Subsequent Placement Exercises</b> ”)		717,430,000
Number of Shares after the issue of the Conversion Shares and the Shares issued pursuant to the Subsequent Placement Exercises		3,623,447,504

**NTA Attributable to Shareholders (US\$'000)**

NTA attributable to Shareholders before the Rights Issue and before adjusting for the Subsequent Placement Exercises		(6,195)
NTA attributable to Shareholders after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises		(6,195)
NTA attributable to Shareholders after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises		(2,263)
NTA attributable to Shareholders after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises		52
NTA attributable to Shareholders after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises		4,156

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### NTA per Share (US cents)

NTA per Share before the Rights Issue and before adjusting for the Subsequent Placement Exercises	(0.25)
NTA per Share after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	(0.25)
NTA per Share after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	(0.08)
NTA per Share after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	0.002
NTA per Share after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	0.11

#### Notes:

- (1) Net Tangible Asset (“NTA”) means total assets less sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

### Net Asset Value<sup>(1)</sup>

Assuming that the Rights Issue was completed on 31 March 2022, the effects of the Rights Issue on the NAV of the Group are as follows:

#### Number of Shares

Existing number of Shares before the Rights Issue as at 31 March 2022	2,524,601,975
Add: Conversion Shares to be issued assuming the conversion of all the Convertible Bonds	381,415,529
Add: Shares issued pursuant to placement exercises subsequent to 31 March 2022 (the “ <b>Subsequent Placement Exercises</b> ”)	717,430,000
Number of Shares after the issue of the Conversion Shares and the Shares issued pursuant to the Subsequent Placement Exercises	3,623,447,504

#### NAV Attributable to Shareholders (US\$'000)

NAV attributable to Shareholders before the Rights Issue and before adjusting for the Subsequent Placement Exercises	2,430
NAV attributable to Shareholders after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	2,430
NAV attributable to Shareholders after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	6,362
NAV attributable to Shareholders after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	8,677
NAV attributable to Shareholders after adjusting for the Rights Issue after assuming conversion of all the	12,781

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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Convertible Bonds and after adjusting for the Subsequent Placement Exercises

### NAV per Share (US cents)

NAV per Share before the Rights Issue and before adjusting for the Subsequent Placement Exercises	0.10
NAV per Share after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	0.10
NAV per Share after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	0.22
NAV per Share after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	0.27
NAV per Share after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	0.35

### Notes:

(1) Net Asset Value (“NAV”) means total assets less sum of total liabilities and non-controlling interest.

### Earnings Per Shares (“EPS”)

Assuming that the Rights Issue was completed on 1 April 2021, the effects of the Rights Issue on the EPS of the Group are as follows:

(Loss) After Taxation and Non-Controlling Interests (US\$'000)	<b>FY2022</b> (7,963)
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### Weighted Average Number of Shares

Weighted average number of Shares before the Rights Issue and before adjusting for the Subsequent Placement Exercises	2,312,809,783
Weighted average number of Shares after the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	2,312,809,783
Weighted average number of Shares after the Rights Issue and assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	2,694,225,312
Weighted average number of Shares after the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	2,755,311,173
Weighted average number of Shares after the Rights Issue and assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	3,136,726,702

### EPS (US cents)

EPS before the Rights Issue and before adjusting for the Subsequent Placement Exercises	(0.34)
EPS after the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	(0.34)
EPS after the Rights Issue and assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	(0.30)



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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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EPS after the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	(0.29)
EPS after the Rights Issue and assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	(0.25)

### **Gearing**

Assuming that the Rights Issue was completed on 31 March 2022, the effects of the Rights Issue on the net gearing of the Group are as follows:

#### **Total Net Borrowings (US\$'000)**

Total net borrowings before the Rights Issue and before adjusting for the Subsequent Placement Exercises	5,175
Total net borrowings after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	5,175
Total net borrowings after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	5,175
Total net borrowings after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	5,175
Total net borrowings after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	5,175

#### **Total Equity (US\$'000)**

Total equity before the Rights Issue and before adjusting for the Subsequent Placement Exercises	2,430
Total equity after adjusting for the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	2,430
Total equity after adjusting for the Rights Issue after assuming conversion of all the Convertible Bonds and before adjusting for the Subsequent Placement Exercises	6,362
Total equity after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	8,677
Total equity after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	12,608

#### **Net Gearing (Times)<sup>(1)</sup>**

Net gearing before the Rights Issue	2.13
Net gearing after adjusting for the Rights Issue but before conversion of the Convertible Bonds	2.13
Net gearing after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds	0.81
Net gearing after adjusting for the Rights Issue but before conversion of the Convertible Bonds and after adjusting for the Subsequent Placement Exercises	0.60
Net gearing after adjusting for the Rights Issue and assuming conversion of all the Convertible Bonds and after adjusting for	0.41

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## ADDITIONAL DISCLOSURE REQUIREMENTS UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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the Subsequent Placement Exercises

**Notes:**

- (1) Net gearing = (Gross borrowings – Cash)/Total equity.
- (ii) Not applicable. The Rights Issue is not underwritten and the Conversion Price has been fixed and is not based on a price-fixing formula. The Conversion Price is subject to adjustments under certain circumstances in accordance with the Terms and Conditions.

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### 3. Responsibility Statement by the Financial Adviser

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As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the SFA.

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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*The following, subject to modification and other than the words in italics, is the text of the terms and conditions of the Bonds (as defined below) which will appear on the reverse of each of the definitive certificates evidencing the Bonds.*

The issue of up to S\$6,484,064 in aggregate principal amount of 6.0 per cent. redeemable convertible bonds due 2027 (the “**Bonds**”) by Addvalue Technologies Ltd (the “**Issuer**”) was authorised by resolutions of the board of directors of the Issuer on 14 July 2022 and the issue of any Shares (as defined below) upon conversion of the Bonds has been approved by the shareholders of the Issuer at the annual general meeting held on 29 July 2022.

The Bonds are constituted by a trust deed (as amended and supplemented from time to time) (the “**Trust Deed**”) dated [●] 2022 (the “**Issue Date**”) made between the Issuer and Pacific Trustees (Singapore) Ltd. as trustee for, *inter alia*, the holders of the Bonds (the “**Trustee**”, which term shall, where the context so permits, include all other person(s) or company(ies) for the time being acting as trustee or trustees under the Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement relating to, *inter alia*, the Bonds dated [●] 2022 (the “**Agency Agreement**”) with the Trustee, Pacific Trustees (Singapore) Ltd. as principal paying, conversion and transfer agent (the “**Principal Paying Agent**”), Pacific Trustees (Singapore) Ltd. as registrar (the “**Registrar**”) and the other paying, conversion and transfer agents appointed under it (each a “**Paying Agent**”, “**Conversion Agent**”, “**Transfer Agent**” and, together with the Principal Paying Agent and the Registrar, the “**Agents**”) relating to the Bonds.

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

Copies of the Trust Deed, the Agency Agreement and the deed of covenant (the “**Deed of Covenant**”) dated [●] 2022 executed by the Issuer relating to the Bonds are available for inspection during the usual business hours at the Specified Office for the time being of the Principal Paying Agent (presently at 60 Paya Lebar Rd, #08-30 Paya Lebar Square, Singapore 409051) following written request and satisfactory proof of holding.

The holders of the Bonds are entitled to the benefit of and are bound by all the provisions of the Trust Deed and Deed of Covenant, and are deemed to have notice of all the provisions of the Trust Deed, the Agency Agreement and Deed of Covenant applicable to them.

### 1. Status

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

### 2. Form, Denomination and Title

#### 2.1. Form and Denomination

The Bonds are issued in registered form in the denomination of S\$1.00 each and integral multiples thereof. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered aggregate holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a Global Certificate registered in the name of the Depository and deposited with the Depository. The Conditions are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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### 2.2. Title

Title to the Bonds passes only by transfer and registration in the register of Bondholders (the “**Register**”) as described in **Condition 3**. The holder of any of the Bonds will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to the Bonds) “**holder**” means the person in whose name the Bonds are registered in the Register.

*For so long as any of the Bonds is represented by the Global Certificate and the Global Certificate is registered in the name of the Depository, each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Trustee as the holder of such principal amount of Bonds other than with respect to the payment of principal, premium and any other amounts in respect of the Bonds, for which purpose the person whose name is shown on the Register as the holder of the Global Certificate shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Trustee as the holder of such Bonds in accordance with and subject to the terms of the Global Certificate (and the expression “**Bondholder**” and related expressions shall be construed accordingly).*

*In these Conditions, “**Global Certificate**” means the global certificate representing the Bonds, or some of them, substantially in the form set out in Schedule 2 of the Trust Deed and “**Bondholder**” and (in relation to the Bonds) “**holder**” means the person in whose name the Bonds registered.*

### 3. Transfer of Bonds; Issue of Certificates

#### 3.1. Register

The Issuer will cause the Register to be kept at the Specified Office of the Registrar, and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds. The entries in the Register shall be conclusive and binding for all purposes, absent manifest or proven error, and the Issuer, the Registrar and the Bondholders shall treat each person whose name is recorded in the Register as a Bondholder for all purposes of the Bonds and the other Issue Documents.

#### 3.2. Transfers

Subject to **Conditions 3.4 and 3.5** and the terms of the Agency Agreement, the Bonds may be transferred by delivery of the Certificate issued in respect of those Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the Specified Office of the Registrar or any of the Agents. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. No transfer of title to Bonds will be valid unless and until entered on the Register.

*Transfers of interests in Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the Depository. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive physical delivery of Certificates.*

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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### 3.3. Delivery of New Certificates

3.3.1. Each new Certificate to be issued upon a transfer or exchange of Bonds will, within ten Business Days (at the place of the relevant Specified Office) of receipt by the Registrar or, as the case may be, any other relevant Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the Specified Office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the Specified Office of the Registrar.

*Except in limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive physical delivery of Certificates.*

3.3.2. Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, exchanged, redeemed, repurchased or converted, a new Certificate in respect of the Bonds not so transferred, exchanged, redeemed, repurchased or converted will, within ten Business Days of delivery of the original Certificate to the Registrar or such other relevant Agent (and in the case of a conversion of the Bonds, within ten Business Days from the Conversion Date (as defined in **Condition 6.1.1(a)**) subject to the delivery of the original Certificate to the Registrar or such other relevant Agent no later than the Conversion Date), be made available for collection at the Specified Office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, exchanged, redeemed, repurchased or converted (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

*Except in limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive physical delivery of Certificates.*

3.3.3. For the purposes of these Conditions (except for **Condition 7**), "**Business Day**" shall mean a day other than a Saturday or Sunday or a public holiday on which banks are open for business in the country in which the Specified Office of the Registrar (if a Certificate is deposited with it in connection with a transfer, exchange, conversion or redemption) or the Agent with whom a Certificate is deposited in connection with a transfer, exchange, conversion or redemption, is located.

### 3.4. Formalities Free of Charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents (as the case may be) but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any of the Agents (as the case may be) may require) by the Bondholder in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer, (ii) the Issuer or the relevant Agent (as the case may be) being satisfied that the regulations concerning transfer of Bonds have been complied with and (iii) receipt by the relevant Agent of such evidence as it may require.

### 3.5. Closed Periods

No Bondholder may require the transfer of Bonds to be registered and neither the Issuer nor the Registrar will be required to register the transfer of Bonds (i) during the period of 15 Trading Days (as defined in **Condition 6.5.12**) ending on (and including) the date for payment of any principal pursuant to the Conditions (including the Maturity Date), (ii) during the period of 15 Trading Days ending on (and including) the date for redemption pursuant to **Conditions 8.2, 8.3 or 8.4**, (iii) after a Conversion Notice (as defined in **Condition 6.2**) has been delivered with respect to such Bonds or (iv) during the period of 15 Trading Days ending on (and including) any Interest Record Date

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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(as defined in **Condition 7.1.2**), each such period being a “**Closed Period**”.

### 3.6. Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning the transfer of Bonds scheduled in the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee, the Registrar and the Transfer Agent and (in the case of any change proposed by the Registrar or the Transfer Agent) with the prior written approval of the Issuer. A copy of the current regulations will be mailed (free of charge to the relevant Bondholder) by the Registrar to any Bondholder upon request.

### 4. [INTENTIONALLY OMITTED]

### 5. Interest

#### 5.1. Interest Rate and Accrual

The Bonds shall bear interest at the rate of 6.0 per cent. per annum on its outstanding principal amount from (and including) the Issue Date. Interest is payable semi-annually in arrears commencing on the date falling six months from the Issue Date and every six months thereafter (each such date for payment of such interest hereunder referred to as an “**Interest Payment Date**”). Unless previously converted or redeemed, the Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with **Condition 5.2**.

