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## FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

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### PROPOSED BONUS ISSUE OF WARRANTS

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#### 1. INTRODUCTION

##### 1.1 Proposed Bonus Issue

The board of directors (the "**Directors**") of First Sponsor Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to carry out a bonus issue (the "**Bonus Issue**") of warrants (the "**Warrants**"), each carrying the right to subscribe for one (1) new ordinary share with a par value of US\$0.10 in the capital of the Company ("**Warrant Exercise Share**"), on the basis of one (1) Warrant for every four (4) existing ordinary shares with a par value of US\$0.10 each in the capital of the Company (the "**Shares**") held by the Entitled Shareholders (as defined in Section 4 of this Announcement) as at a record date to be determined by the Directors, being a time and date at and on which the register of members (the "**Register of Members**") and share transfer books (the "**Share Transfer Books**") of the Company will be closed to determine the entitlements of the Entitled Shareholders to the Bonus Issue (the "**Record Date**"), fractional entitlements to be disregarded. The Record Date will be announced by the Company at the appropriate time. Please refer to Section 1.3 of this Announcement for more information on the maximum and minimum number of Warrants that may be issued pursuant to the Bonus Issue.

The Bonus Issue will be undertaken pursuant to the general share issue mandate approved by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 20 May 2020.

##### 1.2 Existing Securities

On 31 May 2019, the Company issued a total of: (a) 113,576,237 3.98 per cent. perpetual convertible capital securities (the "**Series 2 Convertible Securities**") and 113,576,237 warrants (the "**Existing Warrants**") pursuant to a rights issue undertaken by the Company; and (b) 79,221,609 Existing Warrants pursuant to a bonus issue undertaken by the Company (the Existing Warrants and the Series 2 Convertible Securities collectively, the "**Existing Securities**").

#### No Adjustments to be made to the conversion/exercise price of the Existing Securities

As the initial Exercise Price (as defined in Section 2 of this Announcement) of the Warrants of S\$1.08 is above S\$1.07 (being the Relevant Price (as defined in the terms and conditions of the Existing Securities) rounded up to the nearest cent), no adjustments are required to be made to the conversion/exercise price of the Existing Securities pursuant to the terms and conditions of the Existing Securities.

**IMPORTANT NOTICE:**

**SUBJECT TO THE REQUIREMENTS IN RESPECT OF THE ELIGIBILITY TO PARTICIPATE IN THE BONUS ISSUE (DETAILS OF WHICH ARE SET OUT IN SECTION 4 OF THIS ANNOUNCEMENT):**

**(A) SHAREHOLDERS WHO HOLD EXISTING SECURITIES AND WHO WISH TO MAXIMISE THEIR ENTITLEMENTS UNDER THE BONUS ISSUE; AND**

**(B) HOLDERS OF EXISTING SECURITIES WHO ARE NOT SHAREHOLDERS BUT WHO WISH TO PARTICIPATE IN THE BONUS ISSUE,**

**SHOULD ENSURE THAT THEY DELIVER TO THE CONVERSION AGENT AND/OR THE WARRANT AGENT THEIR DULY COMPLETED CONVERSION NOTICE AND/OR EXERCISE NOTICE, AS THE CASE MAY BE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE EXISTING SECURITIES BEFORE 3.00 P.M. ONE (1) BUSINESS DAY PRIOR TO THE RECORD DATE.**

**HOLDERS OF THE EXISTING SECURITIES SHOULD ALSO NOTE THAT THERE IS NO ASSURANCE THAT THE BONUS ISSUE WILL PROCEED AND/OR BE COMPLETED. THE BONUS ISSUE IS SUBJECT TO THE AIP (AS DEFINED BELOW) HAVING BEEN OBTAINED AND NOT HAVING BEEN WITHDRAWN.**

**THE DELIVERY OF CONVERSION NOTICES AND/OR EXERCISE NOTICES MAY NOT BE REVOKED EVEN IF THE BONUS ISSUE DOES NOT PROCEED OR COMPLETE.**

**1.3 Size of the Bonus Issue and Effect of the Bonus Issue on the Share Capital of the Company**

As at the date of this Announcement, there are:

- (a) 801,120,542<sup>1</sup> existing Shares;
- (b) 113,573,547 unconverted Series 2 Convertible Securities; and
- (c) 187,064,149<sup>2</sup> unexercised Existing Warrants.

Minimum Scenario

Assuming that (i) none of the Existing Securities are converted/exercised on or prior to the Record Date, (ii) no adjustments are made to the conversion/exercise price of the Existing Securities on or prior to the Record Date and (iii) no new Shares are issued on or prior to the Record Date, a total number of 200,280,135<sup>3</sup> Warrants will be issued, and further assuming

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<sup>1</sup> This includes the 307,682 Shares held by Wenjiang (BVI) Limited ("**Wenjiang BVI**"), a wholly-owned subsidiary of the Company.

<sup>2</sup> This includes the 30,768 Existing Warrants held by Wenjiang BVI.

<sup>3</sup> As Foreign Shareholders (as defined in Section 4 of this Announcement) will not be allowed to participate in the Bonus Issue, no Warrants will be issued to them under the Bonus Issue. Accordingly, the actual number of Warrants that are issued under the Bonus Issue may be lower.

that these Warrants are exercised in full, a total of 200,280,135 Warrant Exercise Shares may be issued pursuant to the exercise of all the Warrants (assuming no adjustments to the Exercise Price) (the "**Minimum Scenario**").

### Maximum Scenario

Assuming that (i) all the Existing Securities are converted/exercised on or prior to the Record Date, (ii) no adjustments are made to the conversion/exercise price of the Existing Securities on or prior to the Record Date and (iii) (save as pursuant to (i) above) no new Shares are issued on or prior to the Record Date, a total number of 275,439,559<sup>3</sup> Warrants will be issued, and further assuming that these Warrants are exercised in full, a total of 275,439,559 Warrant Exercise Shares may be issued pursuant to the exercise of all the Warrants (assuming no adjustments to the Exercise Price) (the "**Maximum Scenario**").

## **2. PRINCIPAL TERMS OF THE BONUS ISSUE**

### **2.1 Basis of Allotment**

The Warrants will be issued free on the basis of one (1) Warrant for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Fractional entitlements to the Warrants which are disregarded and not allotted to Entitled Shareholders will be aggregated and disposed of or dealt with in such manner as the Directors in their absolute discretion deem fit, in the interest of the Company.

### **2.2 Principal Terms of the Warrants**

The following is a summary of the principal Terms and Conditions of the Warrants (as defined below) and is derived from, and should be read in conjunction with, the Terms and Conditions of the Warrants as set out in the Appendix to this Announcement and is qualified in its entirety by reference to information appearing therein:

Form : The Warrants will be issued in registered form and will be constituted by a deed poll (the "**Deed Poll**") to be executed by the Company. The Deed Poll will set out, among others, the terms and conditions of the Warrants (the "**Terms and Conditions of the Warrants**") (the form of which is substantially set out in the Appendix to this Announcement) and which may from time to time be amended, supplemented or modified in accordance with its terms.

Exercise Period : Each holder of a Warrant (the "**Warrantholder**") will have the right, by way of exercise of each Warrant, to subscribe for one (1) Warrant Exercise Share at the Exercise Price during the period (the "**Exercise Period**") commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members, the Share Transfer Books, the register of Warrantholders of the Company (the "**Register of**

**Warrantholders**") and/or the depository register (the "**Depository Register**") (as the case may be) is closed, and/or is not a day on which the SGX-ST is open for trading in securities ("**Market Day**"), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open on the immediate preceding Market Day, as the case may be, subject to the Terms and Conditions of the Warrants. At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

Exercise Price : Subject to adjustments to the Exercise Price (as set out in the Terms and Conditions of the Warrants) referred to in "Adjustments" below, the initial price payable for each Warrant Exercise Share upon the exercise of a Warrant (the "**Exercise Price**") is S\$1.08, payable in full upon exercise of the Warrant and which represents a discount of approximately 3.6 per cent. to the last transacted price of the Shares on the Official List of the SGX-ST on 22 July 2020, being the last trading day on which trades were done on the Shares prior to the release of this Announcement.

