

## OFFER INFORMATION STATEMENT DATED 1 MARCH 2017

(Lodged with the Singapore Exchange Securities Trading Limited ("SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore ("Authority") on 1 March 2017)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the Section entitled "Definitions" of this offer information statement ("Offer Information Statement").

The securities offered are issued by AsiaPhos Limited ("Company"), an entity whose shares are listed for quotation on the sponsor-supervised listing platform of SGX-ST ("Catalist"). The Company intends to list the Rights Shares, the Warrants and the New Shares, and an application has been made for permission for the securities to be listed for quotation on Catalist.

**Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

This offer is made in or accompanied by this Offer Information Statement, together with copies of the Provisional Allotment Letter ("PAL"), the Application Form for Rights Shares with Warrants and Excess Rights Shares with Warrants ("ARE") and the Application Form for Rights Shares with Warrants ("ARS"), which have been lodged with the SGX-ST acting as agent on behalf of the Authority. The lodgement of this Offer Information Statement together with a copy each of the PAL, the ARE and the ARS with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289 of Singapore), or any other legal or regulatory requirements, or requirements in the SGX-ST's listing rules, have been complied with.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Company and its subsidiaries, the Shares, the Rights Shares, the Warrants and the New Shares being offered or in respect of which an invitation is made, for investment.

Acceptance of applications will be conditional upon the issue of the Rights Shares with Warrants and upon listing of the Rights Shares on Catalist. Monies paid in respect of any application accepted will be returned if the Rights Shares and the Warrants are not issued or if the listing of the Rights Shares does not proceed.

An application has been made by the Company to the SGX-ST for the listing of, and quotation for, the Rights Shares, the Warrants and the New Shares on Catalist. The listing and quotation notice has been granted by the SGX-ST for the listing of, and quotation for, the Rights Shares, the Warrants and the New Shares on Catalist, subject to certain conditions. The Company may in its absolute discretion waive any of the said conditions in the event that the SGX-ST waives compliance of the same. The Rights Shares, the Warrants and the New Shares will be admitted to Catalist and the official listing of, and quotation for, the Rights Shares, the Warrants and the New Shares will commence after all conditions imposed by the SGX-ST are satisfied, including in respect of the Warrants, a sufficient spread of holdings of the Warrants to provide for any orderly market in the Warrants, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

The listing and quotation notice granted by the SGX-ST for admission to Catalist and the dealing in, listing of and quotation for, the Rights Shares, the Warrants and the New Shares are in no way reflective of, and are not to be taken as an indication of the merits of the Rights cum Warrants Issue (as defined herein), the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

**It should be noted that the Warrants may not be listed and quoted on Catalist in the event of an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. In such an event, holders of the Warrants will not be able to trade their Warrants on Catalist.**

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Rights cum Warrants Issue and shall not be relied upon by any other person or for any other purpose.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Information Statement.

This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Offer Information Statement. This Offer Information Statement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. The contact person for the Sponsor is Mr. Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

**YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" OF THIS OFFER INFORMATION STATEMENT WHICH YOU SHOULD REVIEW CAREFULLY.**

# ASIAPHOS

## ASIAPHOS LIMITED

(Company Registration Number: 201200335G)  
(Incorporated in the Republic of Singapore)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE ("RIGHTS CUM WARRANTS ISSUE") OF UP TO 112,664,875 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.08 FOR EACH RIGHTS SHARE ("ISSUE PRICE"), WITH UP TO 112,664,875 FREE DETACHABLE AND TRANSFERABLE WARRANTS ("WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY ("NEW SHARE") AT THE EXERCISE PRICE OF S\$0.08 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT FOR EVERY EIGHT (8) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY THE ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS, IF ANY, TO BE DISREGARDED**

*Manager of the Rights cum Warrants Issue*

 **UOB** 大华银行

## UNITED OVERSEAS BANK LIMITED

(Company Registration No. 193500026Z)  
(Incorporated in the Republic of Singapore)

### IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	13 March 2017 at 5.00 p.m.
Last date and time for acceptance of and payment for the Rights Shares with Warrants	:	17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for acceptance of and payment for the Rights Shares with Warrants by renounees	:	17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Shares with Warrants	:	17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

## IMPORTANT NOTICE

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

**For Entitled Depositors, acceptances of the Rights Shares with Warrants and (if applicable) applications for Excess Rights Shares with Warrants may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.**

**For Entitled Scripholders, acceptances of the Rights Shares with Warrants and (if applicable) applications for Excess Rights Shares with Warrants may be made through the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd..**

**As the Company is not registered under the Central Provident Fund (“CPF”) Investment Scheme, monies in CPF Investment Scheme – Ordinary Account of CPF members cannot be used for the acceptances of the Rights Shares with Warrants or to apply for Excess Rights Shares with Warrants.**

**For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares with Warrants and (if applicable) applications for Excess Rights Shares with Warrants must be done through their respective finance companies or Depository Agents. Any application made directly through CDP or through ATMs of Participating Banks will be rejected.**

### Use of SRS Funds

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

SRS Investors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants on their behalf in accordance with this Offer Information Statement.

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

The existing Shares are quoted on Catalist.

Persons wishing to subscribe for the Rights Shares with Warrants offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Rights Shares, the Warrants and the New Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire the Rights Shares with Warrants or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights cum Warrants Issue, the issue of the Rights Shares with Warrants and/or the New Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group, the Manager or the Sponsor. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the Rights Shares, the Warrants and the New Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company and/or the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement, or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company, the Manager and the Sponsor make no representation or warranty in this Offer Information Statement to any person regarding the legality of an investment in the Rights Shares, the Warrants, the New Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Rights Shares, the Warrants, the New Shares and/or the Shares.