#### 5.2. Cessation of Interest

The Bonds will cease to bear interest:

5.2.1. (subject to **Condition 6.2.4**) where the Conversion Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Conversion Date (as defined in **Condition 6.1.1(a)**) (or if such Conversion Date falls on or before the first Interest Payment Date, the Issue Date) subject to conversion of the relevant Bonds in accordance with the provisions of **Condition 6.2**; or

5.2.2. from the due date for redemption thereof unless, upon surrender in accordance with **Condition 8**, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the applicable per annum rate specified in **Condition 5.1** (after as well as before judgment) up to but excluding the date on which all sums due in respect of the Bonds are received by or on behalf of the relevant holder.

#### 5.3. Day Count Fraction

If interest with respect of a period is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed and a 365-day year (the “**Day Count Fraction**”). Any interest payable under this Condition will be paid in accordance with **Condition 7.1**.

### 6. Conversion

#### 6.1. Conversion Right

6.1.1. *Conversion Period*: Subject as hereinafter provided, Bondholders have the right to convert their Bonds into new Shares on each relevant Conversion Date at any time during the Conversion Period referred to below.

- (a) The right of a Bondholder to convert the Bonds into Shares is called the “**Conversion Right**”. Subject to and upon compliance with the provisions of these Conditions, any applicable fiscal or other laws or regulations (including without limitation the then prevailing listing rules of the SGX-ST or any Relevant Stock Exchange (in particular,

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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Rule 803 of the Listing Manual of the SGX-ST)), the Conversion Right attaching to the Bonds may be exercised, at the option of the holder thereof, at any time on and after the Issue Date, up to the close of business (at the place where the Certificate evidencing such Bonds is deposited for conversion) on a date no later than one month prior to the Maturity Date or, if such Bonds shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place where the Certificate evidencing such Bonds is deposited for conversion) on a date no later than ten Business Days prior to the date fixed for redemption thereof (but, except as provided in **Condition 6.1.5** and **Condition 11.2**, in no event thereafter) (the “**Conversion Period**”), provided that the conversion date in respect of any Bonds for which a Conversion Right has been validly exercised shall (subject to the provisions of **Condition 6.1.5** and **Condition 11.2**) fall at two-month intervals, commencing on the date falling two months from the Issue Date and with the last conversion date falling on the Maturity Date (each such date, a “**Conversion Date**”), and further provided that the Conversion Right shall be suspended during any Closed Period and the Conversion Period and any Conversion Date shall not include any such Closed Period. If (A) the final date on which the Conversion Right may be exercised is not a Business Day at the place aforesaid, then the period for the exercise of the Conversion Right by Bondholders shall end on the immediately following Business Day at the place aforesaid, and (B) any Conversion Date is not a Business Day at the place aforesaid, then the Conversion Date shall fall on the immediately following Business Day at the place aforesaid. The Issuer shall, at least one month before the end of the Conversion Period, give notice to Bondholders in accordance with **Condition 17** of the last date of the Conversion Period and shall make such announcement of such last date of the Conversion Period as may be required under any applicable laws, regulations or rules of the SGX-ST. as the case may be.

- (b) Notwithstanding the foregoing, if a Conversion Date would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Trading Day after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and shall be deemed to have expired if, as a result of any postponement pursuant to this Condition, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore law.
- (c) The number of Shares to be issued on conversion of Bonds will be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price (as hereinafter defined) in effect at the Conversion Date. Following conversion in accordance with these Conditions, the rights of the converting Bondholder in respect of such Bonds shall be extinguished and released, and in consideration and in exchange therefor, the Issuer shall allot and issue Shares credited as paid-up in full as provided in this Condition. In relation to any of the Bonds held by a holder that are being converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

6.1.2. *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Shares outstanding, the Issuer will upon conversion of the Bonds by transfer to a Singapore dollar account with a bank in Singapore pay a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights as corresponds to any fraction of a Share not delivered as a result of such consolidation or re-

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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classification aforesaid if such sum exceeds S\$10.00.

- 6.1.3. *Conversion Price*: The price at which Shares will be issued upon conversion (the “**Conversion Price**”) of the Bonds will initially be S\$0.0170 per Share, subject to adjustment in the manner provided in **Condition 6.4**.
- 6.1.4. *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares of the Issuer or ordinary shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer and “**Shareholders**” means the holders of such Shares.
- 6.1.5. *Revival and/or Survival after Default*: Notwithstanding the provisions of **Condition 6.1.1**, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under **Condition 11** or (c) any Bond is not redeemed on the Maturity Date in accordance with **Condition 8.1**, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by such relevant Agent or the Trustee and, notwithstanding the provisions of **Condition 6.1.1**, any Bond in respect of which the Conversion Notice (as defined below) is deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Bondholders before such Conversion Date or that the Conversion Period may have expired before such Conversion Date, provided that the moneys so received by the Bondholders must in that event be as soon as practicable payable to the Issuer to the extent of the Bonds so converted.

### 6.2. Conversion Procedure

#### 6.2.1. *Conversion Notice*:

- (a) To exercise the Conversion Right attaching to any of the Bonds, the holder thereof must complete, execute and deposit at his own expense between 9.00 am and 3.00 pm on a Business Day in Singapore at the Specified Office of the Conversion Agent (a) a duly completed and signed (where necessary) irrevocable notice of conversion and the relevant certifications set forth therein (a “**Conversion Notice**”) in duplicate in the form (for the time being current) obtainable from the Specified Office of the Conversion Agent, together with the relevant Certificate and any amounts required to be paid by the Bondholder under **Condition 6.2.2** or (b) in the case of the Bonds represented by the Global Certificate, a duly completed irrevocable and signed (where necessary) Conversion Notice in duplicate in the form (for the time being current) obtainable from the Specified Office of the Conversion Agent, and any amounts required to be paid by the Bondholder under **Condition 6.2.2**.
- (b) The Conversion Date shall be determined in accordance with **Condition 6.1.1(a)**. A Conversion Notice once delivered shall be irrevocable. The Issuer or the Conversion Agent on its behalf, may reject any Conversion Notice which is, in its opinion, incorrect or incomplete in any material respect, and such decision shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Conversion Agent and the relevant Bondholder. All costs and expenses incurred or caused by a Conversion Notice which is, in the opinion of the Issuer or the Conversion Agent, incorrect or incomplete in any material respect shall be for the account of the relevant Bondholder.

The Conversion Agent shall be entitled to assume, without duty to enquire, that each converting Bondholder has, as a condition precedent to exercising its Conversion Right,



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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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paid all stamp, issue, registration, and similar taxes or duties or transfer costs (if any) (other than any amounts payable by the Issuer in accordance with the Conditions) which it is required to pay in accordance with the Conditions and shall have no responsibility whatsoever to the Issuer or any Bondholder or any other person resulting from any such failure or omission.

Upon exercise of a Conversion Right, a Bondholder converting Bonds shall be required to represent and agree, in the Conversion Notice, certain matters with respect to the beneficial ownership of the Bonds and the Shares.

*Subject to the requirements of the Depository, the Conversion Right attaching to the Bonds represented by the Global Certificate may be exercised by the presentation to or to the order of the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of Bonds (each an “Accountholder”). Deposit of the Global Certificate with the Conversion Agent shall not be required together with the deposit of the relevant Conversion Notice. In such a case, the delivery of the Conversion Notice in respect of the Bonds to be converted will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Conversion Notice are true and accurate on the date of delivery. The exercise of the Conversion Right shall be notified by the Conversion Agent to the holder of the Global Certificate.*

*Any exercise of the Conversion Right attaching to the Bonds represented by the Global Certificate shall be further conditional on that principal amount of Bonds so exercised being available in the “Free Balance” of the securities account(s) of the exercising Bondholder with the Depository until the relevant Conversion Date and on the exercising Bondholder electing in the Conversion Notice to have the delivery of the Shares allotted and issued on conversion of the relevant Bonds to be effected by crediting such Shares to the securities account(s) of the exercising Bondholder, failing which the Conversion Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

- 6.2.2. Stamp Duty & Registration Fees etc.: A Bondholder delivering a Certificate in respect of Bonds for conversion must pay any taxes and capital, stamp, issue, registration, transfer taxes and duties arising on conversion (other than any taxes or capital or stamp or issue or registration, transfer taxes and duties payable in Singapore by the Issuer in respect of the allotment and issue of Shares (including any amounts payable in relation to the allotment and registration of the Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and the certificate evidencing the Shares issued to the Depository for that purpose with the Depository) and listing of the Shares on the SGX-ST on conversion, which shall be borne by the Issuer) (the “Taxes”) and such Bondholder must pay all, if any, Taxes arising by reference to any disposal or deemed disposal of Bonds in connection with such conversion.

The Issuer will pay all other expenses arising from the issue of Shares on conversion of Bonds. None of the Issuer, the Trustee and the Agents is responsible or under any obligation to determine whether a Bondholder is liable to pay any Taxes, including capital, stamp, issue, registration, transfer taxes and duties or similar taxes and duties or the amounts payable (if any) in connection with this Condition and the Trustee and the Agents shall not be responsible or liable for any failure or omission by the Bondholder and/or the Issuer to pay such Taxes and duties or the sufficiency or insufficiency of any amounts paid by the Bondholder in connection with this Condition. None of the Issuer, the Trustee or the Agents shall be responsible or liable in any way to anyone for any failure or omission by the Bondholders to pay the Taxes.

- 6.2.3. Registration:

- (a) As soon as practicable, and in any event not later than fifteen Trading Days after the Conversion Date (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations or the requirements of the Depository),

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the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate (if applicable) and amounts payable by the relevant Bondholder deposited and paid as required by **Condition 6.2.1**:

- (i) procure that the relevant number of Shares are allotted to and registered in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Shares are listed on the SGX-ST; or
- (ii) if the Shares are not listed on the SGX-ST, allot to, and register the person or persons designated for the purpose in the Conversion Notice as holder(s) of, the relevant number of Shares in the register of Shareholders,

together (in either case) with the certificate evidencing the Shares issued in favour of the Depository or such person or persons, as the case may be, and any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

- (b) If the Conversion Date in relation to the Bonds shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions referred to in **Condition 6.4** and the relevant Registration Date (as defined below) falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price (such adjustment, a “**retroactive adjustment**”), the provisions of this Condition shall be applied *mutatis mutandis* to such number of Shares as is equal to the excess of the number of Shares which would have been required to be issued on conversion of such Bonds if the relevant retroactive adjustment had been effected as at the said Registration Date over the number of Shares previously issued (or which the Issuer was previously bound to issue) pursuant to such conversion.
- (c) The person or persons designated in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of Shareholders or (if the Shares are quoted on the SGX-ST) the date he is or they are registered in the Depository Register (as defined in the Securities and Futures Act 2001 of Singapore), as the case may be (the “**Registration Date**”). The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any dividends, rights, allotments or other distributions, the record date for which precedes the relevant Registration Date. Bonds which are duly converted will be cancelled by the removal of the Bondholder’s name from the Register in respect of such Bonds on the relevant Registration Date.
- (d) To the extent and as provided for in this **Condition 6.2.3(d)**, Shares allotted and issued on conversion will, with effect from the relevant Conversion Date, rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant Conversion Date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Shares of the Issuer. For the purpose of these Conditions, “**Record Date**” means in relation to any dividends, rights, allotments or other distributions, the date on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions. If the Record Date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bonds, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this **Condition 6.2.3** prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Bondholder or his designee an amount (the “**Equivalent Amount**”) in Singapore Dollars equal to any such dividend or other distribution to which he would have been entitled had he on that Record Date been

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such a Shareholder of record and will make the payment at the same time as it makes payment of the distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such converting Bondholder or his designee.

6.2.4. *Interest on Redemption*: If any notice requiring the redemption of the Bonds is given pursuant to **Condition 8.2** or **Condition 8.3** during the period beginning on the 15th day prior to the Record Date in respect of any dividend or distribution payable in respect of the Shares and ending on the Interest Payment Date next following such Record Date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Interest Payment Date, interest shall (subject to **Condition 5** and hereinafter) accrue on Bonds where Certificates have been delivered for conversion and in respect of which the Conversion Date falls after such Record Date and on or prior to the Interest Payment Date next following such Record Date from the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from (and including) the Issue Date to (but excluding) the relevant Conversion Date); provided that no such interest shall accrue on any of the Bonds in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such interest or in the event the Bonds carry an entitlement to receive an Equivalent Amount.

