

ATTILAN GROUP LIMITED
(Incorporated in Singapore)
(Company Registration Number: 199906459N)

PROPOSED ISSUE OF 1% UNSECURED EQUITY LINKED REDEEMABLE STRUCTURED CONVERTIBLE NOTES DUE 2018 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$50,000,000

- RESPONSE TO SGX QUERIES

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcements dated 2 October 2015 and 31 March 2016.

In response to the queries of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) dated 4 April 2016 for clarification on Proposed Issue, the Board of Directors (the “**Board**”) of Attilan Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce the following:

Query 1:

In the Announcement ‘Proposed Issue of 1% Unsecured Linked Redeemable Structured Convertible Notes Due 2018 in Aggregate Principal Amount of up to S\$50,000,000 – Supplemental Agreement’ on 31 March 2016, the Company announced that “the Company, the Subscriber and ACP had, on 31 March 2016, entered into a supplemental agreement (the “Supplemental Agreement”) to vary the terms and conditions of the Subscription Agreement”.

Please provide further disclosure on the following:

- (a) A comparison of the terms and conditions that were varied against the original terms in the Subscription Agreement. Please disclose the changes in layman’s terms so that investors are able to understand clearly the changes that have been made;
- (b) Disclose how these amendments will impact the financials of the Company and whether these amendments will impact the Company positively or adversely;
- (c) To disclose the conditions precedents for the amendments to take effect; and
- (d) To disclose the rationale for the amendments.

Response 1:

- (a) The table below shows the original terms in the Subscription Agreement and the revised terms pursuant to the Supplemental Agreement, with the amendments marked up.

Original terms in the Subscription Agreement	Revised terms pursuant to the Supplemental Agreement
Clause 5.1(d) <i>“an arranger fee of 5.0% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes, Tranche 4 Notes, Tranche 5 Notes, Tranche 6 Notes, Tranche 7 Notes and Tranche 8 Notes issued is payable to ACP on each Closing Date of each such sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes</i>	Clause 5.1(d) <i>“an arranger <u>administrative</u> fee of 5.0% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes, Tranche 4 Notes, Tranche 5 Notes, Tranche 6 Notes, Tranche 7 Notes and Tranche 8 Notes issued is payable to ACP on each Closing Date of each such sub-tranche of Tranche 1 Notes, Tranche 2 Notes,</i>

<p>Tranche 4 Notes, Tranche 5 Notes, Tranche 6 Notes, Tranche 7 Notes and Tranche 8 Notes, as the case may be. The Company agrees that to facilitate payments by the Company under this provision, such amounts of arranger fee payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of each sub-tranche of the Notes;</p>	<p>Tranche 3 Notes Tranche 4 Notes, Tranche 5 Notes, Tranche 6 Notes, Tranche 7 Notes and Tranche 8 Notes, as the case may be. The Company agrees that to facilitate payments by the Company under this provision, such amounts of arranger <u>administrative</u> fee payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of each sub-tranche of the Notes;</p>
<p>Schedule 3, Condition 8.2 of the Terms and Conditions of the Notes of the Subscription Agreement</p> <p><i>“Subject to Condition 8.15, the number of Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate principal amount of the Notes to be converted (as defined below) by the applicable Conversion Price (as defined below), determined as hereinafter provided, in effect on the relevant Conversion Date (as defined below) (“Entitled Shares”). The applicable accrued interest thereon up to the Conversion Date will be payable in cash when due.”</i></p>	<p>Schedule 3, Condition 8.2 of the Terms and Conditions of the Notes of the Subscription Agreement</p> <p><i>“Subject to Condition 8.15, the number of Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate principal amount of the Notes to be converted (as defined below) by the applicable Conversion Price (as defined below), determined as hereinafter provided, in effect on the relevant Conversion Date (as defined below) (“Entitled Shares”). <u>If the Conversion Price (as defined below) is less than SGD 0.001, (a) the number of Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate principal amount of the Notes to be converted by SGD 0.001; and (b) the sum equal to such number of Shares multiplied by the difference between SGD 0.001 and the Conversion Price (as defined below) will be payable to the Noteholder in cash on the Conversion Date. The applicable accrued interest thereon up to and including the Conversion Date will be payable in cash when due on the Conversion Date.</u>”</i></p>
<p>Schedule 3, Condition 8.4 of the Terms and Conditions of the Notes of the Subscription Agreement</p> <p><i>“The price at which each Share shall be issued upon conversion (the “Conversion Price”) shall be:-</i></p> <p>(a) <i>in respect of Tranche 1 Notes, 80% of the average Closing Price per Share on any three consecutive Business Days as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant Conversion Date (as defined below) on which Shares were traded on the SGX-ST;</i></p> <p>(b) <i>in respect of Tranche 2 Notes, 85% of the average Closing Price per Share on any three consecutive Business Days</i></p>	<p>Schedule 3, Condition 8.4 of the Terms and Conditions of the Notes of the Subscription Agreement</p> <p><i>“The price at which each Share shall be issued upon conversion (the “Conversion Price”) shall be:-</i></p> <p>(a) <i>in respect of Tranche 1 Notes, 80% of the average Closing Price per Share on any three consecutive Business Days as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant Conversion Date (as defined below) on which Shares were traded on the SGX-ST;</i></p> <p>(b) <i>in respect of Tranche 2 Notes, 85% of the average Closing Price per Share on any three consecutive Business Days</i></p>

<p>as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant Conversion Date (as defined below) on which Shares were traded on the SGX-ST.</p> <p>Notwithstanding anything to the contrary, in the event that the three Business Days as selected by the relevant Noteholder were not consecutive Business Days, the said selected three Business Days shall be deemed consecutive in nature for the purposes of this Condition 8.4, PROVIDED THAT:-</p> <p>(i) those consecutive Business Days that ought to have been selected (to constitute consecutive) were not selected due to the fact that they were Business Days where no trades were done on the Shares on the SGX-ST; and</p> <p>(ii) the first Business Day immediately thereafter where there was trading in the Shares were selected as a Business Day in their stead.”</p>	<p>as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant Conversion Date (as defined below) on which Shares were traded on the SGX-ST,</p> <p><u>provided always that the Conversion Price is no less than SGD 0.001.</u></p> <p>Notwithstanding anything to the contrary, in the event that the three Business Days as selected by the relevant Noteholder were not consecutive Business Days, the said selected three Business Days shall be deemed consecutive in nature for the purposes of this Condition 8.4, PROVIDED THAT:-</p> <p>(i) those consecutive Business Days that ought to have been selected (to constitute consecutive) were not selected due to the fact that they were Business Days where no trades were done on the Shares on the SGX-ST; and</p> <p>(ii) the first Business Day immediately thereafter where there was trading in the Shares were selected as a Business Day in their stead.”</p>
---	--

- (b) The impact of the amendments on the financials of the Company will be included in the circular to shareholders in respect of the Proposed Issue.
- (c) There are no condition precedents for the amendments to take effect.
- (d) After seeking professional advice, the Company has decided to include the minimum conversion price of SGD 0.001 to illustrate to the shareholders the maximum dilution impact of the Proposed Issue on their shareholding.

By Order of the Board

Datuk Jared Lim Chih Li
Managing Director
6 April 2016