The Company, the Manager and the Sponsor make no representation, warranty or recommendation whatsoever as to the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Shares, the Proposed Transactions, the Company and/or the Group or any other matter relating thereto or in connection therewith.

Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or acquire the Rights Shares, the Warrants, the New Shares and/or the Shares. Prospective subscribers of the Rights Shares, the Warrants and the New Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group, and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares with Warrants under the Rights cum Warrants Issue and may not be relied upon by any persons (other than Entitled Shareholders to whom these documents have been despatched by the Company, their renounees and the Purchasers), or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions.**

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## DEFINITIONS

In this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

### **General**

“%” or “per cent.”	:	Per centum or percentage
“ARE”	:	Application and acceptance form for Rights Shares with Warrants and Excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue
“ARS”	:	Application form for Rights Shares with Warrants to be issued to Purchasers
“Astute Ventures”	:	Astute Ventures Pte. Ltd.
“ATM”	:	Automated teller machine
“Authority”	:	Monetary Authority of Singapore
“AV Deed of Undertaking”	:	The deed of undertaking dated 30 December 2016 executed by Astute Ventures in favour of the Company and NWC pursuant to which Astute Ventures has unconditionally and irrevocably undertaken that it will, <i>inter alia</i> , subscribe for 25,000,000 Rights Shares with Warrants (the aggregate value of which is S\$2,000,000 based on the Issue Price)
“Board” or “Board of Directors”	:	The board of Directors of the Company as at the date of this Offer Information Statement
“Books Closure Date”	:	5.00 p.m. on 28 February 2017, being the time and date at and on which the Register of Members and the Transfer Books of the Company were closed to determine the entitlements of Entitled Shareholders under the Rights cum Warrants Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights cum Warrants Issue were determined
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Chemical Production Operations”	:	The Group’s downstream business segment which is the manufacturing, sale and trading of phosphate-based chemicals products such as P <sub>4</sub> , sodium tripolyphosphate and sodium hexametaphosphate; and the sale of P <sub>4</sub> by-products, such as slag, sludge and ferrophosphate, produced as a result of such manufacturing process

<b>“Closing Date”</b>	:	The last date for acceptance of and/or excess application and payment for the Rights Shares with Warrants under the Rights cum Warrants Issue at the time and in the manner set out in this Offer Information Statement, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company subsequent to the issue of this Offer Information Statement
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Company” or “AsiaPhos”</b>	:	AsiaPhos Limited
<b>“Deed for Early Redemption”</b>	:	The deed executed by each NWC Investor, NWC and the Company on 30 December 2016 under which it is agreed that, <i>inter alia</i> , an early redemption of the NWC Preference Shares will be effected ahead of the maturity date of the NWC Preference Shares on 26 January 2021
<b>“Deed Poll”</b>	:	The deed poll dated 24 February 2017 executed by the Company for the purposes of constituting the Warrants (as may be amended or supplemented from time to time) and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warranholders
<b>“Directors”</b>	:	The directors of the Company as at the date of this Offer Information Statement
<b>“Dr. Ong”</b>	:	Dr. Ong Hian Eng, the Chief Executive Officer and Executive Director of the Company and a controlling Shareholder
<b>“Dr. Ong Deed of Undertaking”</b>	:	<p>The deed of undertaking dated 30 December 2016 executed by Dr. Ong in favour of the Company and NWC, pursuant to which he has unconditionally and irrevocably undertaken that he will, <i>inter alia</i>:</p> <p>(a) subscribe for, by way of acceptance, an aggregate of 35,258,903 Rights Shares with Warrants to be provisionally allotted to the members of the OHE Group on the basis of their respective shareholdings in the Company; and</p> <p>(b) subscribe for up to 30,834,847 Rights Shares with Warrants (which are not taken up by the other Entitled Shareholders or their renounees) by way of excess application (subject to availability)</p>
<b>“Dr. Ong Loan”</b>	:	The loan of S\$1,000,000 extended by Dr. Ong to the Company, as announced by the Company on 22 December 2016, which is interest-free, unsecured and for a duration of six (6) months
<b>“Electronic Application”</b>	:	Acceptance of the Rights Shares with Warrants and (if applicable) application for Excess Rights Shares with Warrants made through an ATM of one (1) of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement



<b>“Entitled Depositors”</b>	:	Entitled Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date
<b>“Entitled Scripholders”</b>	:	Entitled Shareholders with Shares registered in their own names in the Register of Members of the Company as at the Books Closure Date, with the exception of CDP
<b>“Entitled Shareholders”</b>	:	Shareholders as at the Books Closure Date whose registered addresses with CDP or the Company, as the case may be, were in Singapore or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Company, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“EPS”</b>	:	Earnings per Share
<b>“Excess Rights Shares with Warrants”</b>	:	The provisional allotments of Rights Shares with Warrants which are not taken up as at the close of the Rights cum Warrants Issue, and which may be applied and subscribed for by Entitled Shareholders which are in excess of the number of Rights Shares with Warrants provisionally allotted to such Entitled Shareholders
<b>“Exercise Period”</b>	:	The period during which the Warrants may be exercised, commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3 <sup>rd</sup> ) anniversary of the date of issue of the Warrants, but excluding such period(s) during which the Register of Warranholders may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll
<b>“Exercise Price”</b>	:	The sum payable in respect of each New Share to which a Warranholder will be entitled to subscribe upon the exercise of a Warrant, being S\$0.08, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
<b>“FengTai Mine”</b>	:	The 德阳市峰泰矿业有限责任公司英雄崖重晶石矿 (FengTai barite mine), located in Mianzhu City, Sichuan Province, the PRC
<b>“Fica”</b>	:	Fica (Pte.) Ltd.
<b>“Foreign Purchasers”</b>	:	Has the meaning ascribed thereto in the Section entitled “Eligibility of Shareholders to Participate in the Rights cum Warrants Issue” of this Offer Information Statement
<b>“Foreign Shareholders”</b>	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not later than three (3) Market Days prior to the Books Closure Date provided CDP or the Company, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“FY”</b>	:	Financial year ended or ending 31 December, as the case may be
<b>“Group”</b>	:	The Company and its subsidiaries