Issue Size : Please see Section 1.3 of this Announcement.

Listing : An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for, the Warrants and the Warrant Exercise Shares on the Official List of the SGX-ST. An announcement on the outcome of the application will be made in due course.

In the event that there are adjustments to the number of Warrants which would require additional Warrants and/or Warrant Exercise Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or Warrant Exercise Shares on the Official List of the SGX-ST at the relevant time.

Trading : Each board lot of Warrants will consist of 100 Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Official List of the SGX-ST.

Upon the listing of and quotation for the Warrants and the Warrant Exercise Shares on the Official List of the SGX-ST, the Warrants and the Warrant Exercise Shares, when issued, will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the Warrant Exercise Shares effected through the SGX-ST and/or The Central Depository (Pte) Limited ("**CDP**") shall be made in accordance with the

"Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Warrants) the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time.

Status of the Warrant Exercise Shares : The Warrant Exercise Shares shall, when allotted and issued upon the exercise of the Warrants, be fully paid and shall rank for any dividends, rights, allocations or other distributions that may be declared or paid, the Distribution Record Date (as defined below) for which is on or after the relevant date of exercise of the Warrants, and shall rank *pari passu* in all respects with the then existing Shares.

For the purpose herein, "**Distribution Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the Terms and Conditions of the Warrants. Subject to the Terms and Conditions of the Warrants, such circumstances include:

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) rights issues of Shares or options over Shares at less than 95 per cent. of the Current Market Price (as defined in the Deed Poll); and
- (e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above and (ii) an issue of Shares to members of the Company who elect to receive Shares in lieu of cash as dividend) if the total effective consideration for each Share is less than 90 per cent. of the Current Market Price for each Share,

provided always that the Exercise Price shall not be less than the nominal or par value of a Share.

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the listing

manual of the SGX-ST (the "**Listing Manual**").

Winding up : In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to its members give notice thereof to the Warranholders and thereupon, each Warranholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) business days prior to the proposed general meeting in accordance with the Terms and Conditions of the Warrants whereupon the Company shall, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Exercise Shares to the Warranholder credited as fully paid.

If a resolution is passed for a members' voluntary winding-up of the Company, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warranholders of the expiry of the Exercise Period in accordance with the Terms and Conditions of the Warrants and make an announcement of the same to the SGX-ST and (b) take reasonable steps to despatch to the Warranholders notices in writing to their addresses recorded in the Register of Warranholders or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholder and prejudicial to the Shareholders shall be made, unless the alterations are made pursuant to the Terms and Conditions of the Warrants or the prior approval of Shareholders at a general meeting has been obtained.

Governing Law : The terms of the Warrants are governed by the laws of Singapore.

The terms and conditions of the Bonus Issue, the Warrants and the Warrant Exercise Shares may be subject to such changes as the Directors may deem fit in the interest of the Company. The final Terms and Conditions of the Warrants will be set out in the Deed Poll to be executed by the Company and (in the event that there are any further changes to the terms) will be

published by the Company on SGXNET together with the notice of the Record Date, subject to the AIP being obtained and not having been withdrawn.

### 3. RATIONALE AND USE OF PROCEEDS

#### 3.1 Rationale

The Warrants are being issued to, *inter alia*, reward shareholders for their continuing support for and participation in the Company.

Warranholders who are confident of the future prospects of the Company will be given an opportunity to increase their investment in the Company during the Exercise Period by exercising the Warrants for Warrant Exercise Shares. The Exercise Period of the Warrants has also been extended (in comparison to the exercise period of the Existing Warrants) to provide better shareholder value as Entitled Shareholders would have a longer time period to exercise the Warrants into Warrant Exercise Shares. The exercise of these Warrants, if any, will raise funds for the Company and provide the Company with the financial flexibility to fund its expansion plans.

#### 3.2 Use of Proceeds

As the Warrants are issued free, there will be no proceeds raised initially from the issue of the Warrants under the Bonus Issue.

In the Minimum Scenario and assuming that all the Warrants are exercised, it is estimated that the Company will receive gross proceeds ("**Gross Proceeds**") of approximately S\$216.3 million. In the Maximum Scenario and assuming that all the Warrants are exercised, it is estimated that the Company will receive Gross Proceeds of approximately S\$297.5 million. After deducting professional fees and related expenses estimated to be incurred in connection with the Bonus Issue of approximately S\$0.1 million, the net proceeds are expected to range between approximately S\$216.2 million (in the case of the Minimum Scenario) and S\$297.4 million (in the case of the Maximum Scenario) (the "**Net Proceeds**").

The Company intends to use the Net Proceeds to fund property development projects and/or acquisition of properties (including hotels) held for income, and/or its property financing business and for general working capital purposes. As the actual amount of Net Proceeds will depend on the number of Warrants which are exercised and given that there is no certainty as to when (if at all) the Warrants will be exercised, the percentage allocation of the Net Proceeds for such intended uses cannot be determined as at the date of this Announcement.

Pending the deployment of the Net Proceeds for the uses identified above, the Net Proceeds may be used for general corporate purposes, including without limitation, to repay the existing borrowings of the Company, deposited with banks and/or financial institutions, used for investment in short-term money markets or debt instruments and/or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company.

In accordance with the Listing Manual, the Company will make periodic announcements via SGXNET on the use of the Net Proceeds, as and when such proceeds are materially disbursed, and whether such a use is in accordance with the stated use in this Announcement. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in the Company's annual report.

#### 4. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE BONUS ISSUE

##### 4.1 Entitled Shareholders

The Company proposes to issue the Warrants to all Shareholders who are eligible to participate in the Bonus Issue (the "**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (each term as defined below) on the basis of their shareholdings in the Company as at the Record Date.

##### 4.2 Entitled Depositors

The "**Entitled Depositors**" are Depositors with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") with CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or 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; but excludes Depositors who are located, resident or who have a registered address in any jurisdiction in which the Bonus Issue may not be lawfully made. The term "**Depositor**" means an account holder or a depository agent but does not include a sub-account holder.

##### 4.3 Entitled Scripholders

The "**Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company (the "**Share Registrar**"), registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents; but excludes Shareholders who are located, resident or who have a registered address in any jurisdiction in which the Bonus Issue may not be lawfully made.

**As the Warrants will only be traded on the SGX-ST under the book-entry (scripless) settlement system, Entitled Scripholders who wish to trade the Warrants issued to them must open Securities Accounts if they have not already done so, and provide their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) to the Share Registrar at least three (3) Market Days prior to the Record Date.**

##### 4.4 Foreign Shareholders

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Warrants will not be issued to Shareholders with registered addresses outside Singapore as at the Record Date and who have not provided CDP or the Share Registrar, 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 (the "**Foreign Shareholders**").

For the avoidance of doubt, even if a Foreign Shareholder has provided a Singapore address, his participation in the Bonus Issue will be subject to compliance with applicable securities laws outside Singapore.



## 5. CAUTIONARY STATEMENT AND RISK FACTORS

Shareholders and potential investors should note that the Bonus Issue is subject to the AIP being obtained by the Company and not having been withdrawn, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

To the best of the Directors' knowledge and belief, the risk factors that are material to Shareholders and potential investors in making an informed judgment on the Bonus Issue are also set out below. Shareholders and potential investors should carefully consider and evaluate each of the following considerations and all other information contained in this Announcement before making an investment decision. The risks described below are not intended to be exhaustive.

### Risks associated with the Warrants

#### ***The Warrants may expire and become worthless if not exercised by the expiry of the Exercise Period***

The Warrants will have an Exercise Period commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, subject to the Terms and Conditions of the Warrants. In the event that the Warrants are not exercised by the end of the Exercise Period, the Warrants will expire and become worthless.

#### ***The listing of the Warrants is subject to a sufficient spread of holdings***

In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants due to an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants, the Company shall nevertheless proceed with and complete the Bonus Issue. In such event, Warranholders will not be able to trade their Warrants on the SGX-ST.