### 6.3. [INTENTIONALLY OMITTED]

### 6.4. Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events as set out in the Trust Deed:

6.4.1. *Consolidation, Subdivision, Redesignation or Reclassification*: If and whenever there shall be an alteration to the number of Shares in issue as a result of consolidation, subdivision, redesignation 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.

6.4.2. *Capitalisation 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 (including a free distribution or bonus issue of Shares) other than a Scrip Dividend and which would not have constituted a Capital 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

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

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

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in **Condition 6.5.3**) of such Shares on the last full Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

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

where:

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

B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate number of Shares issued by way of such Scrip Dividend.

or by making such other adjustment to the Conversion Price to give effect to the foregoing as an Independent Adviser shall certify to the Trustee is fair and reasonable.

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.

- 6.4.3. **Capital Distribution**: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price falls to be adjusted under **Condition 6.4.2** above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

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

where:

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

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share, determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the Capital Distribution.

Such adjustment shall become effective on the date that such Capital Distribution is made, or if a Record Date is fixed therefor, immediately after such Record Date.

- 6.4.4. **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

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to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last full Trading Day preceding the date of the announcement of the terms of such issue or grant, 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 number of Shares which the aggregate amount (if any) receivable 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 subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant of such rights, options, warrants or other rights.

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), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be, on the Relevant Stock Exchange.

- 6.4.5. *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 for 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, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire 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 Share on the last full 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 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), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be, on the Relevant Stock Exchange.

- 6.4.6. *Issues at less than Current Market Price*: If and whenever the Issuer shall issue (otherwise than as mentioned in **Condition 6.4.4** above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in **Condition 6.4.4** above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 90 per cent. the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

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.

- 6.4.7. *Other Issues at less than 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 6.4.7**, if and whenever the Issuer or any of its subsidiaries (otherwise than as mentioned in **Condition 6.4.4**, **Condition 6.4.5** or **Condition 6.4.6**), 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 wholly for cash any securities (other than the Bonds excluding for this purpose any further bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be delivered by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, 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 number of Shares in issue immediately before such issue;
- B is the 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 such Current Market Price per Share; 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.

- 6.4.8. *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 6.4.7** (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 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying

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the Conversion Price in force immediately before such modification by the following fraction:

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

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as an Independent Adviser considers appropriate (if at all) for any previous adjustment under this **Condition 6.4.8** or **Condition 6.4.7**, in each case, so as to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment.

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

- 6.4.9. ***Other Offers to Shareholders:*** If and whenever the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity issues, sells or distributes any securities in connection with which 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 **Conditions 6.4.4** or **6.4.5**), 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 Share on the last full 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 rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

- 6.4.10. ***Other Events:*** In the event any adjustment to the Conversion Price is proposed or required to be made as a result of one or more events or circumstances not referred to in this **Condition 6.4**, or if it is determined that an adjustment made pursuant to this **Condition 6.4** is inappropriate or incorrect, the Issuer shall at its own expense request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable, and the date on which such adjustment should take effect and upon such determination by the Independent Adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, in each case, so as to restore the economic position of the Bondholders, after the occurrence of such events or

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circumstances, to the same position as if the diluting or concentrative effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment, provided that where the events or circumstances giving rise to any adjustment pursuant to this **Condition 6.4** have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or 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 6.4** as may be advised by the Independent Adviser to be in its opinion appropriate to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting or concentrative effect of such events or circumstances had not occurred in order to give the intended result.

### 6.5. Definitions

In these Conditions:

- 6.5.1. “**Capital Distribution**” means (i) any distribution of cash or assets *in specie* by the Issuer for any financial period whenever paid or made and however described and whether payable out of profits or reserves (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 6.4.2(i)**) by way of capitalisation of reserves, but excludes a Scrip Dividend to the extent an adjustment to the Conversion Price is made in respect thereof under **Condition 6.4.2(ii)**), and (ii) any cash dividend or distribution of any kind by the Issuer relating to the Shares for any financial period whenever paid or made and however described, including (without limitation) any Scrip Dividend to the extent of the Relevant Cash Dividend, excluding any dividend or distribution for that financial period to the extent that it does not (when taken together with any other Relevant Cash Dividends previously made or paid in respect of that financial period) exceed 20 per cent. of the Market Capitalisation of the Issuer at the time of announcement of such Relevant Cash Dividend, for each such financial period.
- 6.5.2. “**Closing Price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST or, as the case may be, as quoted by a Relevant Stock Exchange for such Trading Day.
- 6.5.3. “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily Closing Price quoted by the SGX-ST or, as the case may be, a Relevant Stock Exchange for one Share (being a Share carrying full entitlement to dividend) for the fifteen consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during the said fifteen Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:
- (i) if the Shares to be issued, transferred or delivered in such circumstances do not rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share; or
  - (ii) if the Shares to be issued, transferred or delivered in such circumstances rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share,



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and provided further that if the Shares on each of the said fifteen Trading Days have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued, transferred or delivered do not rank for that dividend (or other entitlement), 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 Fair Market Value of that dividend (or other entitlement) per Share.

- 6.5.4. **“Employee Share Scheme”** means any scheme involving the issue, offer or grant (with or without consideration) by the Issuer or any of its Subsidiaries of rights or options over Shares or other securities of the Issuer or any of its Subsidiaries to, or for the benefit of, specified participants (including, without limitation, employees (including directors) or former employees of the Issuer, its Subsidiaries and/or associated companies, or persons related to such employees (including directors) and former employees) of such schemes or any arrangement involving the issue, offer or grant of rights or options (with or without consideration) to participants over Shares or other securities of the Issuer or any of its Subsidiaries which is analogous to an Employee Share Scheme provided such scheme is in compliance with the listing rules of the SGX-ST.
- 6.5.5. **“Fair Market Value”** means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by an Independent Adviser; 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) the fair market value of any other cash amount shall be the amount of such cash; (iii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Adviser) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded; and (iv) where options, warrants or other rights are not publicly traded (as aforesaid), the fair market value of such options, warrants or other rights shall be determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Share, the dividend yield of an Share, the volatility of such market price, prevailing interest rates and the terms of such options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.
- 6.5.6. **“Independent Adviser”** means a licensed independent investment bank (acting as an expert) of international repute selected and paid for by the Issuer and notified to the Trustee.
- 6.5.7. **“Market Capitalisation”** on any date means the product of (a) the Current Market Price on such date and (b) the total number of Shares issued and outstanding on such date.
- 6.5.8. **“Relevant Cash Dividend”** means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend).
- 6.5.9. **“Relevant Stock Exchange”** means the SGX-ST or, in the case of Shares or other securities if they are not at the time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares or other securities are then listed or quoted or dealt in.
- 6.5.10. **“Scrip Dividend”** means where Shares are issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under **Condition 6.4.3** in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend of part thereof) but without any prejudice to any

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adjustment required in such circumstances to be made under **Condition 6.4.2(ii)**.

6.5.11. “**Shares**” means the ordinary shares of the Issuer.

6.5.12. “**Trading Day**” means a day when the SGX-ST or, as the case may be, a Relevant Stock Exchange is open for business and on which the Shares or other securities may be dealt in, provided that if no Closing Price is reported in respect of the relevant Shares or other securities on the SGX-ST or, as the case may be, a Relevant 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 to have been dealing days when ascertaining any period of dealing days.

### 6.6. Miscellaneous

For the purposes of these Conditions:

6.6.1. On any adjustment, the relevant Conversion Price shall be rounded down to the nearest S\$0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent of the Conversion Price then in effect unless the Issuer deems it necessary. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 17** as soon as practicable after the determination thereof.

6.6.2. Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Independent Adviser, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Adviser to be in its opinion appropriate in order to give such intended result.

6.6.3. No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted:

- (a) pursuant to any exercise of the option granted by the Company to Economic Development Innovations Singapore Pte. Ltd. to subscribe for up to 315,000,000 new Shares, pursuant to the terms and subject to the conditions of the subscription agreement entered into by the Company and Economic Development Innovations Singapore Pte. Ltd. dated 2 December 2021;
- (b) pursuant to any Employee Share Scheme; or
- (c) pursuant to the conversion of the Bonds.

6.6.4. No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 6.4.1** or to correct a manifest error.

6.6.5. In making any calculation for the purposes of **Conditions 6.4 and 6.5**, such adjustments (if any) shall be made as an Independent Adviser may consider appropriate to reflect (i) any consolidation or subdivision of the Shares, (ii) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (iii) the modification of any rights to dividends of Shares.

6.6.6. If the Issuer fails to select an Independent Adviser when required for the purposes of **Condition 6.4**, the Issuer shall notify the Trustee in writing immediately, and if so notified, or where the Trustee is otherwise notified in writing of such failure of the Issuer to select the Independent Adviser, the Trustee may select such an adviser (which may be a related corporation of the Trustee) with the approval of the Bondholders by way of Extraordinary

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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Resolution and shall have no liability to any person in respect of such selection. For the avoidance of doubt, the Trustee shall have no obligation to convene a meeting of Bondholders or to select an Independent Adviser unless so directed by Extraordinary Resolution and subject to being indemnified and/or secured and/or prefunded to its satisfaction.

6.6.7. For the avoidance of doubt, the Trustee and the Agents shall not be under any duty or obligation to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price and will not be responsible or liable to the Bondholders for any loss arising from any failure by it to do so. The Trustee and the Agents shall neither be responsible nor under an obligation to calculate, determine or verify the number of Shares to be issued upon conversion of the Bonds or verify the Issuer's or the Independent Adviser's determination of such number of Shares or method used in such determination and neither the Trustee nor the Agents shall be responsible or liable to Bondholders or any other person for any determination of whether or not an adjustment to the Conversion Price is required or should be made nor as to the determination or calculation of any such adjustment or for any loss arising from any failure to do so or for any delay of the Issuer or the Independent Adviser in making such determination or any erroneous determination by the Issuer or the Independent Adviser.

6.6.8. In the event a takeover offer (including by way of a scheme of arrangement or amalgamation) is made for the Issuer, the Bondholders shall be entitled to participate in any such takeover offer to the extent so provided in the terms of the takeover offer and in accordance with applicable law and regulations governing the terms of the takeover offer.

### 6.7. Notice of change in Conversion Price

The Issuer shall give notice to the Bondholders in accordance with **Condition 17**, the Trustee, the Agents and the SGX-ST of any change in the Conversion Price as soon as reasonably practicable but in any event no later than three (3) Business Days following such change. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

### 6.8. Undertakings

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders:

6.8.1. it will use reasonable endeavours: (1) to maintain a listing for all the Shares in issue on the SGX-ST, and (2) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the SGX-ST;

6.8.2. it will use reasonable endeavours to list and maintain a listing for all the Bonds on the SGX-ST; and

6.8.3. other than as expressly provided in these Conditions, it will pay the expenses of the issue and delivery of, and all expenses of obtaining and maintaining the listing for, the Shares arising on conversion of the Bonds.

In the Deed, the Issuer has undertaken with the Trustee that so long as any of the Bonds remains outstanding, it will ensure that all Shares liable to be issued on conversion of the Bonds will be duly and validly issued as fully paid, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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### 7. Payments

#### 7.1. Method of Payment

7.1.1. Payment of the principal, premium (if any) and any interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the Specified Office of an Agent.

7.1.2. Interest on the Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th day before the due date for the payment of such interest (the “**Interest Record Date**”). Payments of interest on Bonds will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder.

#### 7.2. Registered accounts

For the purposes of these Conditions, a Bondholder’s registered account means the Singapore Dollar bank account maintained by or on behalf of it with a bank in Singapore, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

#### 7.3. Fiscal laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of **Condition 9**. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

#### 7.4. Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the Specified Office of an Agent.

#### 7.5. Delay in payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day, if the Bondholder is late in surrendering his Certificate (if required to do so) within a period of three (3) business days after being notified of such requirement, or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

#### 7.6. Partial Payment

If an amount which is due on Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

#### 7.7. Business Day for Payment

In this **Condition 7** only, “**business day**” means a day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in Singapore and, in the case of the

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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surrender of a Certificate, in the place where the Certificate is surrendered.

### 8. Redemption, Purchase and Cancellation

#### 8.1. Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in these Conditions, the Issuer will redeem the Bonds at 100.0 per cent. of their principal amount on the fifth anniversary of the Issue Date (the “**Maturity Date**”). The Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this **Condition 8** (but without prejudice to **Condition 11**).