<b>“Irrevocable Deeds of Undertaking”</b>	:	Collectively, the Dr. Ong Deed of Undertaking, the AV Deed of Undertaking, the Teo Deed of Undertaking and the Yi Prime and Lim Deed of Undertaking, further information on which is set out in paragraphs 1(f) to 1(g) of Part X (Additional Information required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
<b>“Issue Price”</b>	:	The issue price of the Rights Shares, being S\$0.08 for each Rights Share with Warrant
<b>“km”</b>	:	kilometers
<b>“Latest Practicable Date”</b>	:	20 February 2017, being the latest practicable date prior to the printing of this Offer Information Statement
<b>“LPS”</b>	:	Loss per Share
<b>“Manager” or “Sponsor”</b>	:	United Overseas Bank Limited
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maximum Scenario”</b>	:	Has the meaning ascribed thereto in paragraph 1 of Part III (Offer Statistics and Timetable) of this Offer Information Statement
<b>“Mianzhu Norwest”</b>	:	Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd. (四川绵竹华丰磷化工有限公司), a wholly-owned subsidiary of the Company
<b>“Mine 1” or “Cheng Qiang Yan”</b>	:	The 四川绵竹华丰磷化工有限公司城墙岩磷矿 (Cheng Qiang Yan phosphate mine), located near Qing Ping Town, Mianzhu City, Sichuan Province, the PRC
<b>“Mine 2” or “Shi Sun Xi”</b>	:	The 四川绵竹华丰磷化工有限公司石笋西磷矿 (Shi Sun Xi phosphate mine), located near Qing Ping Town, Mianzhu City, Sichuan Province, the PRC
<b>“Mines”</b>	:	Mine 1, Mine 2 and the FengTai Mine, collectively
<b>“Minimum Scenario”</b>	:	Has the meaning ascribed thereto in paragraph 1 of Part III (Offer Statistics and Timetable) of this Offer Information Statement
<b>“Mining Operations”</b>	:	The Group’s upstream business segment, which is the exploration, mining and sale of phosphate rocks
<b>“Mr. Lim”</b>	:	Mr. Lim Chee Kian, the sole shareholder and director of Yi Prime
<b>“Mr. Teo”</b>	:	Mr. Teo Kek Tjok @ Teo Kek Yeng
<b>“NAV”</b>	:	Net asset value
<b>“New Shares”</b>	:	The new Shares to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, including where the context admits, such new Shares arising from the exercise of any further Warrants which may be issued pursuant to the terms and conditions of the Warrants as set out in the Deed Poll



<b>“NWC”</b>	:	Norwest Chemicals Pte. Ltd., a wholly-owned subsidiary of the Company
<b>“NWC Investors”</b>	:	Collectively, Dr. Ong, Astute Ventures, Yi Prime and Mr. Teo, each being holders of the NWC Preference Shares in their respective proportions and <b>“NWC Investor”</b> shall refer to any one of them
<b>“NWC Preference Shares”</b>	:	The 5,725,000 redeemable preference shares in the capital of NWC issued on 26 January 2016
<b>“Offer Information Statement”</b>	:	This document issued by the Company in respect of the Rights cum Warrants Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Authority in connection with the Rights cum Warrants Issue
<b>“OHE Group”</b>	:	The group comprising Dr. Ong, Fica, and Dr. Ong’s family members, namely, his spouse, Kong Sou Hui Grace, and his children, Ong Bee Pheng and Ong Eng Keong
<b>“OKE Group”</b>	:	The group comprising Ong Kwee Eng (Dr. Ong’s brother), Astute Ventures, Ong Kwee Eng’s family members, namely his spouse, Ng Siew Tin, and his children, Ong Eng Hock Simon, Ong Eng Siew Raymond, Ong Bee Kuan Melissa, and spouse of Ong Eng Siew Raymond, Lina Alamsjah
<b>“P<sub>4</sub>”</b>	:	Elemental phosphorus
<b>“PAL”</b>	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants of such Entitled Scripholder under the Rights cum Warrants Issue
<b>“Participating Banks”</b>	:	Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
<b>“PRC” or “China”</b>	:	People’s Republic of China
<b>“Proposed Redemption”</b>	:	The proposed redemption by NWC of the NWC Preference Shares pursuant to the terms and conditions of the Deed for Early Redemption
<b>“Proposed Transactions”</b>	:	The Rights cum Warrants Issue and the Proposed Redemption
<b>“Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue traded on Catalist through the book-entry (scripless) settlement system
<b>“Record Date”</b>	:	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 with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions

<b>“Rights cum Warrants Issue”</b>	:	The renounceable non-underwritten rights issue by the Company of up to 112,664,875 Rights Shares at the Issue Price for each Rights Share, with up to 112,664,875 Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price for each New Share, on the basis of one (1) Rights Share with one (1) Warrant for every eight (8) Shares held by the Shareholders as at the Books Closure Date, fractional entitlements, if any, being disregarded
<b>“Rights Shares”</b>	:	Up to 112,664,875 new Shares to be allotted and issued by the Company pursuant to the Rights cum Warrants Issue
<b>“RMB”</b>	:	Renminbi, the lawful currency of the PRC
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
<b>“Share Registrar” or “Warrant Agent”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Sichuan Land Department”</b>	:	四川省国土资源厅(Sichuan Province Land and Resources Department)
<b>“Singapore”</b>	:	Republic of Singapore
<b>“sq km”</b>	:	square kilometers
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Investors”</b>	:	Investors who had purchased the Shares using their SRS accounts
<b>“Substantial Shareholder”</b>	:	A person who has an interest in one (1) or more voting Shares and the total votes attached to such Share(s) is not less than 5.0% of the total votes attached to all the voting Shares

<b>“Teo Deed of Undertaking”</b>	:	The deed of undertaking dated 30 December 2016 executed by Mr. Teo in favour of the Company and NWC, pursuant to which he has unconditionally and irrevocably undertaken that he will, <i>inter alia</i> :  (a) subscribe in full for his <i>pro-rata</i> entitlement of 35,000 Rights Shares with Warrants; and  (b) by way of excess application, subscribe for 3,558,750 Rights Shares with Warrants
<b>“US\$” or “United States Dollar”, and “US cents”</b>	:	United States dollars and cents, respectively, the lawful currency of the United States of America
<b>“Warrant Certificates”</b>	:	The certificates (in registered form) to be issued in respect of the Warrants as from time to time modified in accordance with the conditions to be set out in the Deed Poll
<b>“Warrant Proceeds”</b>	:	The proceeds to be raised by the Company from the exercise of the Warrants
<b>“Warrantholders”</b>	:	Registered holders of the Warrants, except that where CDP is the registered holder, the term <b>“Warrantholders”</b> shall, in relation to such Warrants and where the context so admits, mean the Entitled Depositors whose Securities Accounts are credited with the Warrants
<b>“Warrants”</b>	:	The free detachable and transferable warrants in registered form to be issued by the Company pursuant to the Rights cum Warrants Issue, and where the context so admits, such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants issued pursuant to the Rights cum Warrants Issue and for all purposes to form part of the same series), each such warrant entitling its holder to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions of the Deed Poll
<b>“WGM”</b>	:	Watts, Griffis and McOuat Limited
<b>“Yi Prime”</b>	:	Yi Prime Pte. Ltd.
<b>“Yi Prime and Lim Deed of Undertaking”</b>	:	The deed of undertaking dated 30 December 2016 jointly executed by Yi Prime and Mr. Lim in favour of the Company and NWC, pursuant to which they have unconditionally and irrevocably undertaken that Mr. Lim shall, <i>inter alia</i> :  (a) subscribe in full for his <i>pro-rata</i> entitlement of 400,000 Rights Shares with Warrants; and  (b) by way of excess application, subscribe for 13,975,000 Rights Shares with Warrants

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it by Section 5 of the Companies Act.

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

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

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act, the Catalist Rules or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act, the Catalist Rules or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

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

Certain Chinese names and characters, such as those of PRC entities, properties, cities, governmental and regulatory departments, laws and regulations and notices, have been translated into English, solely for the reader's convenience, and such translations should not be construed as representations that the English names actually represent the Chinese names and characters.

## INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights cum Warrants Issue is set out below (all references are to Singapore dates and times). For the event listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Shares traded ex-rights	:	24 February 2017 from 9.00 a.m.
Books Closure Date	:	28 February 2017 at 5.00 p.m.
Date of lodgement of Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority	:	1 March 2017
Despatch of Offer Information Statement, together with the ARE and the PAL (as the case may be), to Entitled Shareholders	:	3 March 2017
Commencement of trading of “nil-paid” Rights Shares with Warrants entitlements	:	3 March 2017 from 9.00 a.m.
Last date and time for splitting Rights Shares with Warrants entitlements	:	13 March 2017 at 5.00 p.m.
Last date and time for trading of “nil-paid” Rights Shares with Warrants entitlements	:	13 March 2017 at 5.00 p.m.
Last date and time for acceptance and payment for the Rights Shares with Warrants	:	17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATM of Participating Banks)
Last date and time for renunciation and payment for the Rights Shares with Warrants	:	17 March 2017 at 5.00 p.m.
Last date and time for application and payment for Excess Rights Shares with Warrants	:	17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATM of Participating Banks)
Expected date for issuance of Rights Shares and Warrants	:	24 March 2017
Expected date for crediting of Rights Shares and Warrants	:	27 March 2017
Expected date for refund of unsuccessful applications (if made through CDP)	:	27 March 2017
Expected date and time for commencement of trading of Rights Shares	:	27 March 2017 from 9.00 a.m.
Expected date and time for commencement of trading of Warrants (subject to there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants)	:	28 March 2017 from 9.00 a.m.

Pursuant to Rule 820(1) of the Catalist Rules, the Rights cum Warrants Issue will not be withdrawn after the commencement of ex-rights trading.

The above timetable is indicative only and is subject to change.

As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, upon consultation with the Manager and the Sponsor and with the approval of the SGX-ST and/or CDP (if necessary), modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through an SGXNET announcement to be posted on the website of the SGX-ST via <http://www.sgx.com>.



## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

### 1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights cum Warrants Issue and to receive this Offer Information Statement together with the PAL or the ARE, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights cum Warrants Issue on the basis of their shareholdings in the Company as at the Books Closure Date, fractional entitlements, if any, to be disregarded. Entitled Shareholders are at liberty to accept (in full or in part), decline, or otherwise renounce or trade on the SGX-ST during the rights trading period prescribed by the SGX-ST their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares with Warrants.