#### ***The dealing in, listing of and quotation for additional Warrants issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants (if any), and additional Warrant Exercise Shares pursuant to an exercise of such additional Warrants are subject to approval by the SGX-ST***

In the event that adjustments are made to the number of Warrants pursuant to the Terms and Conditions of the Warrants such that additional Warrants are required to be issued, the dealing in, listing of and quotation for such additional Warrants and additional Warrant Exercise Shares pursuant to an exercise of such additional Warrants on the Official List of the SGX-ST are subject to the SGX-ST's approval and there is no assurance that such approval will be obtained on a timely basis or at all.

#### ***The exercise of the Warrants may cause the market value of the Shares to immediately decrease***

The Exercise Price represents a discount of approximately 3.6 per cent. to the last transacted price of the Shares on the Official List of the SGX-ST on 22 July 2020, being the last trading day on which the Shares were traded on the SGX-ST prior to the release of this

Announcement. However, there is no assurance that the Exercise Price will be at a discount or premium to or over the prevailing market price of the Shares at the time of exercise. The discount or premium represented by the Exercise Price to or over the prevailing market price of the Shares, as the case may be at such time, coupled with the potential increase in the number of Shares upon the exercise, may result in an immediate decrease in the market value of the Shares. The Exercise Price does not bear a direct relationship to the book value of the Group's assets, past operations, cash flow, earnings, financial condition or other established criteria for value. Hence, the Exercise Price may not be an indication of any underlying value of Shares.

***Warrantheolders will have no rights as Shareholders until they acquire Warrant Exercise Shares upon the exercise of the Warrants***

Subject to the Terms and Conditions of the Warrants, Warrantheolders have the right to exercise their Warrants to subscribe for Warrant Exercise Shares. Unless and until the Warrantheolders acquire Warrant Exercise Shares upon the exercise of the Warrants, the Warrantheolders will have no rights as Shareholders (including voting rights and rights to receive dividends or distributions) with respect to the Warrant Exercise Shares. Except for limited cases under the adjustments to the Exercise Price and number of Warrants, the Warrantheolder will be entitled only to rights that the Company may grant with respect to its Shares if and when it delivers Shares to the Warrantheolder upon exercise of its Warrants to subscribe for Warrant Exercise Shares. For example, should the Company seek approval from Shareholders for a potential merger, or if an amendment is proposed to its Memorandum and Articles of Association which may require Shareholder approval, the Warrantheolders will not be entitled to vote on the merger or amendment with respect to the Warrant Exercise Shares.

Warrantheolders who acquire the Warrant Exercise Shares upon the exercise of the Warrants will be entitled to exercise rights as Shareholders only as to actions for which the applicable record date occurs on or after the relevant exercise date in respect of the Warrant Exercise Shares, subject to the Terms and Conditions of the Warrants. The Warrant Exercise Shares which the Warrantheolder will receive upon exercise of his Warrants will be subject to all changes affecting the Shares.

***There may be further issues of Shares***

Subject to the Terms and Conditions of the Warrants, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but the Warrantheolders shall not have any participating rights in such further issues unless otherwise resolved by the Company in a general meeting or in the event of a takeover offer to acquire Shares.

***Amendment of the Terms and Conditions of the Warrants***

The Terms and Conditions of the Warrants contain provisions for calling meetings of Warrantheolders to consider matters affecting their interests generally, including the sanctioning of a modification of the Warrants or the Deed Poll. These provisions permit defined majorities to bind all Warrantheolders, including Warrantheolders who did not attend and vote at the relevant meeting and Warrantheolders who voted in a manner contrary to the majority.

The Company may, without the consent of the Warrantheolders, but in accordance with the Deed Poll, effect any modification to the Warrants, the Warrant Agency Agreement (as defined in Section 9 of this Announcement) or the Deed Poll, which, in the opinion of the

Company, (a) is not materially prejudicial to the interests of the Warrantheolders or (b) is of a formal, technical or minor nature, or (c) is to correct a manifest error or to comply with mandatory provisions of Singapore law or (d) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Warrant Exercise Shares arising from the exercise thereof or meetings of the Warrantheolders in order to facilitate the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

***There may not be an active or liquid market for the Warrants***

There is no assurance that an active or liquid market for the Warrants will develop or, if it develops, will be sustained after the Bonus Issue. The Company is unable to predict the extent to which a trading market will develop, if at all, or how liquid that market may become. Any secondary market activities may not be continuous or regular and the value of the Warrants may fluctuate for various reasons over which the Company has no control. There is no assurance as to the ability of investors to sell, or the prices at which investors would be able to sell, the Warrants.

Further, the demand for the Warrants, its price fluctuations as well as trading volume may vary from that of the Shares.

***Shareholders may suffer dilution of their percentage of ownership of the Shares if they do not exercise their Warrants***

If a Warrantheolder who is a Shareholder does not exercise his Warrants and other Warrantheolders do, his proportionate voting and ownership interest will be reduced upon the issue of the Warrant Exercise Shares. The percentage that such Shareholder's Shares represent of the Company's enlarged share capital after the issue of the Warrant Exercise Shares will also be reduced. The magnitude of the reduction of such Shareholder's percentage ownership will depend upon the number of Warrants ultimately exercised.

Additionally, the Group may have to raise additional funds to meet new financial requirements, which may be by way of a rights offering or through the issuance and placement of new Shares. In the event that a Warrantheolder is not a Shareholder at the time of such fundraising, he may be unable to participate in such fundraising and thereafter, if there is no adjustment to the Exercise Price and/or the number of Warrants in accordance with the Terms and Conditions of the Warrants, the percentage of such Warrantheolder's interest in the Company upon the exercise of his Warrants may also be diluted.

***The Warrants issued under the Bonus Issue may result in odd lots of Warrants***

The basis of allotment of Warrants under the Bonus Issue (being one Warrant for every four (4) existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded) is likely to, depending on the number of Shares held by each Entitled Shareholder, create odd lots of Warrants to be issued under the Bonus Issue. Such odd lots of Warrants are likely to be less liquid than whole board lots of Warrants comprising 100 Warrants as, among other things, it may be more difficult for holders of such odd lots of Warrants who wish to sell them to find a ready buyer on the market. Furthermore, there may be other minimum fees and expenses involved in the trading of odd lots of Warrants which may make trading of the odd lots of Warrants more costly on a per Warrant basis as compared to trading in board lots of Warrants.

## 6. APPROVAL

### 6.1 SGX-ST Approval

The Bonus Issue is subject to the in-principle approval (the "**AIP**") of the SGX-ST for the dealing in, listing of and quotation for the Warrants and the Warrant Exercise Shares on the Official List of the Main Board of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Warrants and the Warrant Exercise Shares on the Official List of the Main Board of the SGX-ST, and such approval having not been revoked or amended. An appropriate announcement on the outcome of the application will be made in due course.

### 6.2 No Prospectus or Offer Information Statement

In view of the exemption accorded under Regulation 31(1) of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, there will not be any prospectus, profile statement or offer information statement to be issued in relation to, and for the purpose of, the Bonus Issue.

## 7. TAKEOVER IMPLICATION

The Singapore Code on Take-overs and Mergers (the "**Code**") regulates the acquisition of 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, 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 30.0 per cent. or more of the voting rights of the company; or
- (b) any person who, together with parties acting in concert with him, holds not less than 30.0 per cent. but not more than 50.0 per cent. of the voting rights of the company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0 per cent. of the voting rights of the company,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties 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 Warrants) does not give rise to an obligation to make a mandatory take-over offer under the Code. However, the exercise of any conversion or subscription rights or options will be considered to be an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of and exercise of the Warrants into Warrant Exercise Shares should consult the Securities Industry Council and/or their professional advisers.

## 8. GENERAL

### 8.1 Further details

Further details for the Bonus Issue such as the expected date of issuance of the Warrants will be announced by the Company at the appropriate time.

### 8.2 Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore

The Warrants and Warrant Exercise 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 Monetary Authority of Singapore ("**MAS**") Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## 9. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the offices of Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898 (the "**Warrant Agent's Office**") upon prior appointment and during normal business hours for a period of three (3) months from the date of this Announcement:

- (a) the draft of the Deed Poll; and
- (b) the draft of the warrant agency agreement to be entered into between the Company, as issuer and Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) as warrant agent and share registrar (the "**Warrant Agency Agreement**").

Upon execution, copies of the executed Deed Poll and Warrant Agency Agreement will be made available for inspection at the Warrant Agent's Office in place of the drafts referred to above.