#### 8.2. Redemption at the Option of the Issuer

8.2.1. The Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all or some only of the Bonds at 100 per cent. of their principal amount plus interest accrued, if any, to but excluding the date for redemption, at any time after the third anniversary of the Issue Date and ending on (but excluding) the Maturity Date.

8.2.2. In the case of a partial redemption of Bonds, the Bonds will be redeemed on a *pro rata* basis or selected by such other method, in such place as the Trustee shall approve and in such manner as the Trustee shall deem to be appropriate and fair, not less than 30 nor more than 60 days prior to the date fixed for redemption and the redemption notice shall contain such details as provided by **Condition 8.7** and will be published in accordance with **Condition 17** by the Issuer not less than 30 days prior to such date.

8.2.3. Upon the date specified in such notice, the Issuer will be bound to redeem such Bonds as aforesaid.

#### 8.3. Redemption for Taxation Reasons

8.3.1. At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at their 100.0 per cent. of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption (the “**Tax Redemption Date**”), if (i) the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

8.3.2. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in **Condition 8.3.1(i)** above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing in Singapore to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as a result of such change or amendment or as referred to in **Condition 9**. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in **Condition 8.3.1(i) and (ii)** above, in which event it shall be conclusive and binding on the Bondholders.

8.3.3. Upon the date specified in any such notice, the Issuer will be bound to redeem the Bonds as aforesaid.

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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### 8.4. Redemption at the Option of Bondholders for Delisting

8.4.1. In the event that the Shares cease to be listed or traded on the SGX-ST, the Issuer shall, at the option of the holder of any Bond (the “**Delisting Put Option**”), redeem such Bond at 100.0 per cent. of its principal amount together with interest accrued to the date fixed for redemption (the “**Delisting Redemption Date**”) on the date falling 30 days after the Effective Date. In this **Condition 8.4.1**, “**Effective Date**” means the date of cessation of trading.

8.4.2. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Bondholders of the occurrence of the event specified in this **Condition 8.4.1** (provided that any failure by the Issuer to give such notice shall not prejudice any Bondholder of such option). To exercise such option, the holder must deposit such Bond with the Principal Paying Agent at its Specified Office, together with an exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) (an “**Exercise Notice**”) not later than 21 days after the Effective Date. Any Bond and Exercise Notice so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

*Subject to the requirements of the Depository, the Delisting Put Option attaching to the Bonds represented by the Global Certificate may be exercised by the presentation to or to the order of the relevant Agent of one or more Exercise Notices duly completed by or on behalf of an Accountholder. Deposit of the Global Certificate with the relevant Agent together with the relevant Exercise Notice shall not be required. In such a case, the delivery of the Exercise Notice in respect of the Bonds to be redeemed will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Exercise Notice are true and accurate on the date of delivery. The exercise of the Delisting Put Option shall be notified by the relevant Agent to the holder of the Global Certificate.*

*Any exercise of the Delisting Put Option attaching to the Bonds represented by the Global Certificate shall be further conditional on that principal amount of Bonds so exercised being available in the “Free Balance” of the securities account(s) of the exercising Bondholder with the Depository until the relevant Delisting Redemption Date, failing which the Exercise Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

### 8.5. Purchases

The Issuer and/or any of its related corporations may at any time purchase Bonds at any price in the open market or otherwise, provided that such purchase or purchases is in compliance with all relevant laws, regulations and directives. Such Bonds may, at the option of the Issuer or the relevant related corporation, be held, resold or cancelled. The Bonds so acquired, while held by or on behalf of the Issuer or any related corporation, shall not entitle the holders thereof to exercise any voting rights with respect to such Bonds and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Bondholders or for the purposes of **Conditions 11, 13 or 14.1**.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

### 8.6. Cancellation

All Bonds which are redeemed or converted in accordance with these Conditions will be cancelled forthwith upon such redemption or conversion (as the case may be), whether or not the Certificates representing such Bonds have been delivered to the Issuer pursuant to such redemption or conversion (as the case may be). Certificates in respect of all Bonds cancelled will

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be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

### 8.7. Redemption Notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with **Condition 17**, and specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares (as quoted on the SGX-ST) as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice. If more than one redemption notice (which shall include any notice given by the Issuer pursuant to **Conditions 8.2, 8.3 or 8.4**) is received, the first of such notices to be given shall prevail. No redemption notice shall be effective if it specifies a redemption date falling during a Closed Period.

## 9. Taxation

**9.1.** All payments of principal, premium (if any) and interest made by or on behalf of the Issuer will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of Singapore or any authority thereof or therein having power to tax ("**Taxes**"), unless deduction or withholding of such Taxes is required by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except that no such additional amount shall be payable in respect of any Bond:

9.1.1. to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Bond by reason of his having some connection with Singapore otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore), or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Governmental Authority which such holder is legally capable and competent of making but fails to do so; or

9.1.2. (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than thirty (30) days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of thirty (30) days.

**9.2.** For the purposes of the Conditions, "**relevant date**" means the date on which such payment first becomes due.

**9.3.** References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 10. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within three years from the date on which such payment first became due.

## 11. Events of Default

**11.1.** The Trustee in its absolute discretion may (but is not obliged to), and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being first indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at 100 per cent. of their principal

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amount plus accrued interest (subject as provided below and without prejudice to the right of such Bondholder to exercise the Conversion Right in respect of its Bonds in accordance with **Condition 6**) if any of the following events (each an “**Event of Default**”) has occurred:

- 11.1.1. **Non-Payment:** if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of more than seven Business Days of its due date;
- 11.1.2. **Failure to Deliver Shares:** if the Issuer fails to deliver and/or register the Shares as and when such Shares are required to be delivered and/or registered pursuant to these Conditions following conversion of a Bond and such failure continues for not less than five Business Days provided that such failure is not due to a technical or administrative error;
- 11.1.3. **Breach of Other Obligations:** if the Issuer fails to perform or comply with its other obligations under these Conditions or the Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied (other than the obligations referred to in **Conditions 11.1.1 and 11.1.2**);
- 11.1.4. **Breach of Representation or Warranty:** if any representation, warranty or statement by the Issuer in the Trust Deed or any of the Bonds or in any document delivered under the Trust Deed or any of the Bonds is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is capable of remedy, it is not remedied within 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;
- 11.1.5. **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of the Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to their stated maturity by reason of any default, event of default or the like (howsoever described); (ii) any such indebtedness is not paid when due or, as the case maybe, within any applicable grace period; or (iii) the Issuer or any of the Principal Subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this **Condition 11.1.5** have occurred equals or exceeds S\$15 million or its equivalent in other currencies.
- 11.1.6. **Security Enforced:** any Encumbrance on or over all or a material part of the assets of the Issuer or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable;
- 11.1.7. **Winding-up:** if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Issuer or any of the Principal Subsidiaries, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full;
- 11.1.8. **Cessation:** if the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full, or the Issuer or any of the Principal Subsidiaries stops or threatens to stop payment of all or a material part of its debts as they fall due (other than, in the case of a Principal Subsidiary only, those contested in good faith



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and by appropriate proceedings), or admits inability to pay all or a material part of its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found insolvent or a moratorium is agreed or declared in respect of, or affecting, all or a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;

11.1.9. **Enforcement Proceedings:** if (A) a judicial manager or liquidator (including a provisional liquidator) or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of a judicial manager or liquidator (including a provisional liquidator)) is not discharged within 45 days;

11.1.10. **Insolvency:** if the Issuer or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally;

11.1.11. **Authorisations and Consents:** if at any time any act, condition or thing which is required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Bonds and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Singapore is not done, fulfilled or performed (unless such condition is no longer required or applicable);

11.1.12. **Illegality:** if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Bonds or the Trust Deed or any of the obligations of the Issuer thereunder is not or ceases to be legal, valid and binding; or

11.1.13. **Analogous Events:** if any event occurs which under the laws of the relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in **Conditions 11.1.7, 11.1.8, 11.1.9 and 11.1.10.**

11.2. Notwithstanding receipt of any payment after the acceleration of the Bonds, a Bondholder may exercise its Conversion Right by depositing a Conversion Notice with the Registrar during the period from and including the date of a default notice with respect to an event specified in **Condition 11.1** (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th Business Day after such default payment.

If any converting Bondholder deposits a Conversion Notice pursuant to this **Condition 11.2** on the Business Day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the Business Day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this **Condition 11.2.**

If the Conversion Right attached to any Bond is exercised pursuant to this **Condition 11.2**, the Issuer will deliver such number of Shares as relate to the principal amount of such Bonds less any amounts received by such Bondholder in relation to such Bond pursuant to **Condition 11.2** (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have 14 days before it is required to register the converting Bondholder (or its designee) in the Issuer's register of members as the owner of the number of Shares to be delivered pursuant to this Condition or

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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(if possible) to allot and issue such number of Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and an additional seven days from such registration date to make payment in accordance with the following paragraph.

If the Bonds have become due and payable pursuant to **Condition 11.1.2**, the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount in Singapore Dollars (the “**Default Cure Amount**”), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder, taking into account any payment made by the Issuer pursuant to **Condition 11.1** minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholder’s Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this **Condition 11**, the amount of such payment shall be deducted from the Default Cure Amount.

### 11.3. For the purposes of these Conditions:

“**Encumbrance**” includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any “hold-back” or “flawed asset” arrangement).

“**Indebtedness for Borrowed Money**” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money or any liability under or in respect of any loans, financial leases, acceptance or acceptance credit.

“**Principal Subsidiary**” means any Subsidiary of the Issuer:

- (i) whose profits before tax, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Issuer and its subsidiaries taken as a whole (the “**Group**”) have been prepared, are at least 15 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or
- (ii) whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such Subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the “**transferee**”) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (b) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax or (as the case may be) total assets as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the auditors, who shall also be responsible for producing any pro-forma accounts required for

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the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

“**Share Price**” means the Closing Price of the Shares as quoted by the SGX-ST or other applicable securities exchange on which the Shares are listed on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the SGX-ST or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Trustee with the approval of the Bondholders by way of Extraordinary Resolution at the expense of the Issuer for such purpose. The Trustee shall have no liability to any person in respect of such selection.

“**Subsidiary**” means a subsidiary within the meaning of Section 5 of the Companies Act 1967 of Singapore.

### 12. Further Issues

The Company shall be at liberty from time to time to create and issue Shares in the capital of the Company and to issue further bonds and convertible instruments.

### 13. Enforcement

At any time after the Bonds have become due and repayable, the Trustee may (but shall not be obliged to), at its discretion and without further notice to the Issuer or the Bondholders, take such proceedings against the Issuer as it may think fit to enforce repayment of the Convertible Bonds and to enforce the provisions of the Issue Documents or the Bonds, but it will not be bound to take any step (including, without limitation, giving notice that the Bonds are due and repayable in accordance with **Condition 11**) to enforce the performance by the Issuer of any of the provisions of the Issue Documents or of such Bonds unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been first indemnified and/or secured and/or prefunded to its satisfaction by the Bondholders against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing.

### 14. Meetings of Bondholders, Modification and Waiver

#### 14.1. Meetings

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if so requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding and subject to the Trustee being first indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the dates of redemption of the Bonds or the due date for any payment of interest in respect of the Bonds, (ii) to reduce or cancel the amount or rate, or modify the method of calculation, of principal, premium or interest payable in respect of the Bonds, (iii) to vary any method of, or basis for, calculating the redemption amount of the Bonds; (iv) to change the currency of payment or the denomination of the Bonds, (v) to modify (except by a unilateral and unconditional reduction in Conversion Price in accordance with the Conditions) or cancel the Conversion Rights or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned such meeting in the aggregate not less than 25 per cent. in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

### 14.2. Modification and Waiver

The Trustee may (but shall not be obliged to) at any time or times without any consent or sanction of the Bondholders concur with the Issuer in making any modification (except as mentioned in **Condition 14.1** and other than any provision of the Trust Deed referred to in the proviso of paragraph 5 of Schedule 3 or any provision of the Trust Deed referred to in that specification) to the Bonds, the Trust Deed or the Agency Agreement which in the opinion of the Trustee it may be expedient to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders or (including as mentioned in **Condition 14.1**, any provision of the Trust Deed referred to in the proviso of paragraph 5 of Schedule 3 or any provision of the Trust Deed referred to in that specification) which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or an error, which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of Singapore law or is required by the Depository.