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

### 2. Foreign Shareholders

This Offer Information Statement and its accompanying documents have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to, and this Offer Information Statement and its accompanying documents have not been and will not be despatched to, Foreign Shareholders.

**Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. Accordingly, no provisional allotment of Rights Shares with Warrants has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application for Excess Rights Shares with Warrants by Foreign Shareholders will be valid.**

This Offer Information Statement and its accompanying documents have not been and will not be despatched to persons purchasing the provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Rights Shares with Warrants renounced to him.

The Company further reserves the right, but shall not be obliged, to treat as invalid any acceptance or purported acceptance of the provisional allotment of Rights Shares with Warrants and (if applicable) application or purported application for Excess Rights Shares with Warrants or to decline such acceptance or purported acceptance and (if applicable) such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate any applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares and/or the Warrant Certificate(s) or which requires the Company to despatch such share certificate(s) and/or the Warrant Certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed, to be given by such person. The Company further reserves the right to reject any acceptances of the Rights Shares with Warrants and/or any applications for Excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

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

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Sponsor, CDP or the Share Registrar in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Sponsor, CDP or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be issued to satisfy excess applications (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Sponsor, CDP or the Share Registrar in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in those jurisdictions.**

The Rights Shares with Warrants which are not otherwise taken up or allotted for any reason or which represent fractional entitlements disregarded in accordance with the terms of the Rights cum Warrants Issue shall be used to satisfy excess applications for Rights Shares with Warrants (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit. In the allotment of Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sale of the provisional allotments of Rights Shares with Warrants and applications for Excess Rights Shares with Warrants, pursuant to the Rights cum Warrants Issue, including the different modes of acceptance or application and payment, are contained in Appendices B to D to this Offer Information Statement and in the PAL, the ARE, the ARS and the Deed Poll.

## TRADING

### 1. Listing of and Quotation for the Rights Shares, the Warrants and the New Shares

A listing and quotation notice has been obtained from the SGX-ST for the listing of, and quotation for, the Rights Shares, the Warrants and the New Shares on Catalist, subject to certain conditions. The listing and quotation notice granted by the SGX-ST is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

Upon the listing and quotation on Catalist, the Rights Shares, the Warrants and the New Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares, the Warrants and the New Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, the “Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares” and 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. Copies of the above are available from CDP.

**It should be noted that the Warrants may not be listed and quoted on Catalist in the event of an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. In such an event, holders of the Warrants will not be able to trade their Warrants on Catalist.**

### 2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants provisionally allotted to them and (if applicable) apply for Excess Rights Shares with Warrants, and who wish to trade the Rights Shares with Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares with Warrants and, if applicable, the Excess Rights Shares with Warrants that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants and/or apply for Excess Rights Shares with Warrants and have their Rights Shares with Warrants credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares with Warrants allotted to them and, if applicable, the Excess Rights Shares with Warrants allotted to them. Such physical share certificates for the Rights Shares and the Warrant Certificates, if issued, will be forwarded by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

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

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

### **3. Trading of Odd Lots**

Entitled Depositors who wish to trade all or part of their “nil-paid” Rights Shares with Warrants on Catalist should note that the “nil-paid” Rights Shares with Warrants will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares with Warrants, or any other board lot size as the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than board lots of 100 can do so on the SGX-ST’s Unit Share Market. Such Entitled Depositors may start trading in their “nil-paid” Rights Shares with Warrants as soon as dealings therein commence on Catalist.

Following the Rights cum Warrants Issue, Shareholders who hold odd lots of Shares and who wish to trade in odd lots on Catalist will be able to do so on the SGX-ST’s Unit Share Market. The market for trading of such odd lots may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST’s Unit Share Market.

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its respective related corporations, directors, officers, executives or employees acting on their behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s and the Group’s expected financial position and performance, operating results, business strategies, plans and future prospects are forward-looking statements. These forward-looking statements, including, but not limited to, statements as to the Company’s and the Group’s revenue and profitability, cost measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in more detail in this Offer Information Statement, in particular, but not limited to, discussions under paragraph 9 of Part V (Operating and Financial Review and Prospects) of this Offer Information Statement.

Given the risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements and information. None of the Company, the Manager, the Sponsor, their respective related corporations, directors, officers, executives and employees or any other person represents or warrants that the Company’s and the Group’s actual future results, performance or achievements will be as discussed in those statements and financial information. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, *inter alia*, the risks and uncertainties faced by the Company and the Group.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company, the Manager, the Sponsor and their respective related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority, but before the Closing Date, and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST. The Company is also subject to the provisions of the Catalyst Rules regarding corporate disclosure.

This Offer Information Statement may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable



steps have been taken to ensure that the information is extracted accurately, the Company, the Manager, the Sponsor and their respective related corporations, directors, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

## THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Code regulates the acquisition of voting shares in, *inter alia*, corporations with a primary listing of their equity securities in Singapore (such as the Company). In general terms, except with the consent of the SIC, where any person acquires shares in a company which, taken together with shares held by persons acting in concert with him, carry 30.0% of more of the voting rights of the company or where any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights, acquires in any six-month period additional shares carrying more than 1.0% of the voting rights, such person must make an offer for all the remaining shares in the company in accordance with the Code.

**Shareholders who are in doubt as to their position including obligations, if any, under the Code in connection with the acquisition of the Rights Shares with Warrants and/or any acquisition of the New Shares as a result of the exercise of the Warrants under the Rights cum Warrants Issue should consult the SIC and/or their professional advisers.**

As at the Latest Practicable Date:

- (a) the OHE Group owns in aggregate approximately 31.30% of the total issued Shares; and
- (b) the OKE Group owns in aggregate approximately 31.13% of the total issued Shares.