Please call +65 6236 3550 or +65 6236 3555 to arrange an appointment for the inspection of the above documents at the Warrant Agent's Office. Please also note that all visitors to the Warrant Agent's Office will be subject to temperature checks and SafeEntry requirements.

BY ORDER OF THE BOARD

Neo Teck Pheng  
Group Chief Executive Officer and Executive Director  
23 July 2020

## Important Notice

This Announcement is for information only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any Warrants and/or Warrant Exercise Shares (collectively, the "**Securities**") in any jurisdiction in which such an offer or solicitation is unlawful.

The information contained in this Announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of the Securities and the acquisition or purchase of the Securities is subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this Announcement into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this Announcement and such other documents come 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 any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

Investors have no right to request that the Company redeem or purchase the Securities while the Securities are listed. It is intended that holders of the Securities may only deal in the Securities through trading on the SGX-ST.

Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities.

**This Announcement is not an offer for sale of securities into the United States or elsewhere. The Securities are not being registered under the Securities Act, and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. The Company does not intend to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.**

**The Warrant Exercise Shares to be allotted and issued pursuant to the exercise of the Warrants (including the new Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants) may not be offered to the public in the Cayman Islands unless the Warrant Exercise Shares to be allotted and issued pursuant to the exercise of the Warrants (including the new Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants), as the case may be, are listed on the Cayman Islands Stock Exchange.**

## APPENDIX

### TERMS AND CONDITIONS OF THE WARRANTS

The warrants (the "**Warrants**") to subscribe for new Ordinary Shares (as defined below) of First Sponsor Group Limited (the "**Issuer**"), are issued subject to the benefit of a deed poll (the "**Deed Poll**") dated [●] 2020 executed by the Issuer. The issue of the Warrants was authorised by resolutions of the Directors of the Issuer passed on 22 July 2020 and is made pursuant to the general mandate to issue shares and convertible securities of the Issuer obtained from shareholders of the Issuer (the "**Shareholders**") at the Annual General Meeting of the Issuer held on 20 May 2020. As at the date of issue of the Warrants, approval in-principle has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for [●] Warrants and [●] Warrant Exercise Shares (as defined below) arising from the exercise of the Warrants subject to, *inter alia*, a sufficient spread of holdings for the Warrants. The statements in these Terms and Conditions of the Warrants (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Deed Poll. Copies of the Deed Poll are available for inspection at the registered office for the time being of the Issuer and at the specified office of the warrant agent referred to in Condition 4.7 (the "**Warrant Agent**") and the Warrantholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed Poll.

Terms used in the Conditions shall, unless herein expressly defined otherwise, have the same meanings as the expressions used in the Deed Poll.

#### 1. DEFINITIONS

For the purposes of these Conditions and subject as otherwise provided herein:

"**Act**" means the Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time;

"**Auditors**" means the auditors for the time being of the Issuer or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Deed Poll or the Conditions, such other auditors as may be nominated by the Issuer;

"**Business Day**" means a day (excluding Saturday, Sunday or public holiday) on which commercial banks, the SGX-ST, the Depository and the Warrant Agent are open for business in Singapore;

"**CDP**" and "**Depository**" means The Central Depository (Pte) Limited and any other corporation(s) which agrees with the Issuer to act as Depository in respect of the Warrants including its successors in title and where the context so requires, shall include any person specified by it in a notice given to the Issuer as its nominees;

"**Depositor**" and "**Depository Register**" shall have the respective meanings ascribed to them in Section 81SF of the SFA;

"**Designated Account**" means the account maintained by the Issuer with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warrantholders;

"**Directors**" means the directors for the time being of the Issuer;

**"Exercise Date"** means, in relation to the exercise of a Warrant, the Business Day on which the applicable conditions referred to in Condition 4.1 are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed, then the **"Exercise Date"** shall be earlier of the next Business Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is open and the Expiration Date;

**"Exercise Notice"** means a notice (in the form for the time being current and at present in the form of Schedules 3 or 4 of the Deed Poll, as the case may be, appended hereto) for the exercise of the Warrants, copies of which may be obtained from the Warrant Agent;

**"Exercise Period"** means the period during which the Warrants may be exercised commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, but excluding such period(s) during which the Register may be closed pursuant to Condition 4.6 below, unless such date is a date on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed and/or is not a Market Day, in which event, the Expiration Date shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Conditions as set out in this Deed Poll.

**"Exercise Price"** means, in respect of each Warrant, S\$1.08 for each Warrant Exercise Share, subject to adjustment in accordance with Condition 5 below;

**"Extraordinary Resolution"** means a resolution passed at a meeting of the Warrantholders duly convened and held in accordance with this Deed Poll by a majority of at least 75 per cent. of the votes cast;

**"Expiration Date"** means the last date of the Exercise Period, provided that if such last day falls on a day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed and/or is not a Market Day, then the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Conditions;

**"Independent Financial Adviser"** means an independent financial institution of international repute appointed by the Issuer at its own expense, provided always that the Independent Financial Adviser shall not also be the Auditors;

**"Listing Rules"** means the Listing Manual of the SGX-ST, as amended or modified from time to time;

**"Market Day"** shall have the meaning ascribed to it in the Listing Rules;

**"Ordinary Shares"** means ordinary shares of par value US\$0.10 each in the capital of the Issuer, 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;

**"Register"** means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to Condition 4.6 below;



**"Register of Members"** means the Register of Members of the Issuer;

**"Securities Account"** means a securities account maintained by a Depositor with the Depository but does not include a securities sub-account;

**"SFA"** means the Securities and Futures Act, Chapter 50 of Singapore, as amended or modified from time to time;

**"SGX-ST"** means the Singapore Exchange Securities Trading Limited;

**"Share Transfer Books"** means the share transfer books of the Issuer;

**"Specified Instrument"** means an option or a warrant issued by the Issuer which:

- (a) carries the right to subscribe for, purchase or otherwise acquire any security issued by the Issuer which is convertible into an Ordinary Share at an initial conversion price which is equal to the initial exercise price of such option or warrant, (and if applicable) subject to adjustments to the exercise price or the conversion price in accordance with the terms of such option, warrant or security, as the case may be; and
- (b) has an initial exercise price which is not less than the Relevant Price (as defined in Condition 5.2(d)) on the date of the announcement of the terms of the issue of such option or warrant;

**"S\$" means the lawful currency of the Republic of Singapore;**

**"unexercised"** means, in relation to the Warrants, all the Warrants which have been issued pursuant to the Deed Poll for so long as the Warrants shall not have lapsed in accordance with Condition 3.2 or 7.2 other than (a) those which have been exercised in accordance with the Conditions, (b) those mutilated or defaced Warrants in respect of which replacement Warrants have been duly issued pursuant to Condition 10, and (c) for the purpose of ascertaining the number of Warrants unexercised at any time (but not for the purpose of ascertaining whether any Warrants are unexercised), those Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Warrants have been issued pursuant to Condition 10; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 11 and paragraphs 1, 3, 4 and 8 of Schedule 5 of the Deed Poll, those Warrants (if any) which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not to remain unexercised;

**"Warrant Agency Agreement"** means the warrant agency agreement dated [●] 2020 appointing the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

**"Warrant Certificates"** means the certificates (in registered form) to be issued in respect of the Warrants substantially in the form set out in Schedule 1 of the Deed Poll, as from time to time modified in accordance with the provisions set out therein;

**"Warrant Exercise Shares"** means the new Ordinary Shares to be allotted and issued by the Issuer arising from the exercise of the relevant Warrants by a Warranholder; and

**"Warranholders"** means the registered holders of the Warrants, except that where the registered holder is the Depository, the term **"Warranholders"** shall, in relation to Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Account(s) with the Depository are credited with Warrants, Provided that for the purposes of Schedule 5 of the Deed Poll relating to meetings of Warranholders, such Warranholders shall mean those Depositors having Warrants credited to their Securities Account(s) as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of a meeting of Warranholders supplied by the Depository to the Issuer. The word **"holder"** or **"holders"** in relation to Warrants shall (where appropriate) be construed accordingly.

