

PHARMESIS INTERNATIONAL LTD.
(The “**Company**”)
(Incorporated in the Republic of Singapore)
(Co. Registration No.: 200309641E)

THE PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) NEW CONSOLIDATED SHARE (FRACTIONAL ENTITLEMENTS TO BE DISREGARDED)

- NOTICE OF SHARE CONSOLIDATION BOOKS CLOSURE DATE AND ADJUSTMENT TO SHARE OPTIONS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company refers to its announcements made on 9 July 2015, 29 July 2015 and 20 August 2015 and the circular to shareholders of the Company dated 5 August 2015 (“**Circular**”) in relation to the Proposed Share Consolidation. Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Circular.

2. NOTICE OF SHARE CONSOLIDATION BOOKS CLOSURE DATE

- 2.1 NOTICE IS HEREBY GIVEN that the Register of Members and the share transfer books of the Company will be closed at 5.00 p.m. on 31 August 2015. (the “**Share Consolidation Books Closure Date**”) in order to determine the entitlements of the Shareholders to the New Consolidated Shares for purposes of the Proposed Share Consolidation.
- 2.2 After the Share Consolidation Books Closure Date, every 10 existing Shares registered in the name of each Shareholder as at the Share Consolidation Books Closure Date will be consolidated to constitute one (1) New Consolidated Share, fractional entitlements to be disregarded. The Register of Members of the Company and the Depository Register will be updated to reflect the number of New Consolidated Shares held by the Shareholders and Depositors based on their shareholdings in the Company as at the Share Consolidation Books Closure Date.
- 2.3 **Shareholders should note that the number of the New Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Share Consolidation Books Closure Date, will be rounded down to the nearest whole New Consolidated Share and any fractions of New Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Each New Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 New Consolidated Shares. Affected Shareholders will not be paid for any fractions of a New Consolidated Share which are disregarded.**

3. ADJUSTMENTS TO SHARE OPTIONS

- 3.1 As stated in the Circular, the alteration to the number of Shares as a result of the Proposed Share Consolidation will also constitute an event giving rise to an adjustment to the exercise price of each Share Option and/or the number of Share Options issued pursuant to the rules of the Share Option Scheme. Upon any adjustment required to be made pursuant to the rules of the Share Option Scheme, the Company shall notify the participant of the Share Option Scheme (or his duly appointed personal representatives) in writing and deliver to him (or his duly appointed representatives) a statement setting forth the exercise price thereafter in effect and the nominal value, class and/or number of Shares thereafter to be issued on the exercise of the Share Option. Any adjustment shall take effect upon such written notification being given (the “**Option Effective Date**”).
- 3.2 As at the date of this announcement, 10,200,000 Share Options remained unexercised.
- 3.3 Pursuant to the rules of the Share Option Scheme, the Share Option Scheme Committee has determined that:
- (a) the number of unexercised Share Options will be adjusted on the basis that 10 Share Options will be consolidated into one (1) adjusted Share Option (“**Adjusted Share Option**”);
 - (b) the exercise price of each Share Option will be adjusted from S\$0.125 to S\$1.25; and
 - (c) each Adjusted Share Option shall carry the right to receive one (1) New Consolidated Share,

which will take effect on the Option Effective Date. The Company’s auditors, Ernst & Young LLP, have confirmed in their report to the Company that the proposed adjustments to the Share Options set out above are fair and reasonable, in all material respects based on the criteria applied by the Share Option Scheme Committee.

4. SHARE CERTIFICATES

Deposit of Share Certificates with CDP

- 4.1 Shareholders who hold physical share certificates for existing Shares in their own names (“**Existing Share Certificates**”) and who wish to deposit the same with CDP and have their New Consolidated Shares credited to their Securities Accounts must deposit their Existing Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Share Consolidation Books Closure Date. After the Share Consolidation Books Closure Date, CDP will only accept deposit of share certificates for New Consolidated Shares (“**New Share Certificates**”).
- 4.2 Shareholders who wish to deposit their Existing Share Certificates with CDP after the Share Consolidation Books Closure Date must first deliver such Existing Share Certificates to the Company’s Share Registrar, RHT Corporate Advisory Pte. Ltd. at Six Battery Road #10-01, Singapore 049909, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the date of receipt of their Existing Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