The Trustee may (but shall not be obliged to), without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders will not be materially prejudiced thereby (i) waive, or authorise on such terms and conditions (if any) as may seem expedient to it, any breach or proposed breach by the Issuer of any provision contained in the Bonds, the Conditions or the Issue Documents, without prejudice to its rights in respect of any other or subsequent breach and (ii) authorise on such terms and conditions (if any) as aforesaid, any act or thing which would but for such provision and such authorisation be in breach of any provision of the Issue Documents, the Conditions or the Bonds, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to **Condition 11.1**, but no such direction or request will affect a waiver, authorisation or determination previously given or made by the Trustee.

Any such modification, waiver or authorisation will be binding on the Bondholders and unless the Trustee agrees otherwise, any such modifications, waivers or authorisations will be notified by or on behalf of the Issuer to the Bondholders as soon as practicable thereafter in accordance with **Condition 17**.

Any material modification to the terms of the Bonds after the issue thereof which is to the advantage of the Bondholders must be approved by Shareholders at a general meeting of the Shareholders, except where such modification is made pursuant to the terms of the Bonds.

### 14.3. Interests of Bondholders

In connection with the exercise of its rights, powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Trust Deed), the Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and no Bondholder shall be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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the extent provided for in **Condition 9** and/or in any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

### 15. Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the Specified Office of the Registrar or any other Agent upon payment by the claimant of such reasonable costs as may be incurred in connection therewith and on such terms as to evidence and indemnity and/or security as the Issuer and/or such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### 16. Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action or proceedings to enforce repayment unless first fully indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary and any entity related to the Issuer without accounting for any profit resulting therefrom.

Any confirmation, certificate or report or any advice of any accountants, financial advisers, financial institution or any other expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice without liability to the Bondholders or any other person and such report, confirmation or certificate or advice shall be binding on the Trustee and the Bondholders.

The Trustee may rely without liability to Bondholders on any certificate prepared by the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under these Conditions; any such certificate or report shall be conclusive and binding on the Trustee and the Bondholders.

*The Trust Deed also provides that each Bondholder shall be solely responsible for making or continuing to make its own independent appraisal of and investigation into the financial condition, credit worthiness, conditions, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.*

### 17. Notices

**17.1.** All notices to Bondholders shall be validly given if published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times) or so long as the Issuer or the Bonds are listed on the SGX-ST, published or announced on the website of SGX-ST ([sgx.com](http://sgx.com)). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made in such newspaper or on the website of the SGX-ST as provided above.

*Until such time as any definitive Bonds are issued, there may, so long as a Global Certificate is held in its entirety on behalf of the Depository, be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to (subject to the agreement of the Depository) the Depository for communication by it to the Bondholders, except that if the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Bondholders on the seventh day after the date on which the*

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## APPENDIX A – TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

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*said notice was given to the Depository.*

**17.2.** Notwithstanding the other provisions of this Condition, all notices to Bondholders will be validly given if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the seventh day after being so mailed.

### **18. Agents**

The names of the initial Agents and the Registrar and their Specified Offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar, appoint additional or other Agents or to appoint a replacement Registrar, provided that the Issuer will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore, (b) a Conversion Agent and Transfer Agent having a specified office in Singapore, and (c) a Registrar which will maintain the Register. Notice of any such termination or appointment, of any changes in the specified office of any Agent or the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with **Condition 17.**

### **19. Contracts (Rights of Third Parties) Act**

Unless expressly provided for to the contrary in the Bonds or these Conditions, the Contracts (Rights of Third Parties) Act 2001 of Singapore shall not under any circumstances apply to the Bonds or these Conditions and any person who is not the Issuer or the Bondholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce the Bonds or these Conditions.

### **20. Governing Law and Jurisdiction**

The Bonds and the Trust Deed are governed by, and shall be construed in accordance with, the laws of Singapore. In relation to any claim, legal action or proceeding arising out of or in connection with the Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds may be brought in such courts.

**Principal Paying Agent  
Conversion Agent  
Transfer Agent**  
Pacific Trustees (Singapore) Ltd.  
60 Paya Lebar Rd  
#08-30 Paya Lebar Square  
Singapore 409051

**Registrar**  
Pacific Trustees (Singapore) Ltd.  
60 Paya Lebar Rd  
#08-30 Paya Lebar Square  
Singapore 409051

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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*The following contains the procedures for acceptance, payment and excess application by Entitled Depositors in respect of Convertible Bonds. In the case of any inconsistency between the terms, conditions and procedures set out in the ATMs of a Participating Bank and the terms, conditions and procedures set out herein, the terms, conditions and procedures set out in such ATMs shall prevail.*

### 1. INTRODUCTION

- 1.1. Entitled Depositors are entitled to access and download this Offer Information Statement and the Product Highlights Sheet electronically and receive the OIS Notification Letter and the ARE which forms part of this Offer Information Statement. This Offer Information Statement (including the ARE) will not be despatched or disseminated to Foreign Shareholders. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank or an Accepted Electronic Service shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service.
- 1.2. The Rights are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Convertible Bonds provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded).

The Securities Accounts of Entitled Depositors have been credited by CDP with the Rights as indicated in the ARE. Entitled Depositors may accept their Rights in full or in part and are eligible to apply for Convertible Bonds in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the Rights and payment for Excess Convertible Bonds are set out in this Offer Information Statement as well as the ARE.

- 1.3. If an Entitled Depositor wishes to accept his Rights specified in the ARE, in full or in part, and (if applicable) apply for Excess Convertible Bonds, he may do so by way of an Electronic Application by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the Rights and (if applicable) application for Excess Convertible Bonds may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than, the relevant number of Convertible Bonds accepted as at the last time and date for acceptance, (if applicable) application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or through an accepted electronic payment service (such as PayNow) or electronic service delivery networks (“**Accepted Electronic Service**”) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). In the event that an Entitled Depositor (who accepts and (if applicable) applies through CDP) is not subscribed to CDP’s Direct Crediting Service, any monies to be returned will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP’s “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*” (Cash Ledger and Cash Distributions are as defined therein) (the retention by CDP being a good discharge of the Company’s obligations).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS RIGHTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS CONVERTIBLE BONDS EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A**

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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### DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION VIA THE SGX-SFG SERVICE.

Where an acceptance, (if applicable) application and/or payment does not conform strictly to the terms set out in this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the Rights and (if applicable) application for Excess Convertible Bonds in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid, and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Convertible Bonds.

- 1.4. Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.5. Details on the acceptance of the Rights and (if applicable) application for Excess Convertible Bonds are set out in paragraphs 2 to 4 below.

## 2. MODE OF ACCEPTANCE AND APPLICATION

### 2.1. Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service

Instructions for Electronic Applications through ATMs of Participating Banks to accept the Rights or (if applicable) to apply for Excess Convertible Bonds will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix C** to this Offer Information Statement for the additional terms and conditions for Electronic Applications for Convertible Bonds through an ATM of a Participating Bank.

Instructions for Electronic Applications through an Accepted Electronic Service are set out in the ARE.

An Entitled Depositor or his renounee or the Purchaser of the Rights who accepts the Rights or (as the case may be) who applies for the Convertible Bonds through an Accepted Electronic Service (“**Applicant**”) irrevocably agrees and acknowledges that:

- (a) his Electronic Application through an Accepted Electronic Service is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company and/or the Share Registrar, and if, in any such event, CDP, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant’s Electronic Application through an Accepted Electronic Service by **9.30 p.m. on 28**



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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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**October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application through an Accepted Electronic Service and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, the Directors and/or the Share Registrar and their respective officers for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto; and

- (b) none of the Company, CDP, the Participating Banks nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application through an Accepted Electronic Service to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to above or to any cause beyond their respective control.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE RELEVANT BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED HIS RIGHTS BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS CONVERTIBLE BONDS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

### 2.2. Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the Rights and (if applicable) apply for Excess Convertible Bonds through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part (C)(i) of the ARE the total number of Convertible Bonds provisionally allotted to him which he wishes to accept and (if applicable) the number of Excess Convertible Bonds applied for, and in Part (C)(ii) of the ARE the 6 digits of the Cashier's Order or Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Convertible Bonds accepted and (if applicable) Excess Convertible Bonds applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **ADDVALUE TECHNOLOGIES LTD, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

so as to arrive not later than **5.30 P.M. ON 28 OCTOBER 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Convertible Bonds accepted and (if applicable) Excess Convertible Bonds applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – ADDVALUE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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### 2.3. Acceptance/Application through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept the Rights and (if applicable) apply for Excess Convertible Bonds through the SGX-SFG Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

### 2.4. Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights accepted by the Entitled Depositor and (if applicable) the Excess Convertible Bonds applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraphs 1.3 above and 5.2 below which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Convertible Bonds in relation to the Rights Issue.

### 2.5. Acceptance of Part of Rights and Trading of Rights

An Entitled Depositor may choose to accept his Rights specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his Rights and trade the balance of his Rights on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his Rights by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his Rights may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their Rights on the SGX-ST during the provisional allotments trading period should note that the Rights will be tradable in board lots, each board lot comprising provisional allotments of 100 Convertible Bonds, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their Rights as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotments trading period.

### 2.6. Sale of Rights

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the OIS Notification Letter with the ARS, accompanied by other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the Rights may be rejected. Purchasers who do not receive the OIS Notification Letter or the ARS, accompanied by other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Purchasers should also note that if they make any purchase on or around the last trading day of the Rights, the OIS Notification Letter with the ARS and other accompanying documents might not be despatched in time for the subscription of the Convertible Bonds. Purchasers may obtain a copy of the

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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OIS Notification Letter with the ARS and other accompanying documents from CDP. Alternatively, Purchasers may accept and subscribe for their Rights by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement, the OIS Notification Letter, the Product Highlights Sheet and other accompanying documents will not be despatched or disseminated to Foreign Purchasers. Foreign Purchasers who wish to accept the Rights credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH RIGHTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE CONVERTIBLE BONDS REPRESENTED BY THE RIGHTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE RIGHTS ON THEIR BEHALF.**

### 2.7. Renunciation of Rights

Entitled Depositors who wish to renounce in full or in part their Rights in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights which they wish to renounce. Such renunciation shall be made in accordance with the “*Terms and Conditions for Operations of Securities Accounts with CDP*”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce their Rights are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his Rights. The last time and date for acceptance of the Rights and payment for the Convertible Bonds by the renounee is **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his Rights by way of the ARE and/or the ARS and/or has applied for Excess Convertible Bonds by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or (as the case may be) the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Convertible Bonds provisionally allotted to him and/or (if applicable) application for Excess Convertible Bonds (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) CONVERTIBLE BOND FOR EVERY FIVE HUNDRED (500) EXISTING SHARES AT AN ISSUE PRICE OF S\$0.931 FOR EACH S\$1.00 IN PRINCIPAL AMOUNT OF CONVERTIBLE BONDS)

As an illustration, if an Entitled Depositor has 500,000 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally allotted 1,000 Convertible Bonds as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

#### Alternatives

#### Procedures to be taken

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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(a) Accept his entire provisional allotment of 1,000 Convertible Bonds and (if applicable) apply for Excess Convertible Bonds

**By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service**

- (1) Accept his entire provisional allotment of 1,000 Convertible Bonds and (if applicable) apply for Excess Convertible Bonds by way of an Electronic Application through an ATM of a Participating Bank or through an Accepted Electronic Service as described herein not later than **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

**Through CDP**

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 1,000 Convertible Bonds and (if applicable) the number of Excess Convertible Bonds applied for and forward the original signed ARE together with a single remittance for S\$931.00 (or, if applicable, such higher amount in respect of the total number of Convertible Bonds accepted and Excess Convertible Bonds applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP — ADDVALUE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **ADDVALUE TECHNOLOGIES LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

(b) Accept a portion of his provisional allotments of Convertible Bonds, for example 500 provisionally allotted Convertible Bonds, not apply for Excess Convertible Bonds and

**By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service**

- (1) Accept his provisional allotments of 500 Convertible Bonds by way of submitting an Electronic Application through an ATM of a Participating Bank or an Accepted

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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trade the balance on the SGX-ST.

Electronic Service as described herein not later than **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

### Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotments of 500 Convertible Bonds, and forward the original signed ARE, together with a single remittance for S\$465.50, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotments of 500 Convertible Bonds which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotments trading period. Entitled Depositors should note that the Rights would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Convertible Bonds or any other board lot size which the SGX-ST may require.

- (c) Accept a portion of his provisional allotment of Convertible Bonds, for example 500 provisionally allotted Convertible Bonds and reject the balance.