## **2. FORM AND TITLE**

2.1 The Warrants are issued in registered form. Title to the Warrants shall be transferable in accordance with Condition 9. The Warrant Agent shall maintain the Register on behalf of the Issuer and, except as required or provided by law:

- (a) the registered holder of the Warrants (other than the Depository); and
- (b) (where the registered holder of the Warrants is the Depository) the Depositor for the time being appearing in the Depository Register maintained by the Depository as having Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Warrants so entered (whether or not the Issuer shall be in default in respect of the Warrants or its covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Warrant Certificate or any irregularity or error in the records of the Depository or any express notice to the Issuer or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

2.2 If two or more persons are entered in the Register or the Depository Register (as the case may be) as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (a) the Issuer shall not be bound to register more than two persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warranholder where such executors or administrators are entered into the Depository Register;
- (b) joint holders of any Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be treated as one Warranholder;
- (c) the Issuer shall not be bound to issue more than one Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register or the Depository Register (as the case may be) shall be sufficient delivery to all; and

- (d) the joint holders of any Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be, jointly and severally, liable severally in respect of all payments which ought to be made in respect of such Warrants as well as in connection with their exercise of any such Warrant. No fraction of a share shall be allotted.

### **3 EXERCISE RIGHTS**

- 3.1 Each Warrantholder shall have the right, by way of exercise of a Warrant, at any time during normal business hours on any Business Day during the Exercise Period in the manner set out in Condition 4 and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Warrant Exercise Share at the Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Warrant. The Exercise Price shall, on the Exercise Date, be applied towards payment for the Warrant Exercise Share to be issued on the exercise of the relevant Warrant. Each Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Issuer. No payments shall be refunded and no fraction of an Ordinary Share shall be allotted.
- 3.2 At the expiry of the Exercise Period, any Warrant which has not been exercised in accordance with Condition 4 will lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Expiration Date.
- 3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.
- 3.4 Warrant Exercise Shares allotted and issued upon exercise of the Warrants shall be fully paid and, save for any dividends, rights, allocations or other distributions that may be declared or paid, the Distribution Record Date for which is before the relevant Exercise Date of the Warrants, shall rank *pari passu* in all respects with the then existing Ordinary Shares of the Issuer. For the purpose of this Condition 3.4, "**Distribution Record Date**" means, in relation to any dividends, rights, allocations or other distributions, the date as at the close of business (or such other time as may have been notified by the Issuer) on which Shareholders must be registered with the Issuer or CDP, as the case may be, in order to establish their entitlement to and participate in such dividends, rights, allocations or other distributions.
- 3.5 The Issuer shall, not later than one (1) month before the expiry of the Exercise Period:
- (a) give notice to the Warrantholders in accordance with Condition 12 of the expiry of the Exercise Period and make an announcement of the same to the SGX-ST; and
  - (b) take reasonable steps to despatch to the Warrantholders notices in writing to their addresses recorded in the Register or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Without prejudice to the generality of the foregoing, Warrantholders who acquire Warrants after notice of the expiry of the Exercise Period has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with Condition 12. For the avoidance of doubt, neither the Issuer nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser or transferee of the Warrants to be aware of or to receive such notification.

## **4 PROCEDURE FOR EXERCISE OF WARRANTS**

### **4.1 Lodgement Conditions**

- (a) In order to exercise one or more Warrants, a Warranholder must, before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiration Date during the Exercise Period, fulfill the following conditions:
- (i) lodgement of the relevant Warrant Certificate registered in the name of the exercising Warranholder or Depository (as the case may be) for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent, duly completed and signed by or on behalf of the exercising Warranholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided that the Warrant Agent may dispense with the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of the Depository;
  - (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warranholder (including every joint Warranholder, if any) or otherwise ensure the due exercise of the Warrants;
  - (iii) the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4.2 below;
  - (iv) the payment of deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrants as the Warrant Agent may require; and
  - (v) if applicable, (1) the payment of any fees for certificates for the Warrant Exercise Shares to be issued, (2) the payment of the expenses of, and the submission of any necessary documents required in order to effect the registration of the Warrant Exercise Shares in the name of the exercising Warranholder or the Depository (as the case may be) and (3) the payment of the expenses of the delivery of certificates for the Warrant Exercise Shares upon exercise of the relevant Warrants to the place specified by the exercising Warranholder in the Exercise Notice or to the Depositor (as the case may be).
- (b) Any exercise by a Warranholder in respect of Warrants registered in the name of the Depository shall be further conditional on that number of Warrants so exercised being available in the "Free Balance" of the Securities Account of the exercising Warranholder with the Depository and on the exercising Warranholder electing in the Exercise Notice to have the delivery of the Warrant Exercise Shares arising from the exercise of the relevant Warrants to be effected by crediting such Warrant Exercise Shares to the Securities Account(s) of the exercising Warranholder.
- (c) An Exercise Notice which does not comply with the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) shall be void for all purposes. Warranholders whose

Warrants are registered in the name of the Depository irrevocably authorise the Issuer and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Issuer or the Warrant Agent deems necessary to satisfy itself that all the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) have been fulfilled and such other information as the Issuer or the Warrant Agent may require in accordance with these Conditions and the Deed Poll and to take such steps as may be required by the Depository in connection with the operation of the Securities Account of any Warranholder. Provided that the Issuer and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warranholder as a result of or in connection with reliance by the Issuer, the Warrant Agent or any other persons upon the records of and information supplied by the Depository.

- (d) Once all the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Exercise Price in accordance with Condition 4.2 below may not be withdrawn without the consent in writing of the Issuer.

#### 4.2 **Payment of Exercise Price**

Payment of the Exercise Price shall be made to the specified office of the Warrant Agent by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the credit of the Designated Account for the full amount of the Exercise Price payable in respect of the Warrants exercised, Provided that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirement for the time being applicable.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (a) the name of the exercising Warranholder; (b) the certificate numbers of the relevant Warrant Certificates in respect of the Warrants being exercised or, if the relevant Warrant Certificates are registered in the name of CDP, the Securities Account(s) of the exercising Warranholder which is to be debited with the Warrants being exercised; and (c) the number of Warrants tendered for exercise.

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Issuer, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Issuer shall be liable to the Warranholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warranholder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Agent is less than the full amount of such Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Designated Account (subject to Condition 4.4 below) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 in an amount sufficient to cover the deficiency provided that the Issuer will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

#### 4.3 **Exercise Date**

A Warrant shall (provided the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Exercise Period) on which all the applicable conditions for and provisions relating to the exercise of the Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Warrant is exercised on a date when the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is open and the Expiration Date.

The relevant Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of the Depository, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the Warrants and the said Warrant Certificates.

#### 4.4 **Designated Account**

Payment of the Exercise Price received by the Warrant Agent shall be deposited to the Designated Account on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Warrant Exercise Shares to be delivered in consequence of the exercise of such Warrants.

If payment of the Exercise Price is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount payable under Condition 4.1 or the conditions set out in Condition 4.1 or Condition 4.2 have not then all been fulfilled in relation to the exercise of such Warrants, pending recognition of such payment or full payment or, as the case may be, fulfilment of the conditions set out in Conditions 4.1 and 4.2, such payment will (if the Exercise Date in respect of such Warrants had not by then occurred) be returned, without interest, to the Warranholder on (i) the 14<sup>th</sup> day after receipt of such Exercise Notice by the Warrant Agent, or (ii) the expiry of the Exercise Period, whichever is the earlier. So long as the relevant Exercise Date has not occurred, any such payment (excluding any interest, if any, accrued thereon) will continue to belong to the Warranholder but may only be withdrawn within the above mentioned 14 days period with the prior consent in writing of the Issuer.

The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice, together with such payment, after receipt of the same from the Issuer, to the exercising Warranholder at the risk and expense of such Warranholder. The Issuer will, upon receipt of notification from the Warrant Agent of any unsuccessful exercise of Warrants, forward such payment to the Warrant Agent for it to be returned to the exercising Warranholder. The Issuer will be entitled to deduct or otherwise recover from the exercising Warranholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent.

#### 4.5 **Allotment of new Ordinary Shares and Issue of Balancing Warrant Certificates**

A Warranholder exercising Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of the Warrant Exercise Shares arising from the exercise of such Warrants effected by crediting such Warrant Exercise Shares to the Securities Account of such Warranholder as specified in the Exercise Notice.