In connection with the Rights cum Warrants Issue and in view of the Dr. Ong Deed of Undertaking and the AV Deed of Undertaking, the Company had obtained confirmation on 19 December 2016 from the SIC that neither the OHE Group nor the OKE Group will be required to make a mandatory offer for the Company as contemplated under Rule 14 of the Code as a result of their subscribing for the Rights Shares with Warrants and the exercise of the Warrants to be issued thereunder.

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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**PART II (IDENTITY OF DIRECTORS, ADVISERS AND AGENTS)**

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**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

**Board of Directors**

<b>Name of Directors</b>	<b>Designation</b>	<b>Address</b>
Hong Pian Tee	Non-Executive Chairman and Independent Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Dr. Ong Hian Eng	Chief Executive Officer and Executive Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Ong Eng Hock Simon	Executive Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Ong Eng Siew Raymond	Non-Executive and Non-Independent Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Ong Bee Pheng	Non-Executive and Non-Independent Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Francis Lee Fook Wah	Independent Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510
Goh Yeow Tin	Independent Director	c/o 10 Kallang Avenue Aperia #05-11 Singapore 339510

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**Advisers**

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

<b>Role</b>	<b>Name and Address</b>
Manager of the Rights cum Warrants Issue	: United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
Underwriter	: Not applicable. The Rights cum Warrants Issue is not underwritten by any financial institution.
Legal Adviser to the Company in respect of the Rights cum Warrants Issue	: Rajah & Tann Singapore LLP 9 Battery Road #25-01 Singapore 049910

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**Registrars and Agents**

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

<b>Role</b>	<b>Name and Address</b>
Share Registrar and Warrant Agent	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Receiving Bank	: United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624

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## PART III (OFFER STATISTICS AND TIMETABLE)

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### **Offer Statistics**

**1. For each method of offer, state the number of the securities being offered.**

Renounceable non-underwritten rights issue by the Company of up to 112,664,875 Rights Shares at the Issue Price of S\$0.08 for each Rights Share, with up to 112,664,875 Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.08 for each New Share, on the basis of one (1) Rights Share with one (1) Warrant for every eight (8) Shares held by the Shareholders as at the Books Closure Date, fractional entitlements, if any, being disregarded.

Based on the issued share capital of the Company of 901,319,000 Shares as at the Latest Practicable Date:

- (a) assuming that the Rights cum Warrants Issue is fully subscribed, 112,664,875 Rights Shares with 112,664,875 Warrants will be issued pursuant to the Rights cum Warrants Issue (“**Maximum Scenario**”); and
- (b) assuming that only the parties to the Irrevocable Deeds of Undertaking (and their designated nominees) subscribe for and pay in full, by way of acceptance or excess application in accordance with their respective Irrevocable Deeds of Undertaking and that the remaining Rights Shares with Warrants which are not the subject of the Irrevocable Deeds of Undertaking are not subscribed for, 109,062,500 Rights Shares with 109,062,500 Warrants will be issued pursuant to the Rights cum Warrants Issue (“**Minimum Scenario**”).

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### **Method and Timetable**

**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Please refer to paragraphs 3 to 7 below.

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**3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the Section entitled “Indicative Timetable of Key Events” of this Offer Information Statement in relation to the offer period for the Rights cum Warrants Issue.

As at the Latest Practicable Date, the Company does not expect the timetable under the Section entitled “Indicative Timetable of Key Events” of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Manager and the Sponsor, and with the approval of the SGX-ST and/or CDP (if necessary), modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce such modification to the timetable through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Please refer to Appendices B to D to this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for, and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares with Warrants, including the names and addresses of the persons to whom the acceptance, application (if any) and payment are to be submitted.

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

The Rights Shares with Warrants are payable in full upon acceptance and/or application. The last date and time for acceptance of excess application for Rights Shares with Warrants and payment for the Rights Shares with Warrants and/or the Excess Rights Shares with Warrants is on **17 MARCH 2017 at 5.00 P.M.** or, in the case of acceptances and/or excess application and payment through an ATM of a Participating Bank, on **17 MARCH 2017 at 9.30 P.M.**

Please refer to Appendices B to D to this Offer Information Statement for details of the procedures for, and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares with Warrants, including the methods for payment for the Rights Shares with Warrants.

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

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares with Warrants will be provisionally allotted to Entitled Shareholders on or around 2 March 2017 by crediting the provisional allotments to the Securities Accounts of the respective Entitled Depositors. The PAL will be despatched to Entitled Scripholders on 3 March 2017.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees with valid acceptances of Rights Shares with Warrants and successful applications for Excess Rights Shares with Warrants and (in the case of such Entitled Scripholders) who have furnished valid Securities Account numbers in the relevant form comprised in the PAL, share certificates representing such number of Rights Shares and Warrant Certificates representing such number of Warrants will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares and Warrants to their relevant Securities Accounts. CDP will then send to the relevant subscribers by ordinary post, at their own risk, a notification letter stating the number of Rights Shares and Warrants that have been credited to their respective Securities Accounts.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares with Warrants and successful applications of Excess Rights Shares with Warrants and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificates representing such number of Rights Shares and Warrant Certificates representing such number of Warrants will be despatched by ordinary post, at their own risk, to their respective mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

The Company will announce the date on which (a) the share certificates for the Rights Shares and the Warrant Certificates are despatched, and (b) the Rights Shares and the Warrants are credited into the relevant Securities Accounts (as the case may be) through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.



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**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable as no pre-emptive rights have been offered.