### By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service

- (1) Accept his provisional allotment of 500 Convertible Bonds by way of an Electronic Application through an ATM of a Participating Bank or through an Accepted Electronic Service as described herein not later than **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

### Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 500 Convertible Bonds, and forward the original signed ARE, together with a single remittance for S\$465.50, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Convertible Bonds which are not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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acceptance is not made through an ATM of a Participating Bank or an Accepted Electronic Service by 9.30 p.m. on **28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by 5.30 p.m. on **28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 5. TIMING AND OTHER IMPORTANT INFORMATION

#### 5.1. Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT (AS THE CASE MAY BE) FOR THE CONVERTIBLE BONDS IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) 9.30 P.M. ON 28 OCTOBER 2022 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE CONVERTIBLE BONDS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE; AND**
- (B) 5.30 P.M. ON 28 OCTOBER 2022 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE CONVERTIBLE BONDS IS MADE THROUGH CDP OR THE SGX-SFG SERVICE.**

If acceptance, (if applicable) application and payment for the Convertible Bonds (as the case may be) in the prescribed manner as set out in the ARE, the or the PAL (as the case may be) and this Offer Information Statement is not received (a) through an ATM of a Participating Bank or an Accepted Electronic Service by **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or (b) through CDP by **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the Rights shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All unsuccessful application monies received by CDP in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by crediting their designated bank accounts via CDP's Direct Crediting Service **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)**. In the event that he is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*" (Cash Ledger and Cash Distributions are as defined therein) (such retention by CDP being a good discharge of the Company's obligations).

**IF AN ENTITLED DEPOSITOR OR A PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

#### 5.2. Appropriation

Without prejudice to paragraph 1.3 above, an Entitled Depositor should note that:

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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- (a) by accepting his Rights and/or (if applicable) applying for Excess Convertible Bonds, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Convertible Bonds provisionally allotted to him and (if applicable) in respect of his application for Excess Convertible Bonds as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Convertible Bonds in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Convertible Bonds in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Convertible Bonds provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Convertible Bonds. The determination and appropriation by the Company and CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Convertible Bonds in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Convertible Bonds and (if applicable) his application for Excess Convertible Bonds, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Convertible Bonds in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Convertible Bonds provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Convertible Bonds by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Convertible Bonds (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3. Availability of Excess Convertible Bonds

The Excess Convertible Bonds available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Convertible Bonds will, at the Directors' absolute discretion, be satisfied from such Convertible Bonds as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the Rights together with the aggregated fractional entitlements to the Convertible Bonds, any unsold "nil-paid" provisional allotments of Convertible Bonds (if any) of Foreign Shareholders and any Convertible Bonds that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Convertible Bonds than are available, the Excess Convertible Bonds available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Convertible Bonds, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Convertible Bonds. The Company reserves the right to refuse any application for Excess Convertible Bonds, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Convertible Bonds allotted to an Entitled Depositor is less than the number of Excess Convertible Bonds applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Convertible Bonds actually allotted to him.

If no Excess Convertible Bonds are allotted or if the number of Excess Convertible Bonds allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) Business Days after the commencement of the trading of the Convertible Bonds, (a) by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Convertible Bonds by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, (b) by crediting their designated bank account related to their Accepted Electronic Application **AT THEIR OWN RISK** (if they had applied for Excess Convertible Bonds by way of an Electronic Application through an Accepted Electronic Service), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or (c) by crediting their designated bank accounts via CDP's Direct Crediting Service **AT THEIR OWN RISK** (if they have applied for Excess Convertible Bonds through CDP). In the event that an Entitled Depositor (who had applied for Excess Convertible Bonds through CDP) is not subscribed to CDP's Direct Crediting Service, any monies to be refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*" (Cash Ledger and Cash Distributions are as defined herein) (such retention by CDP being a good discharge of the Company's obligations).

### 5.4. Deadlines

It should be particularly noted that unless:

- (a) acceptance of the Rights is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service and payment of the full amount payable for such Convertible Bonds is effected by **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Convertible Bonds accepted and (if applicable) Excess Convertible Bonds applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – ADDVALUE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **ADDVALUE TECHNOLOGIES LTD, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent for the Convertible Bonds is effected by **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the Rights will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All unsuccessful application moneys received by CDP in connection therewith will be returned to the Entitled Depositors or the Purchasers or the Depository Agent (as the case may be) without interest or any share of revenue or other benefit arising therefrom by crediting their designated bank accounts via CDP's Direct Crediting Service where acceptance and/or application is made through CDP or by means of telegraphic transfer where refunds are to be made to a Depository Agent and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OR DEPOSITORY AGENT'S OWN RISK (AS THE CASE MAY BE)**. In the event that the Entitled Depositor or Purchaser is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*" (Cash Ledger and Cash



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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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Distributions are as defined therein) (such retention by CDP being a good discharge of the Company's obligations).

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

### 5.5. Notification Letters

The global bond certificate for the Convertible Bonds and Excess Convertible Bond will be registered in the name of CDP or its nominee. Upon crediting of the Convertible Bonds and Excess Convertible Bonds, CDP will send to Eligible Depositors and/or Purchasers, **BY ORDINARY POST AND AT THEIR OWN RISK**, notification letters showing the number of Convertible Bonds and Excess Convertible Bonds credited to their Securities Accounts.

### 5.6. General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Convertible Bonds allotted and credited to an Eligible Depositor's Securities Account. An Eligible Depositor can verify the number of Convertible Bonds provisionally allotted and credited to his Securities Account online if he has registered for CDP Internet Access Service. Alternatively, an Eligible Depositor may proceed personally to CDP with his identity card or passport to verify the number of Convertible Bonds provisionally allotted and credited to his Securities Account.

It is the responsibility of an Eligible Depositor and/or Purchaser to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE RIGHTS AND (IF APPLICABLE) APPLICATION FOR EXCESS CONVERTIBLE BONDS IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post or deposited into boxes located at CDP's premises.

All communications, notices, documents and remittances to be delivered or sent to an Eligible Depositor and/or Purchaser will be sent by **ORDINARY POST** to his mailing address as maintained in the records of CDP, and **AT HIS OWN RISK**.

### 5.7. Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application or an Accepted Electronic Service, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Company, the Share Registrar, CDP, the Participating Banks and SGX-ST (the "**Relevant Persons**") for the purpose of facilitating his application for the Convertible Bonds, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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### PROCEDURES TO COMPLETE THE ARE/ARS

#### 1. Know your holdings and entitlement

##### A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you

XX,XXX

This is your shareholdings as at Record Date.

Shares as at  
**5.00 P.M. ON 10 OCTOBER 2022**  
(Record Date)

This is the date to determine your rights entitlements.

Number of Convertible Bonds Provisionally allotted

XX,XXX

This is your number of Rights entitlement.

Issue Price

S\$0.931 per Convertible Bond

This is the price that you need to pay when you subscribe for one (1) Convertible Bond.

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## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

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### 2. Select your application options

#### B. SELECT YOUR APPLICATION OPTIONS

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- 1. PayNow** Scan the above QR code using your banking app or pay to UEN198003912MCAS. You must include your PayNow Reference provided above. Payment amount must correspond to the number of Convertible Bonds subscribed, including excess. Make payment by **9.30 p.m. on 28 OCTOBER 2022**. You do not need to return this form.
- 2. ATM** Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on 28 OCTOBER 2022**. Participating Banks are DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.
- 3. Form** Complete section C below and submit this form by **5.30 p.m. on 28 OCTOBER 2022**, together with BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP – ADDVALUE RIGHTS ISSUE ACCOUNT**". Write your name and securities account number on the back of the Banker's Draft/Cashier's Order.

This is the last date and time to subscribe for the Convertible Bonds through ATMs of Participating Banks, an Accepted Electronic Service and/or and CDP.

You can apply for your Convertible Bonds through ATMs of these Participating Banks.

This is the payee name to be issued on your Cashier's Order where Addvalue is the name of the issuer.

#### Note:

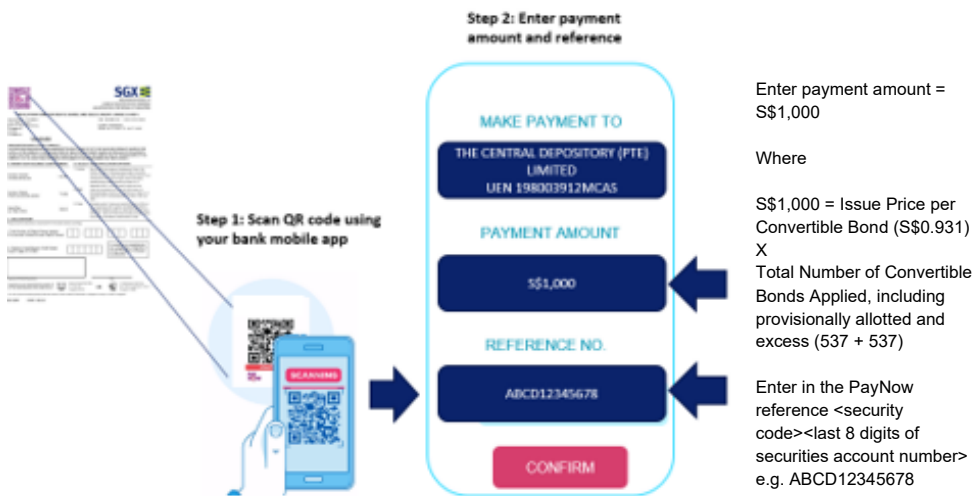
Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date, PayNow reference, list of Participating Banks and payee name on the Banker's Draft / Cashier's Order.

## APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATIONS BY ENTITLED DEPOSITORS

### 3. Application via PayNow

Before you proceed to subscribe for rights via PayNow, please make sure you have set up/have the following:

1. Daily limit to meet your transfer request
2. Notification to alert you on the transfer and refund status
3. Security code, pre-printed on the form under Section B PayNow
4. Last 8 digits of securities account number, pre-printed on the form
5. Payment amount = Issue Price per Convertible Bond X Total Number of Convertible Bonds Applied (including provisionally allotted and excess), rounded down to the nearest cent



**Note:**

1. Please make sure the security code and your last 8 digits of securities account number are entered correctly. CDP will reject the application if it is not a valid security code and/or securities account and arrange for refund to your originating bank account. To be notified on the refund, please turn on the setting in your bank account notifications.
2. You can send up to S\$200,000 per transaction via PayNow capped at your daily fund transfer limit set with your bank, whichever is lower. You can submit multiple PayNow transactions on the same day and across different days if you require to make a payment more than your limit.
3. CDP aggregates payments received on the same day as one instruction.
4. CDP will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.
5. Post allocation, CDP will refund any excess amount to your DCS bank account.





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## APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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*The following contains additional terms and conditions for Electronic Applications in relation to the acceptance, payment and excess application of Convertible Bonds through ATMs of Participating Banks. In the case of any inconsistency between the terms, conditions and procedures set out in the ATMs of a Participating Bank and the terms, conditions and procedures set out herein, the terms, conditions and procedures set out in such ATMs shall prevail.*

The procedures for Electronic Applications through ATMs of Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Please read carefully the terms and conditions of this Offer Information Statement, the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out below before making an Electronic Application through an ATM of a Participating Bank. Any Electronic Application through an ATM of a Participating Bank which does not strictly conform to the instructions set out on the screens of the ATM of a Participating Bank through which the Electronic Application is made will be rejected.

**All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Convertible Bonds under the Rights Issue and the acceptance of Rights and (if applicable) the application for Excess Convertible Bonds, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.**

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications through an ATM of a Participating Bank and the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks shall mean the Entitled Depositor or his renounee or the Purchaser of Rights who accepts the Rights or (as the case may be) who applies for the Convertible Bonds through an ATM of a Participating Bank.

An Applicant making an Electronic Application through an ATM of a Participating Bank must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. An ATM card issued by one Participating Bank cannot be used to accept Rights and (if applicable) apply for Excess Convertible Bonds at an ATM belonging to other Participating Banks. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction through an ATM of a Participating Bank, the Applicant will receive an ATM transaction slip, confirming the details of his Electronic Application. The ATM transaction slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS. **An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him by that Participating Bank in his own name. Using his own Securities Account number with an ATM card which is not issued to him by that Participating Bank in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.**

**The Convertible Bonds are not eligible for inclusion under the CPFIS. Accordingly, CPF Funds CANNOT be used to pay for the acceptance of Convertible Bonds, the application for Convertible Bonds or to purchase Rights from the market.**

**CPFIS Members who have previously bought their Shares using CPF Funds and wish to accept their Convertible Bonds and (if applicable) apply for Excess Convertible Bonds will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Convertible Bonds and (if applicable) apply for Excess Convertible Bonds on their behalf using cash and in accordance with the terms and conditions of this Offer Information Statement. In this regard, the Convertible Bonds will not be held through the CPF Investment Account.**

**SRS Investors who wish to accept their Convertible Bonds and (if applicable) apply for Excess Convertible Bonds can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Monies in SRS accounts CANNOT be used**

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## APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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to purchase Rights from the market.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights and (if applicable) applications for Excess Convertible Bonds must be done through their respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies or Depository Agents with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or (if applicable) application made directly through CDP, the Share Registrar, Electronic Applications and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Convertible Bonds represented by the Rights must be done through their respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptances of the Convertible Bonds made by such renounees and Purchasers made directly through CDP, the Share Registrar, Electronic Applications and/or the Company will be rejected.