A Warranthead exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the Warrant Exercise Shares arising from the exercise of such Warrants or to have the delivery of such Warrant Exercise Shares effected by crediting such Warrant Exercise Shares to his Securities Account(s) with the Depository (in which case such Warranthead shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository), and failing such election, such exercising Warranthead shall be deemed to have elected to receive physical share certificates in respect of such Warrant Exercise Shares at his address specified in the Register.

The Issuer shall allot and issue the Warrant Exercise Shares arising from the exercise of the relevant Warrants by a Warranthead and deliver such Warrant Exercise Shares in accordance with the terms herein and the instructions of such Warranthead as set out in the Exercise Notice and:

- (a) where such Warranthead has (or is deemed to have) elected in the Exercise Notice to receive physical certificates in respect of the Warrant Exercise Shares arising from the exercise of the relevant Warrants, the Issuer shall despatch the physical certificates, as soon as practicable but in any event not later than seven (7) Market Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice (or the Register, as the case may be) and at the risk of such Warranthead; and
- (b) where the delivery of Warrant Exercise Shares arising from the exercise of the relevant Warrants is to be effected by the crediting of the Securities Account(s) of such Warranthead as specified in the Exercise Notice, the Issuer shall as soon as practicable but not later than three (3) Market Days after the relevant Exercise Date despatch the certificates relating to such Warrant Exercise Shares in the name of, and to the Depository for the credit of the Securities Account(s) of such Warranthead as specified in the Exercise Notice.

Where a Warranthead exercises part only (but not all) of the exercise rights represented by Warrants registered in his name, the Warrant Agent shall despatch a balancing Warrant Certificate in the name of the exercising Warranthead in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (or, failing which, to his address specified in the Register) and at the risk of that Warranthead.

Where a Warranthead exercises part only (but not all) of the exercise rights represented by Warrants which are registered in the name of the Depository, the number of Warrants represented by the Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

#### 4.6 **Register of Warrantheads**

The Warrant Agent shall maintain a register (the "**Register**") containing particulars of the Warrantheads (other than Warrantheads who are Depositors) and such other information relating to the Warrants as the Issuer may require. The Register (and the Depository Register) may be closed during such periods when the Register of Transfers and/or Register of Members of the Issuer is deemed to be closed or during such other period as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants under Condition 5 or during such period as the Issuer may determine. Notice of the closure of the Register and (if applicable) the Depository Register will be given to the Warrantheads in accordance with Condition 12.

Except as required by law or as ordered by a court of competent jurisdiction, the Issuer and the Warrant Agent shall be entitled to rely on the Register (where the registered holder of a

Warrant is a person other than the Depository) or the Depository Register (where the Depository is the registered holder of a Warrant) or any statement or certificate issued by the Depository to the Issuer or any Warrantholder (as made available to the Issuer and/or the Warrant Agent) to ascertain the identity of the Warrantholders or the number of Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Issuer shall be in default in respect of the Warrants or any of the terms and conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).

#### 4.7 **Warrant Agent**

The name of the initial Warrant Agent and its specified office is set out below. The Issuer reserves the right at any time to vary or terminate the appointment of the Warrant Agent and to appoint an additional or another Warrant Agent, provided that it will at all times maintain a Warrant Agent having a specified office in Singapore so long as the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent shall be given to the Warrantholders in accordance with Condition 12.

Warrant Agent:

**Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)**

80 Robinson Road #11-02  
Singapore 068898

## 5 **ADJUSTMENTS OF EXERCISE PRICE AND NUMBER OF WARRANTS**

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Independent Financial Adviser and certified to be in accordance with Condition 5.2 by the Auditors. The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:

- (a) any consolidation or subdivision of the Ordinary Shares;
- (b) an issue by the Issuer of Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its members ("**Members**") (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend);
- (c) a Capital Distribution (as defined below) made by the Issuer to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Issuer to its Members whereunder they may acquire or subscribe for Ordinary Shares by way of rights at less than the Relevant Price (as defined below) for each Ordinary Share; or
- (e) an issue (otherwise than pursuant to (i) a rights issue available to all Members, requiring an adjustment under Condition 5.1(d), and (ii) an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash as dividend) by the Issuer of



Ordinary Shares if the Total Effective Consideration (as defined below) for each Ordinary Share is less than 90% of the Current Market Price (as defined below) for each Ordinary Share (calculated as provided below),

provided always that the Exercise Price shall not be less than the nominal or par value of an Ordinary Share.

5.2 Subject to these Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.1(a) to 5.1(e) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Independent Financial Adviser shall determine):

(a) If, and whenever, a consolidation or subdivision of the Ordinary Shares occurs, the Exercise Price shall be adjusted in the following manner: -

$$\text{New Exercise Price} = \frac{A}{B1} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B1}{A} \times W$$

where:

"A" the aggregate number of issued and fully paid up Ordinary Shares immediately before such consolidation or subdivision;

"B1" the aggregate number of issued and fully paid up Ordinary Shares immediately after such consolidation or subdivision;

"X" existing Exercise Price; and

"W" existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

(b) If, and whenever the Issuer shall make any issue of Ordinary Shares to its Members (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B2} \times X$$

$$\text{Adjusted number of Warrants} = \frac{A + B2}{A} \times X$$

where:

"A" the aggregate number of issued and fully paid-up Ordinary Shares immediately before such capitalisation issue;

"B2" the aggregate number of Ordinary Shares to be issued pursuant to any allotment to Members (other than an allotment of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

"X" as in X above; and

"W" as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant transaction means the date as at the close of business on which Members must be registered as such to participate therein.

- (c) If, and whenever, the Issuer shall make a Capital Distribution (as defined below) to Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets), then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

where:

"C" the Current Market Price on the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), on the date of the Capital Distribution;

"D" the fair market value, as determined by an Independent Financial Adviser (with the concurrence of the Auditors), of that portion of the Capital Distribution attributable to one Ordinary Share; and

"X" as in X above.

For the purposes of Conditions 5.1(c) and 5.2(c), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Ordinary Shares (not falling under Condition 5.2(b) above) or other securities (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividends) credited as fully or partly paid-up by way of capitalisation of profits or reserves.

Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Issuer or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

For the purpose of this Condition 5:

**"Alternative Stock Exchange"** means at any time, in the case of the Ordinary Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in;

**"Current Market Price"** means, in respect of an Ordinary Share at a particular time on a particular date, the average of the closing prices quoted by the SGX-ST or, as the case may be, by the Alternative Stock Exchange for one Ordinary Share (being an Ordinary Share carrying full entitlement to dividend) for the five consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Day period the Ordinary Shares shall have been quoted ex-dividend and during some other part of that period the Ordinary Shares shall have been quoted cum-dividend then:

- (i) if the Ordinary Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum-dividend 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 per Ordinary Share; or
- (ii) if the Ordinary Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex-dividend 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 that dividend per Ordinary Share,

and provided further that if the Ordinary Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued do not rank for that dividend, 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 per Ordinary Share;

**"Fair Market Value"** means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by the Independent Financial Adviser; provided that: (A) the fair market value of a cash dividend paid or to be paid per Ordinary Share shall be the amount of such cash dividend per Ordinary Share determined as at the date of announcement of such dividend; and (B) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Financial 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 immediately prior to the date on which the Fair Market Value is to be determined and, if no such period is available, 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

**"Trading Day"** means a day when the SGX-ST or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported in respect of the relevant Ordinary Shares on the SGX-ST or, as the case may be, the Alternative 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 existed when ascertaining any period of dealing days.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such transactions.

- (d) If, and whenever, the Issuer shall make any offer or invitation to its Members whereunder they may acquire or subscribe for Ordinary Shares by way of rights at less than the Relevant Price (as defined below) on the date of the announcement of the terms of such offer or invitation, then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{E - F}{E} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{E}{E - F} \times W$$

where:

**"E"** the Current Market Price on the date on which the offer or invitation referred to in this Condition 5.2(d) is publicly announced to the SGX-ST or (failing any such announcement) on the date of the offer or invitation;

**"X"** as in X above;

**"W"** as in W above; and

**"F"** the value of rights attributable to one Ordinary Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

where:

**"E"** as in E above;

**"G"** the subscription price of one additional Ordinary Share under the offer or invitation to acquire or subscribe for Ordinary Shares by way of rights;

"H" the number of Ordinary Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Ordinary Share by way of rights; and

"1" one.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation. For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of and payment for the Ordinary Shares are to be made under the terms of such offer or invitation.