Issue of New Share Certificates

- 4.3 Shareholders who have deposited their Existing Share Certificates with CDP at least 12 Market Days prior to the Share Consolidation Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.
- 4.4 Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificates to the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd. at Six Battery Road #10-01, Singapore 049909, as soon as possible after they have been notified of the Share Consolidation Books Closure Date and not later than five (5) Market Days after the Share Consolidation Books Closure Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the Share Consolidation Books Closure Date or the date of receipt of the Existing Share Certificates, whichever is the later.
- 4.5 Shareholders are to deliver their respective Existing Share Certificates to the Company's Share Registrar or CDP only after the announcement of the Share Consolidation Books Closure Date by the Company.
- 4.6 No receipt will be issued by the Company's Share Registrar for the receipt of the Existing Share Certificates tendered.
- 4.7 Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Existing Share Certificates have been tendered to the Company's Share Registrar for cancellation.
- 4.8 Please notify the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd. at Six Battery Road #10-01, Singapore 049909, if you have lost any of your Existing Share Certificates or if there is any change in your address from that reflected in the Register of Members of the Company.

Share Certificates Not Valid for Settlement of Trades on SGX-ST

- 4.9 Shareholders are reminded that their Existing Share Certificates will not be valid for settlement of trading in the Shares on SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Existing Share Certificates will continue to be accepted by the Company's Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Company's Share Registrar. The New Share Certificates will not be valid for delivery for trades done on SGX-ST although they will continue to be *prima facie* evidence of legal title.

5. TRADING ARRANGEMENTS FOR ODD LOTS

Trading Arrangements for the Shares

- 5.1 Notwithstanding that the Proposed Share Consolidation will become effective from 9.00 a.m. on 1 September 2015 (the "**Share Consolidation Effective Date**"), with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 New

Consolidated Shares. Accordingly, 10 existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) New Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

- 5.2 All fractional entitlements of the New Consolidated Shares arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Trading Arrangements for Odd Lots of New Consolidated Shares

- 5.3 The Shares are currently traded in board lots of 100 shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Depositors may be credited with odd lots of New Consolidated Shares (i.e. lots other than board lots of 100 New Consolidated Shares). The market for trading such odd lots of New Consolidated Shares may be illiquid. Depositors who receive odd lots of New Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of New Consolidated Shares on the SGX-ST should note that odd lots of New Consolidated Shares with a minimum size of one (1) New Consolidated Share can be traded on the unit share market which would allow trading in odd lots.

6. INDICATIVE TIMETABLE

The table below sets out the indicative timetable for the Proposed Share Consolidation.

Time and Date	Event
21 August 2015	Announcement of Notice of Share Consolidation Books Closure Date for the Proposed Share Consolidation
5.00 p.m. on 26 August 2015	Last date and time for trading of existing Shares (on pre-consolidated basis)
9.00 a.m. on 27 August 2015	Effective Trading Date (commencement of trading of the New Consolidated Shares on the SGX-ST)
5.00 p.m. on 31 August 2015	Share Consolidation Books Closure Date for the Proposed Share Consolidation
9.00 a.m. on 1 September 2015	Share Consolidation Effective Date (Proposed Share Consolidation becomes effective)

Please note that, notwithstanding that the Proposed Share Consolidation will become effective on the Share Consolidation Effective Date, trading in the New Consolidated Shares will commence from 9.00 a.m. on the Effective Trading Date (being the day falling three (3) Market Days before the Share Consolidation Effective Date), due to the fact that trades on the SGX-ST are settled on a "T+3" settlement cycle, that is, a purchase or sale of existing Shares on day T will be settled at T plus three (3) Market Days later.

The above timeline is indicative and subject to change. Any change to the indicative timeline will be announced by the Company via SGXNET.

7. CONTACT INFORMATION

7.1 The address of the Company's Share Registrar is as follows:

RHT Corporate Advisory Pte. Ltd.
Six Battery Road
#10-01
Singapore 049909

7.2 The address of CDP is as follows:

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

BY ORDER OF THE BOARD

Jiang Yun
Executive Chairman

21 August 2015