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

The Company will publicly announce, *inter alia*, the results of the allotment or allocation of the Rights Shares with Warrants, as soon as it is practicable after the Closing Date through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

If any acceptance of Rights Shares with Warrants is invalid and/or if no Excess Rights Shares with Warrants are allotted to Entitled Depositors or if the number of Excess Rights Shares with Warrants allotted to them is less than that applied for, the amount paid on acceptance, application and/or the surplus application monies, as the case may be, will be returned or refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one (1) or a combination of the following:

- (a) by crediting their bank accounts with the relevant Participating Banks at their own risk (if they accept and (if applicable) apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, CDP, the Manager and the Sponsor of their obligations, if any, thereunder; or
- (b) by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their respective mailing addresses as maintained in the records of CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and (if applicable) apply through CDP).

If any acceptance of Rights Shares with Warrants is invalid and/or if no Excess Rights Shares with Warrants are allotted to Entitled Scripholders or if the number of Excess Rights Shares with Warrants allotted to them is less than that applied for, it is expected that the amount paid on acceptance, application and/or the surplus application monies, as the case may be, will be returned or refunded to such Entitled Scripholders by the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date, by means of a crossed cheque drawn on a bank in Singapore and sent to them at their respective mailing addresses as maintained in the records of the Share Registrar by ordinary post and at their own risk.

Please refer to Appendices B to D to this Offer Information Statement for further information on the refunding of excess amounts paid by applicants.

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## PART IV (KEY INFORMATION)

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

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

Please refer to paragraphs 2 to 7 below.

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

- (a) Under the Maximum Scenario, the estimated net proceeds from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.30 million, is expected to be approximately S\$8.71 million.
- (b) Under the Minimum Scenario, the estimated net proceeds from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.30 million, is expected to be approximately S\$8.42 million.

Assuming the maximum number of 112,664,875 Warrants are issued and in the event that all the Warrants are exercised, the Company will raise Warrant Proceeds of approximately S\$9.01 million.

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

- (a) Under the Maximum Scenario, the net proceeds of approximately S\$8.71 million from the Rights cum Warrants Issue will be utilised as follows:
- (i) S\$5,725,000 for the Proposed Redemption;
  - (ii) S\$1.0 million for the repayment of the Dr. Ong Loan; and
  - (iii) the balance of approximately S\$1.99 million for the Group's general and corporate working capital purposes, including but not limited to the Group's operating costs.
- (b) Under the Minimum Scenario, the net proceeds of approximately S\$8.42 million from the Rights cum Warrants Issue will be utilised as follows:
- (i) S\$5,725,000 for the Proposed Redemption;
  - (ii) S\$1.0 million for the repayment of the Dr. Ong Loan; and
  - (iii) the balance of approximately S\$1.70 million for the Group's general and corporate working capital purposes, including but not limited to the Group's operating costs.

The Company intends to utilise the Warrant Proceeds for its general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

The Rights cum Warrants Issue is not underwritten by any financial institution. Please refer to paragraphs 1(f) to 1(g) of Part X (Additional Information required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for further information on the Irrevocable Deeds of Undertaking. The Directors are of the reasonable opinion that there is no minimum amount which the Company must raise from the Rights cum Warrants Issue beyond the amount it is assured of receiving pursuant to such undertakings, or that must be raised from the Rights cum Warrants Issue.

Pending deployment of the net proceeds from the Rights cum Warrants Issue and the Warrant Proceeds (as and when the Warrants are exercised), such proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, and/or used for repayment of short-term borrowings and/or used for any other purpose on a short-term basis as the Board may, in its absolute discretion, deem fit.

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

(a) Under the Maximum Scenario, the gross proceeds from the Rights cum Warrants Issue will be approximately S\$9.01 million. For each dollar of such proceeds raised from the Rights cum Warrants Issue:

- (i) approximately 63.52 cents will be used for the Proposed Redemption;
- (ii) approximately 11.09 cents will be used for the repayment of the Dr. Ong Loan;
- (iii) approximately 22.04 cents will be used for the Group's general and corporate working capital purposes, including but not limited to the Group's operating costs; and
- (iv) approximately 3.34 cents will be used to pay for expenses incurred in connection with the Rights cum Warrants Issue.

(b) Under the Minimum Scenario, the gross proceeds from the Rights cum Warrants Issue will be approximately S\$8.73 million. For each dollar of such proceeds raised from the Rights cum Warrants Issue:

- (i) approximately 65.62 cents will be used for the Proposed Redemption;
- (ii) approximately 11.46 cents will be used for the repayment of the Dr. Ong Loan;
- (iii) approximately 19.47 cents will be used for the Group's general and corporate working capital purposes, including but not limited to the Group's operating costs; and
- (iv) approximately 3.45 cents will be used to pay for expenses incurred in connection with the Rights cum Warrants Issue.

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**5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

Not applicable. The net proceeds from the Rights cum Warrants Issue are not currently intended to be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Not applicable. The net proceeds from the Rights cum Warrants Issue are not currently intended to be used to finance or refinance the acquisition of another business.

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

The Company intends to utilise part of the net proceeds from the Rights cum Warrants Issue for the Proposed Redemption and the repayment of the Dr. Ong Loan.

The Proposed Redemption is an early redemption by NWC of the NWC Preference Shares which would have otherwise been redeemed on 26 January 2021, pursuant to the terms and conditions of the Deed for Early Redemption.

The Company had on 21 December 2016 entered into a shareholder's loan agreement with its Chief Executive Officer and Executive Director, Dr. Ong, in relation to the provision by Dr. Ong of a loan of S\$1,000,000 to the Company. The Dr. Ong Loan is interest-free, unsecured and for a duration of six (6) months. As at the Latest Practicable Date, the net outstanding amount owing by the Company to Dr. Ong under the Dr. Ong Loan is S\$1,000,000. The proceeds of S\$1,000,000 from the Dr. Ong Loan have been used for the Company's general corporate and working capital purposes.