For the purpose of this Condition 5, "**Relevant Price**" means the product of the Current Market Price and 0.95.

- (e) If, and whenever, the Issuer makes any allotment to its Members as provided in Condition 5.2(b) above and also makes any offer or invitation to its Members as provided in Condition 5.2(d) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and/or the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(I \times E) + (J \times G)}{(I + J + B2) \times E} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B2) \times E}{(I \times E) + (J \times G)} \times W$$

where:

"B2" as in B2 above;

"E" as in E above;

"G" as in G above;

"I" the aggregate number of issued and fully paid-up Ordinary Shares on the record date;

"J" the aggregate number of new Ordinary Shares to be issued under an offer or invitation to acquire or subscribe for Ordinary Shares by way of rights;

"W" as in W above; and

"X" as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation. For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of

and payment for the Ordinary Shares are to be made under the terms of such offer or invitation.

- (f) If, and whenever, (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5.2(d) or 5.2(e) and other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend), the Issuer shall issue any Ordinary Shares and the Total Effective Consideration for each Ordinary Share (as defined below) is less than ninety per cent (90%) of the Current Market Price on the SGX-ST on the date on which the issue price of such Ordinary Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

- "K" the number of Ordinary Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;
- "L" the number of Ordinary Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);
- "M" the aggregate number of Ordinary Shares so issued; and
- "X" as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Issuer determines the offering price of such Ordinary Shares.

For the purposes of Conditions 5.1(e) and 5.2(f), the "**Total Effective Consideration**" shall be determined by the Directors with the concurrence of an Independent Financial Adviser and shall be the aggregate consideration receivable by the Issuer on payment in full for such Ordinary Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration for each Ordinary Share**" shall be the Total Effective Consideration divided by the number of Ordinary Shares issued as aforesaid.

5.3 Notwithstanding any of the provisions contained in Condition 5.1 and 5.2, no adjustment to the Exercise Price and/or the number of Warrants will be required in respect of:

- (a) an issue by the Issuer of Ordinary Shares or other securities convertible into or right to acquire or subscribe for Ordinary Shares to officers, including directors, or employees of the Issuer or any of its subsidiaries, related corporations or associated companies pursuant to any purchase or option scheme or performance share plan approved by the Members in general meeting;

- (b) an issue by the Issuer of Ordinary Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- (c) any issue by the Issuer of 3.98 per cent. perpetual convertible capital securities constituted by the trust deed dated 31 May 2019 (as amended, varied or supplemented from time to time) and made between the Issuer and Perpetual (Asia) Limited (which includes, for the avoidance of doubt, any further capital securities forming a single series with the Series 2 Convertible Securities) (the "**Series 2 Convertible Securities**") and Ordinary Shares pursuant to the conversion of any of the Series 2 Convertible Securities;
- (d) any issue by the Issuer of warrants constituted by the deed poll dated 31 May 2019 (as amended, varied or supplemented from time to time) executed by the Issuer ("**2019 Warrants**") and Ordinary Shares pursuant to the exercise of any of the 2019 Warrants;
- (e) any issue by the Issuer of Specified Instruments and Ordinary Shares pursuant to the conversion and/or exercise of any Specified Instruments;
- (f) any issue by the Issuer of securities convertible into Ordinary Shares or rights to acquire or subscribe for Ordinary Shares and the issue of Ordinary Shares arising from the conversion or exercise of such securities or rights; and
- (g) any purchase by the Issuer of Ordinary Shares.

For the avoidance of doubt, the provisions contained in Conditions 5.1 and 5.2 do not apply to (i) any issue of the Warrants (including any additional Warrants that may be issued pursuant to any adjustments under the Warrants); and (ii) any issue of the Warrant Exercise Shares.

- 5.4 Any adjustment to the Exercise Price will be rounded to the nearest whole multiple of S\$0.005 and in no event shall any adjustment involve an increase in the Exercise Price (other than upon the consolidation of Ordinary Shares into shares of a larger par value). No adjustment to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5 by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one (1) cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment. In the event that the Exercise Price as determined is less than the nominal or par value of an Ordinary Share, the Exercise Price shall be the nominal or par value of an Ordinary Share.
- 5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants shall be made unless (i) it has been certified to be in accordance with Condition 5 by the Auditors and (ii) if the Warrants are listed and quoted on the SGX-ST on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued pursuant to such adjustment and such additional Ordinary Shares as may be issued on the exercise of any of such Warrants.
- 5.6 Notwithstanding the provisions referred to in this Condition 5, in any circumstance where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Issuer may appoint an Independent Financial Adviser to consider whether for any reason whatsoever the adjustment to be made (or the absence of an

adjustment) in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Independent Financial Adviser shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment in such manner as shall be considered by such Independent Financial Adviser to be in its opinion appropriate.

- 5.7 Whenever there is an adjustment as herein provided, the Issuer shall give notice to Warrantheolders in accordance with Condition 12 that the Exercise Price and/or the number of Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Exercise Price and/or the number of Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantheolder. Whenever an adjustment involves an increase in the number of Warrants, the Issuer will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantheolder, at the risk and expense of that Warrantheolder, at his address appearing in the Register or, in respect of Warrants registered in the name of the Depository, to the Depository.
- 5.8 If the Directors, the Independent Financial Adviser and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Independent Financial Adviser acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 5.9 If the Issuer shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Ordinary Shares, the Issuer shall appoint an Independent Financial Adviser to consider whether any adjustment is appropriate and if such Independent Financial Adviser and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.
- 5.10 Any new Warrants which may be issued by the Issuer under this Condition 5 shall be part of the same series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Warrants.
- 5.11 Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST. For the avoidance of doubt, no approval or consent of the Warrantheolders shall be required for such buy-back of any classes of shares and there shall be no adjustments to the Exercise Price and/or the number of Warrants by reason of such buy-back of any classes of shares.
- 5.12 In giving any certificate or making any adjustment hereunder, the Independent Financial Adviser shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Warrants.



- 5.13 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5 shall be subject to the approval of the SGX-ST (if required) and agreed to by the Issuer, the Independent Financial Adviser and/or the Auditors.
- 5.14 In the event any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder is proposed or required to be made pursuant to the Deed Poll, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Issuer from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Issuer as at the date of execution of the Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Issuer (based on the Ordinary Shares comprised in the unexercised Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

## **6 STATUS OF ALLOTTED SHARES**

The Warrant Exercise Shares allotted and issued upon the exercise of the Warrants shall be fully paid and will rank *pari passu* in all respects with the then existing Ordinary Shares save for any dividends, rights, allocations and other distributions that may be declared or paid, the Distribution Record Date for which is before the relevant Exercise Date of the Warrants. For the purpose of this Condition 6, "**Distribution Record Date**" means, in relation to any dividends, rights, allocations or other distributions, the date as at the close of business (or such other time as may have been notified by the Issuer) on which Members must be registered with the Issuer or CDP, as the case may be, in order to establish their entitlement to and participate in such dividends, rights, allocations or other distributions.

## **7 WINDING-UP OF THE ISSUER**

- 7.1 (a) In the event a notice is given by the Issuer to its Members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Issuer, the Issuer shall on the same date as or soon after it despatches such notice to its Members give notice thereof to the Warrantholders and thereupon, each Warrantholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) Business Days prior to the proposed general meeting in accordance with Condition 4 whereupon the Issuer shall, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Exercise Shares to the Warrantholder credited as fully paid; and
- (b) If a resolution is passed for a members' voluntary winding-up of the Issuer, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders.
- 7.2 Subject to the foregoing, if the Issuer is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

## **8 FURTHER ISSUES**

Subject to these Conditions, the Issuer shall be at liberty to issue Ordinary Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Issuer sees fit but the Warrantheolders shall not have any participating rights in such issue unless otherwise resolved by the Issuer in general meeting or in the event of a takeover offer to acquire Ordinary Shares.