The Electronic Application through an ATM of a Participating Bank shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application through an ATM of a Participating Bank for the Convertible Bonds, the Applicant is required to confirm statements to the following effect in the course of activating his Electronic Application:
  - (a) that he has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Convertible Bonds under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
  - (b) that he authorises the Company, CDP and the Participating Banks, to collect and use, among other things, his name(s), his NRIC number(s) or passport number(s), address(es), nationality(ies), Securities Account number(s), application details and any other information (including personal data) (the “**Relevant Particulars**”) and disclose the same from the records of the Company, the Participating Banks and any other relevant parties (the “**Relevant Parties**”) as any of the Company, CDP and the Participating Banks may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance and (if applicable) application will not be successfully completed and cannot be recorded as a completed transaction unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM of a Participating Bank. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act 1970 of Singapore, to the disclosure by the Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Convertible Bonds using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Convertible Bonds provisionally allotted and Excess Convertible Bonds applied for as stated on the ATM transaction slip confirming the details of his Electronic Application or the number of Convertible Bonds standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date (whichever is the lesser number). In the event that the Company decides to allot any



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lesser number of Excess Convertible Bonds or not to allot any number of Excess Convertible Bonds to the Applicant, the Applicant agrees to accept the Company's decision as final and binding.

- (4) If the Applicant's Electronic Application through an ATM of a Participating Bank is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM screen of a Participating Bank) of the number of Convertible Bonds accepted and/or Excess Convertible Bonds applied for shall signify and shall be treated as his acceptance of the number of Convertible Bonds accepted and/or Excess Convertible Bonds applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Convertible Bonds both by way of the ARE and/or the ARS (as the case may be) and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Convertible Bonds which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Convertible Bonds which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date and the aggregate number of Convertible Bonds which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Convertible Bonds which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Convertible Bonds, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, by way of the acceptance through Electronic Application through an ATM of a Participating Bank, which he has authorised or deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for Excess Convertible Bonds both by way of the ARE and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Convertible Bonds which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Convertible Bonds not exceeding the aggregate number of Excess Convertible Bonds for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Convertible Bonds which the Applicant has given valid instructions for the application of, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Convertible Bonds, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, by way of application through Electronic Application through an ATM of a Participating Bank, which he has authorised or deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Applicant irrevocably requests and authorises the Company to:
  - (a) register or to procure the registration of the Convertible Bonds allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application through an ATM of a Participating Bank in respect of the Convertible Bonds not be accepted and/or Excess Convertible Bonds applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three (3) Business Days after the commencement of trading of the Convertible Bonds; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the

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balance of the application monies, should his Electronic Application through an ATM of a Participating Bank for Excess Convertible Bonds be accepted in part only, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three (3) Business Days after the commencement of the trading of the Convertible Bonds.

- (8) **BY MAKING AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE CONVERTIBLE BONDS AS A NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application through an ATM of a Participating Bank is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company and/or the Share Registrar, and if, in any such event, CDP, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application through an ATM of a Participating Bank by **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application through an ATM of a Participating Bank and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, the Directors and/or the Share Registrar and their respective officers for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made through ATMs of Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
- (11) Electronic Applications through ATMs of Participating Banks shall close at **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application through an ATM of the relevant Participating Bank shall be deemed to be true and correct and the relevant Participating Bank, the Company and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application through an ATM of the relevant Participating Bank, the Applicant shall promptly notify the relevant Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application through an ATM of the relevant Participating Bank, failing which his Electronic Application will not be completed. Any Electronic Application made through ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application through an ATM of a Participating Bank is not accepted, it is expected that the full amount of the acceptance/application monies will be returned or refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within three (3) Business Days after the commencement of the trading of the Convertible Bonds. An Electronic Application through an ATM of a Participating Bank may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application through an ATM of a Participating

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## APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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Bank, the Applicant agrees that:

- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, CDP, the Participating Banks nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after his acceptance of the provisionally allotted Convertible Bonds and (if applicable) his application for Excess Convertible Bonds;
  - (e) in respect of the Convertible Bonds and/or Excess Convertible Bonds for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement and/or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by CDP and the relevant Participating Banks are correct and identical; otherwise, his Electronic Application through an ATM of a Participating Bank may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application through an ATM of a Participating Bank by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Convertible Bonds or (if applicable) applies for Excess Convertible Bonds, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Convertible Bonds and/or Excess Convertible Bonds will be allotted in such manner as the Company and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within three (3) Business Days after the commencement of the trading of the Convertible Bonds by any one or a combination of the following:
- (a) By crediting the Applicant's designated bank account via CDP's Direct Crediting Service **AT HIS OWN RISK** if he accepts and (if applicable) applies through CDP. In the event that such Applicant is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and credited to his Cash Ledger and subject to the same terms and conditions as Cash Distributions under CDP's "*Terms and Conditions for Operation*

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## APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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*of Securities Account with The Central Depository (Pte) Limited*” (Cash Ledger and Cash Distributions are as defined herein) (such retention by CDP being a good discharge of the Company’s obligations); and

- (b) by crediting the Applicant’s bank account with the Participating Bank **AT HIS OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge of the Company’s and CDP’s obligations.
- (19) The Applicant hereby acknowledges that, in determining the total number of Convertible Bonds represented by the provisional allotments of Convertible Bonds which he can validly accept, the Company and/or CDP are entitled, and the Applicant hereby authorises the Company and/or CDP, to take into consideration:
- (a) the total number of Convertible Bonds represented by the provisional allotments of Convertible Bonds which the Applicant has validly accepted, whether under the ARE and/or the ARS or any other form of application (including an Electronic Application through an ATM of a Participating Bank) for the Convertible Bonds;
  - (b) the total number of Convertible Bonds represented by the provisional allotments of Convertible Bonds standing to the credit of the “Free Balance” of the Applicant’s Securities Account which is available for acceptance; and
  - (c) the total number of Convertible Bonds represented by the provisional allotments of Convertible Bonds which has been disposed of by the Applicant.

The Applicant acknowledges that CDP’s and/or the Company’s determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application through an ATM of that Participating Bank is made in respect of the provisional allotments of Convertible Bonds accepted by the Applicant and (if applicable) the Excess Convertible Bonds which the Applicant has applied for.
- (21) With regard to any acceptance, (if applicable) application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue, or where the “Free Balance” of the Applicant’s Securities Account is not credited with, or is credited with less than, the relevant number of Convertible Bonds subscribed as at the Closing Date, or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of the provisional allotments of Convertible Bonds and (if applicable) application for Excess Convertible Bonds in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Applicant, on its own, without regard to any other application and payment that may be submitted by the same Applicant. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Convertible Bonds.

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## APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS

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### 1. INTRODUCTION

- 1.1. Entitled Scripholders are entitled to access and download this Offer Information Statement and the Product Highlights Sheet electronically and receive the OIS Notification Letter with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

PAL incorporating:-

Form of Acceptance	FORM A
Request for Splitting	FORM B
Form of Renunciation	FORM C
Form of Nomination	FORM D
Excess Convertible Bonds Application Form	FORM E

- 1.2. The provisional allotment of the Convertible Bonds is governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Constitution of the Company. The number of Convertible Bonds provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their Rights, in full or in part, and are eligible to apply for Excess Convertible Bonds under the Rights Issue.
- 1.3. Full instructions for the acceptance of and payment for the Convertible Bonds provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their Rights are set out in this Offer Information Statement as well as the PAL.
- 1.4. With regard to any acceptance, (if applicable) application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue or which does not comply with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL and/or any other application form for the Convertible Bonds and/or Excess Convertible Bonds in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the Share Registrar may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.
- 1.5. The Company and/or the Share Registrar shall be entitled to process each application submitted for the acceptance of the Rights and (if applicable) application for Excess Convertible Bonds in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Convertible Bonds.
- 1.6. **Entitled Scripholders who intend to trade any part of their Rights on the SGX-ST should note that all dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**
- 1.7. Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL

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## APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS

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has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 2. FORM OF ACCEPTANCE (FORM A)

#### 2.1. Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotments of Convertible Bonds or to accept any part of it and decline the balance, should:

- (a) complete and sign the Form of Acceptance (Form A) for the number of Convertible Bonds which he wishes to accept; and
- (b) forward **AT THE SENDER'S OWN RISK**, by post in the self-addressed envelope provided, the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621** so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

#### 2.2. Insufficient Payment

The attention of the Entitled Scripholder is also drawn to paragraph 2.3 below entitled "Appropriation" which sets out the circumstances and manner in which the Company and/or the Share Registrar shall be authorised and entitled to determine the number of Convertible Bonds which the Entitled Scripholder has given instructions to accept.

#### 2.3. Appropriation

An Entitled Scripholder should note that by accepting his Rights, he acknowledges that, the Company and/or the Share Registrar, in determining the number of Convertible Bonds which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Convertible Bonds, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

### 3. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

- 3.1. Entitled Scripholders who wish to accept a portion of their Rights and renounce the balance of their Rights, or who wish to renounce all or part of their Rights in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their Rights under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed and signed Request for Splitting (Form B) together with the PAL in its entirety should then be returned, by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK, to ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621**, not later than **5.30 p.m. on 21 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B together with the PAL in its entirety is received after **5.30 p.m. on 21 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.2. The Split Letters representing the number of Convertible Bonds which Entitled Scripholders intend to renounce may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the Renounee. Entitled Scripholders should complete and sign the Form of Acceptance

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## APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS

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(Form A) of the Split Letter(s) representing that part of their Rights they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded to **ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621** so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.3. Entitled Scripholders who wish to renounce their entire Rights in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete and sign the Form of Renunciation (Form C) for the number of Rights which they wish to renounce and deliver the PAL in its entirety to the renounees. **Entitled Scripholders are to deliver the OIS Notification Letter to the renounees together with the PAL.**

#### 4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1. The renounee(s) should complete and sign the Form of Nomination (Form D) and forward the Form of Nomination (Form D), together with the PAL in its entirety, duly completed and signed, and a single remittance for the full amount due and payable in the prescribed manner by post **AT HIS/THEIR OWN RISK**, in the self-addressed envelope provided, to **ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621**, so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 4.2. Each Entitled Scripholder may consolidate the Convertible Bonds provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing the Form of Acceptance for (Form A) and the Consolidated Listing Form in the Form of Nomination (Form D) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the Rights comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in the Form of Nomination (Form D) of only one (1) PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO THE FORM OF ACCEPTANCE (FORM A) OR THE FORM OF NOMINATION (FORM D) (AS THE CASE MAY BE).**

#### 5. PAYMENT

- 5.1. Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**ADDVALUE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided and **AT THE SENDER'S OWN RISK**, to **ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621** so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 5.2. If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the Rights will be deemed to have been declined and will forthwith lapse and become void and cease to be capable of acceptance and such Rights not so accepted will be used to satisfy excess

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## APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS

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applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST AND AT THE RISK OF THE ENTITLED SCRIPHOLDERS OR THEIR RENOUNCEE(S), AS THE CASE MAY BE**, without interest or any share of revenue or other benefit arising therefrom, within three (3) Business Days after the commencement of the trading of the Convertible Bonds.