## **9 TRANSFER OF WARRANTS**

9.1 Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling a Warrantheolder to subscribe for whole numbers of Warrant Exercise Shares and so that no person shall be recognised by the Issuer as having title to Warrants entitling the holder thereof to subscribe for a fractional part of an Warrant Exercise Share or otherwise than as the sole or joint holder of the entirety of such Warrant Exercise Share. In order to transfer Warrants, the Warrantheolder must fulfil the following conditions:

- (a) lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantheolder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof, in the form approved by the Issuer from time to time (the "**Transfer Form**"), in any usual or common form or such other form as may be approved by the Issuer, duly completed and signed by or on behalf of the Warrantheolder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Issuer and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Warrants to it;
- (b) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantheolder;
- (c) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) (subject to goods and services tax at the prevailing rate) for every Warrant Certificate issued; and
- (d) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Warrant Certificate(s) to be issued in the name of the transferee.

9.2 If the Transfer Form has not been fully or correctly completed by the Warrantheolder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Warrantheolder accompanied by written notice of the omission(s) and/or error(s) and requesting the Warrantheolder to complete and/or amend the Transfer Form and/or to make the requisite payment.

9.3 If the Transfer Form has been fully and correctly completed the Warrant Agent shall, as agent for and on behalf of the Issuer:

- (a) register the person named in the Transfer Form as transferee in the Register as the registered holder of the Warrant in place of the Warrantheolder;
- (b) cancel the Warrant Certificate(s) in the name of the Warrantheolder; and

- (c) issue new Warrant Certificate(s) in respect of the Warrants in the name of the transferee.
- 9.4 Where the transfer relates to part only (but not all) of the Warrants represented by a Warrant Certificate, the Issuer shall deliver or cause to be delivered to the Warrantholder at the cost of the Warrantholder a Warrant Certificate in the name of the Warrantholder in respect of any Warrants not transferred.
- 9.5 Each Warrantholder shall be deemed to remain the registered holder of the Warrants registered in his name until the name of the transferee is entered in the Register by the Warrant Agent or the Depository Register by the Depository, as the case may be.
- 9.6 The executors or administrators of a deceased registered Warrantholder (not being one of several joint holders) where such executors or administrators are entered into the Depository Register and, in the case of the death of one or more of several registered joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Issuer and the Warrant Agent as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the payment of such fees and expenses referred to in this Condition 9 be entitled to be registered as a Warrantholder or to make such transfer as the deceased Warrantholder could have made.
- 9.7 With respect to the Warrants registered in the name of the Depository, any transfer of such Warrants shall be effected subject to and in accordance with these terms and conditions, applicable law and the rules of the Depository as amended from time to time and where Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the Depository by way of book-entry. A Depositor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Depository Register by the Depository.

## **10 REPLACEMENT OF WARRANT CERTIFICATES**

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law) for every Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Warrants is subsequently exercised, there will be paid to the Issuer and/or the Warrant Agent on demand the market value of the Warrants at the time of the replacement thereof) as the Issuer may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate(s) will be issued in the name of the registered holder of the Warrant Certificate(s) being replaced.

## **11 MEETINGS OF WARRANTHOLDERS AND MODIFICATION**

- 11.1 The Deed Poll contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than 10 per cent. of the Warrants for the time being

remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over 50 per cent. of the Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warranholders whatever the number of Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including cancelling the subscription rights constituted by the Warrants), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than 75 per cent., or at any adjournment of such meeting, over 25 per cent., of the Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warranholders shall be binding on all Warranholders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warranholders.

11.2 The Issuer may, without the consent of the Warranholders but in accordance with the terms and conditions of the Deed Poll, effect any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Issuer:

- (a) is not materially prejudicial to the interests of the Warranholders;
- (b) is of a formal, technical or minor nature;
- (c) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
- (d) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Warrant Exercise Shares arising from the exercise thereof or meetings of the Warranholders in order to facilitate the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Issuer's securities on the SGX-ST.

Any such modification shall be binding on the Warranholders and shall be notified to them in accordance with Condition 12 as soon as practicable thereafter.

Without prejudice to any other provisions herein, any material alteration to the terms and conditions of the Warrants after the issue thereof to the advantage of the Warranholders and prejudicial to the Shareholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

## 12 **NOTICES**

12.1 Subject to Condition 12.2, notices to Warranholders will be valid if either (i) for so long as the Warrants are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at <http://www.sgx.com> or (ii) published in a leading English language newspaper having general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

12.2 *Where the registered holder is CDP, notices to Warranholders will only be valid if despatched by uninsured post to persons who are for the time being shown in the records of CDP as the holders of the Warrants or, if the rules of CDP so permit, delivered to CDP for communication by it to the Warrants, except that if the Warrants are listed on the SGX-ST and the rules of the*

*SGX-ST so require, notice will in any event be considered valid if published in accordance with the preceding paragraph. Any such notice shall be deemed to have been given to the Warranholders on the fourth day after the day of despatch or (as the case may be) on which the said notice was given to CDP.*

- 12.3 Notwithstanding the other provisions of this Condition 12, in any case where the identity and addresses of all the Warranholders are known to the Issuer, notices to such Warranholders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.
- 12.4 The Issuer shall, not later than one (1) month before the Expiration Date, give notice to the Warranholders in accordance with this Condition 12, of the Expiration Date and make an announcement of the same to the SGX-ST. The Issuer shall also, not later than one (1) month before the Expiration Date, take reasonable steps to notify the Warranholders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warranholders as recorded in the Register or, in the case of Warranholders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.
- 12.5 Without prejudice to the generality of the foregoing, Warranholders who acquire Warrants after notice of the Expiration Date has been given in accordance with these Conditions shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with this Condition 12. For the avoidance of doubt, neither the Issuer nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

### **13 WARRANT AGENT NOT ACTING FOR WARRANTHOLDERS**

In acting under the Warrant Agency Agreement, the Warrant Agent is (subject to the terms and conditions thereof) acting as agent for the Issuer and does not assume any obligation or duty to or any relationship or trust for the Warranholders.

### **14 GOVERNING LAW AND JURISDICTION**

#### **14.1 Governing Law**

The Deed Poll and the Warrants are governed by, and shall be construed in accordance with, the laws of Singapore.

#### **14.2 Jurisdiction**

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Deed Poll and the Warrants and accordingly any legal action or proceedings arising out of or in connection with the Deed Poll and the Warrants, ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts 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.

## 15 PROCESS AGENT

The Issuer has irrevocably appointed FS Chengdu No. 1 Pte. Ltd. (presently at 8 Robinson Road, #07-00, ASO Building, Singapore 048544) as its authorised agent for service of process in Singapore. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in Singapore and deliver to the Warrant Agent a copy of the new agent's acceptance of that appointment within 30 days. Nothing in the Deed Poll or any term or condition of the Warrants shall affect the right to serve process in any other manner permitted by law.

### Notes:

- (1) The attention of Warranholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In general terms, these provisions regulate the acquisition of effective control of public companies. Warranholders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warranholder should note that he may be under an obligation to extend a take-over offer for the Issuer if:
- (a) he intends to acquire, by the exercise of the Warrants or otherwise, whether at one time or different times, Ordinary Shares which (together with Ordinary Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of the Issuer; or
  - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights of the Issuer, and either alone or together with persons acting in concert, intends to acquire additional Ordinary Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1%).
- (2) The attention of Warranholders is drawn to Condition 4.1 and 4.2 of the Warrants relating to restrictions on the exercise of the Warrants.

A Warranholder who, after exercise of this Warrant, has an interest in not less than five per cent. (5%) of the aggregate of the number of the voting shares in the Issuer or (if he already holds not less than five per cent. (5%) in the manner as aforesaid) increases his percentage shareholding in the Issuer, so as to result in his aggregate percentage shareholding in the Issuer crossing the next discrete whole number, is under an obligation to (a) notify the Issuer of his interest in the manner set out in sections 82 and 83 of the Companies Act (Chapter 50) of Singapore; and (b) notify the SGX-ST of his interest in the manner set out in sections 135, 136 and 137 of the Securities and Futures Act (Chapter 289) of Singapore.