### 6. EXCESS CONVERTIBLE BONDS APPLICATION FORM (FORM E)

- 6.1. Entitled Scripholders who wish to apply for Excess Convertible Bonds in addition to those which have been provisionally allotted to them may do so by completing the Excess Convertible Bonds Application Form (Form E) and forwarding it together with the PAL in its entirety with a **separate single** remittance for the full amount payable in respect of the Excess Convertible Bonds applied for in the form and manner set out in paragraph 5 above, by post in the self-addressed envelope provided **AT THEIR OWN RISK**, to **ADDVALUE TECHNOLOGIES LTD, C/O THE SHARE REGISTRAR, KCK CORP SERVE PTE. LTD., 24 RAFFLES PLACE, #07-07, CLIFFORD CENTRE, SINGAPORE 048621** so as to arrive not later than **5.30 p.m. on 28 October 2022** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2. The Excess Convertible Bonds available for application are subject to the terms and conditions contained in the PAL, the Excess Convertible Bonds Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Convertible Bonds will, at the Directors' absolute discretion, be satisfied from such Convertible Bonds as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the Rights, the aggregated fractional entitlements to the Convertible Bonds, the unsold "nil-paid" Rights (if any) of Foreign Shareholders and any Convertible Bonds that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the Excess Convertible Bonds Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Convertible Bonds than are available, the Excess Convertible Bonds available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Convertible Bonds, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of Excess Convertible Bonds. The Company reserves the right to reject, in whole or in part, any application for Excess Convertible Bonds without assigning any reason whatsoever.
- 6.3. If no Excess Convertible Bonds are allotted to Entitled Scripholders or if the number of Excess Convertible Bonds allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within three (3) Business Days after the commencement of the Convertible Bonds, **BY ORDINARY POST** to their mailing addresses as maintained with the Company **AT THEIR OWN RISK**.

### 7. GENERAL

- 7.1. No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.
- 7.2. **Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**
- 7.3. Upon listing and quotation on the Main Board of the SGX-ST (subject to there being a sufficient spread of holdings of the Convertible Bonds for an orderly market in the Convertible Bonds), the Convertible



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## APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS

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Bonds, when allotted and issued, will be traded under the book-entry (scripless) settlement system. The Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in and transactions (including transfers) of the Convertible Bonds effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited*", copies of which are available from CDP, and the Depository Agreement, as the same may be amended from time to time.

It should be noted that the Convertible Bonds may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Convertible Bonds to provide for an orderly market in the Convertible Bonds. Accordingly, in such event, Bondholders will not be able to trade their Convertible Bonds on the SGX-ST. However, the Convertible Bonds may be traded over-the-counter on the Debt Securities Clearing and Settlement System and will be cleared through CDP. In addition, if the Convertible Bonds are converted into Conversion Shares in accordance with its terms, such Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

- 7.4. The Convertible Bonds will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP and, except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Convertible Bonds represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Convertible Bonds.

Accordingly, Entitled Scripholders and their renounees who wish to accept the Convertible Bonds provisionally allotted to them and (if applicable) apply for Excess Convertible Bonds, and who wish to trade the Convertible Bonds issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open Securities Accounts with CDP if they have not already done so, and provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to provide their Securities Account numbers and/or NRIC/passport numbers (in full) (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose Securities Account numbers provided are not otherwise accepted by CDP for the credit of the Convertible Bonds that may be allotted to them or whose particulars as provided in the forms comprised in the PAL differ from those particulars given to CDP for the opening of their Securities Accounts or whose particulars as provided in the forms comprised in the PAL differ from those particulars currently maintained by CDP are liable to have their acceptances of their Rights and (if applicable) applications for Excess Convertible Bonds rejected.

- 7.5. If the Entitled Scripholders' addresses stated in the PAL are different from their addresses maintained in the records of CDP, they must inform CDP of their updated addresses promptly, failing which the notification letter on successful allotments and other correspondences will be sent to their addresses last registered with CDP.
- 7.6. **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF CONVERTIBLE BONDS ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**
- 7.7. **THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE CONVERTIBLE BONDS IS 5.30 P.M. ON 28 OCTOBER 2022 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

### 8. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the purpose of facilitating his application for the Convertible Bonds, and in order for the Relevant Persons to comply

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**APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING,  
RENUNCIATION AND EXCESS APPLICATIONS BY ENTITLED SCRIPHOLDERS**

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with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## APPENDIX E – CONSOLIDATED INCOME STATEMENTS OF THE GROUP FOR FY2020, FY2021 AND FY2022

The audited consolidated income statements of the Group for FY2020, FY2021 and FY2022 are set out below:

	AUDITED		
	FY2020 Audited US\$'000	FY2021 Audited US\$'000	FY2022 Audited US\$'000
<b>Revenue</b>	<b>9,627</b>	<b>2,676</b>	<b>5,458</b>
Cost of sales	(2,464)	(1,946)	(1,683)
<b>Gross profit</b>	<b>7,163</b>	<b>730</b>	<b>3,775</b>
Other operating income	450	727	627
Selling & distribution expenses	(444)	(475)	(317)
Administrative expenses	(2,175)	(3,709)	(2,442)
Other operating expenses	(2,054)	(1,606)	(8,275)
Finance expenses	(1,131)	(1,754)	(1,266)
<b>Profit/(loss) before tax</b>	<b>1,809</b>	<b>(6,087)</b>	<b>(7,898)</b>
Taxation	23	(88)	(65)
<b>Net profit/(loss) for the year</b>	<b>1,832</b>	<b>(6,175)</b>	<b>(7,963)</b>
Other comprehensive expenses	-	(25)	(7)
Other comprehensive income	18	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>1,850</b>	<b>(6,200)</b>	<b>(7,970)</b>
<b>Attributed to:</b>			
Equity holders of the Company	1,850	(6,200)	(7,970)
<b>Total comprehensive income/(loss) for the year</b>	<b>1,850</b>	<b>(6,200)</b>	<b>(7,970)</b>
Weighted average number of shares ('000)	1,870,441	1,962,010	2,312,810
<b>Loss per share</b>			
Basic earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
Diluted earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
<b>Dividends per share (US cents / S\$ cents)</b>	NA	NA	NA

For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the EPS per Share:

	AUDITED		
	FY2020 Audited US\$'000	FY2021 Audited US\$'000	FY2022 Audited US\$'000
<b>Before the Rights Issue and after adjusting for the Subsequent Placement Exercises</b>			
Basic earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
Diluted earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
<b>After the Rights Issue but before conversion of the Convertible Bonds and before adjusting for the Subsequent Placement Exercises</b>			
Basic earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
Diluted earnings/(loss) per share (US cents)	0.10	(0.31)	(0.34)
<b>After the Rights Issue and assuming conversion of all the Convertible Bonds</b>			

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**APPENDIX E – CONSOLIDATED INCOME STATEMENTS OF THE GROUP FOR  
FY2020, FY2021 AND FY2022**

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**and before adjusting for the Subsequent  
Placement Exercises**

Basic earnings/(loss) per share (US cents)	0.08	(0.26)	(0.30)
Diluted earnings/(loss) per share (US cents)	0.08	(0.26)	(0.30)

**After the Rights Issue but before  
conversion of the Convertible Bonds and  
after adjusting for the Subsequent  
Placement Exercises**

Basic earnings/(loss) per share (US cents)	0.08	(0.26)	(0.29)
Diluted earnings/(loss) per share (US cents)	0.08	(0.26)	(0.29)

**After the Rights Issue and assuming  
conversion of all the Convertible Bonds  
and after adjusting for the Subsequent  
Placement Exercises**

Basic earnings/(loss) per share (US cents)	0.07	(0.22)	(0.25)
Diluted earnings/(loss) per share (US cents)	0.07	(0.22)	(0.25)

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**APPENDIX F – CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE  
GROUP AS AT 31 MARCH 2022**

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The audited consolidated balance sheet of the Group as at 31 March 2022 is set out below:

	<b>As at 31 March 2022 (Audited)</b>
	US\$'000
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	473
Intangible assets	8,625
	<b>9,098</b>
<b>Current assets</b>	
Inventories	2,851
Trade receivables	1,448
Other receivables, deposits and prepayments	594
Other investment	268
Cash and bank balances	632
	<b>5,793</b>
<b>TOTAL ASSETS</b>	<b>14,891</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Trade payables	641
Other payables and accruals	3,159
Provisions	125
Borrowings	5,793
Lease liabilities	96
Contract liabilities	923
	<b>10,737</b>
<b>Non-current liabilities</b>	
Borrowings	14
Lease liabilities	11
Deferred tax liabilities	1,699
	<b>1,724</b>
<b>TOTAL LIABILITIES</b>	<b>12,461</b>
<b>NET ASSETS</b>	<b>2,430</b>

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## APPENDIX F – CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2022

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### EQUITY

#### Capital and reserves attributable to equity holders of the Company

Share capital	83,116
Capital reserve	1,827
Statutory reserve	8
Foreign currency transaction reserve	(11)
Accumulated losses	(82,510)

<b>TOTAL EQUITY</b>	<b>2,430</b>
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For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share.

#### Before the Rights Issue as at 31 March 2022

Number of Shares ('000)	2,524,602
Net asset value (US\$'000)	2,430
Net asset value per Share (US cents)	0.10

#### After the Rights Issue (assuming the Rights Issue is fully subscribed and completed as at 31 March 2022)

Adjusted number of Shares ('000)	2,524,602
Adjusted net asset value (US\$'000)	2,430
Adjusted net asset value per Share (US cents)	0.10

#### After the Rights Issue (assuming the Rights Issue is fully subscribed and completed, and the Convertible Bonds are fully converted, as at 31 March 2022)

Adjusted number of Shares ('000)	2,906,018
Adjusted net asset value (US\$'000)	6,362
Adjusted net asset value per Share (US cents)	0.22

#### After the Rights Issue (assuming the Rights Issue is fully subscribed and completed as at 31 March 2022 and after adjusting for the Subsequent Placement Exercises)

Adjusted number of Shares ('000)	3,242,032
Adjusted net asset value (US\$'000)	8,677
Adjusted net asset value per Share (US cents)	0.27

#### After the Rights Issue (assuming the Rights Issue is fully subscribed and completed, and the Convertible Bonds are fully converted, as at 31 March 2022 and after adjusting for the Subsequent Placement Exercises)

Adjusted number of Shares ('000)	3,623,448
Adjusted net asset value (US\$'000)	12,781
Adjusted net asset value per Share (US cents)	0.35

## APPENDIX G – CONSOLIDATED CASH FLOW STATEMENTS OF THE GROUP FOR FY2022 AND FY2021

The audited consolidated cash flow statements of the Group for FY2022 and FY2021 is set out below:

	<b>FY2022</b> <b>(Audited)</b> US\$'000	<b>FY2021</b> <b>(Audited)</b> US\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(7,898)	(6,087)
Adjustments for:		
Amortisation of intangible assets	563	502
Bad debts written back	-	(199)
Depreciation of property, plant and equipment	425	411
Interest expense	1,192	1,663
Impairment loss on development expenditure	600	-
Allowance for doubtful debt (trade)	6,000	-
Inventories written off	432	188
Gain from extinguishment of convertible loan note	(260)	-
Gain on fair value of financial asset	(253)	-
Provisions \ (provisions utilisation)	24	(8)
Share-based payment	114	1,607
Unrealised foreign exchange loss/(gain)	186	207
Operating profit/(loss) before changes in working capital	1,125	(1,716)
<i>Changes in working capital</i>		
Inventories	(723)	(426)
Trade and other receivables	(1,149)	38
Contract assets	-	169
Contract liabilities	428	(121)
Trade and other payables	753	(734)
Cash generated from/(used in) operations	434	(2,790)
Interest income received	-	-
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>434</b>	<b>(2,790)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(89)	(109)
Additions in intangible assets	(2,009)	(1,687)
Proceeds from government grant	1,861	670
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(237)</b>	<b>(1,126)</b>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from placement shares, net of share issue expenses	1,687	1,699
Net proceeds from rights issue, net of share issue expenses	-	2,681
Proceeds from borrowings	2,166	3,872
Repayment of borrowings	(2,885)	(3,110)
Repayment of lease liabilities	(227)	(223)
Interest paid	(580)	(789)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>161</b>	<b>4,130</b>
NET INCREASE IN CASH AND CASH EQUIVALENT	358	214
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	274	60
CASH AND CASH EQUIVALENT AT END OF YEAR	632	274

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## DIRECTORS' RESPONSIBILITY STATEMENT

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The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights 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 Offer Information Statement misleading. Where information in this Offer Information Statement 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 this Offer Information Statement in its proper form and context.

Dated 11 October 2022

**For and on behalf of ADDVALUE TECHNOLOGIES LTD**

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Dr Chan Kum Lok, Colin  
Executive Director and Executive Chairman

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Tan Khai Pang  
Executive Director and Chief Executive Officer

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Richard J Denny  
Lead Independent Director

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Wong Ming Ghee, Bernard  
Independent Director

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Paul C Burke  
Non-Executive and Non-Independent Director

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Chua Chwee Koh  
Non-Executive and Non-Independent Director