Pursuant to the Deed for Early Redemption and the Irrevocable Deeds of Undertaking, Dr. Ong, Astute Ventures, Mr. Teo, Yi Prime and Mr. Lim has each acknowledged and agreed that the redemption sum for the principal amount of their respective NWC Preference Shares will be utilized to pay for the subscription monies payable by Dr. Ong, Astute Ventures, Mr. Teo and Mr. Lim for the subscription of the Rights Shares with Warrants (in each case) in accordance with the terms of the Deed for Early Redemption and the Irrevocable Deeds of Undertaking.

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- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

Not applicable. The Rights cum Warrants Issue is not underwritten by any financial institution and no placement or selling agent has been appointed by the Company in relation to the Rights cum Warrants Issue.

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**Information on the Relevant Entity****9. Provide the following information:****9(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

Registered office	:	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Principal place of business	:	10 Kallang Avenue Aperia #05-11 Singapore 339510
General telephone line	:	+65 6292 3119

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**9(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Company was incorporated in Singapore under the name of "AsiaPhos Private Limited" on 3 January 2012 and renamed "AsiaPhos Limited" on 6 September 2013 upon its conversion to a public limited company. The Company was listed on Catalist on 7 October 2013. The Company is an investment holding company with subsidiaries in Singapore and the PRC. The Group's core business comprises (i) the Mining Operations; and (ii) the Chemical Production Operations.

The subsidiaries of the Company and their principal activities as at the Latest Practicable Date are as follows:

<b>Name of company</b>	<b>Principal activities</b>	<b>Country of incorporation</b>	<b>Effective equity interest held by the Company (%)</b>
Norwest Chemicals Pte. Ltd.	Investing in chemical projects general wholesale trade and trading of chemicals	Singapore	100.0
AsiaPhos Resources Pte. Ltd.	Investment holding	Singapore	100.0
Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd.	Exploration, mining and sale of phosphate rocks, the production and sale of phosphorus and phosphate based chemical products	PRC	100.0
LY Resources Pte. Ltd.	Investment holding	Singapore	100.0
XDL Resources Pte. Ltd.	Investment holding	Singapore	100.0
Deyang Xin Zhong Lian He Technical Consulting Co., Ltd.	Mining activities, internet technology consulting services, wholesale of mineral products	PRC	100.0
Deyang City Xianrong Technical Consulting Co., Ltd.	Mining activities, internet technology consulting services, wholesale of mineral products; and transportation services.	PRC	100.0
Deyang Fengtai Mining Co., Ltd.	Sale of mineral products	PRC	55.0

The summary of the mineral resources and reserves of the Group as at 31 December 2016 (“**Summary of Mineral Resources and Reserves**”), as reproduced from the letter dated 20 February 2017 from WGM prepared in compliance with the requirements under Appendix 7D of the Catalist Rules is as follows:

**Summary of the Mineral Resources and Reserves for Sichuan Mianzhu Norwest’s Mines  
(a wholly-owned subsidiary of AsiaPhos Limited)**

Category	Mineral Type	Gross Attributable to licence		Net Attributable to the Group Assumed at 100%			Remarks
		Tonnes (millions)	Grade (P <sub>2</sub> O <sub>5</sub> %)	Tonnes (millions)	Grade (P <sub>2</sub> O <sub>5</sub> %)	Change from previous update (%)	
<b>Reserves</b>							
Proved	Phosphorite	1.1	27.96	1.1	27.96	+10	103,000 tonnes increase
Probable	Phosphorite	0.5	29.11	0.5	29.11	0	
<b>Total</b>		<b>1.6</b>	<b>28.29</b>	<b>1.5</b>	<b>28.31</b>	<b>+7</b>	
<b>Resources</b>							
Measured	Phosphorite	16.1	27.50	16.1	27.50	-2	247,000 tonnes decrease
Indicated	Phosphorite	11.3	29.43	11.3	29.43	0	
<b>Total</b>		<b>27.4</b>	<b>28.30</b>	<b>27.4</b>	<b>28.30</b>	<b>-1</b>	
Inferred*	Phosphorite	17.9	29.77	17.9	29.77	0%	

\* Note: Inferred Mineral Resources cannot be included in total Resources calculations under NI 43-101 Standard.

Notes: Mineral Resources and Reserves effective 31 December 2016.

- (1) WGM Senior Associate Industrial Mineral Specialist, Donald Hains, P.Geo. is the Qualified Person for this Mineral Resource/Reserve estimate.
- (2) Mineral Resources are estimated at a cut off value of 8% P<sub>2</sub>O<sub>5</sub> (based on a price of US\$60/t P<sub>2</sub>O<sub>5</sub>), and a minimum phosphorite bed thickness of 0.25 m.
- (3) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (4) The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
- (5) The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on 10 May 2014.
- (6) S.G. of 3.08 tonnes/m<sup>3</sup> and 3.03 tonnes/m<sup>3</sup> used for Cheng Qiang Yan and Shi Sun Xi respectively.
- (7) Indicated amounts may not precisely sum due to rounding.
- (8) Inferred Resource cannot be included in total Resource calculation under NI 43-101 Standard.
- (9) Previous Mineral Resource estimate update was prepared on 9 March 2016.
- (10) The decreased tonnages in the Measured and Indicated categories are attributed to the upgrading of portions of the resources to the Mineral Reserve category, and to a lesser extent, depletion due to ongoing mining.
- (11) Estimated Mineral Resources reported are in addition to Mineral Reserves.
- (12) “N.A.” = Not applicable.



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- 9(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;

The general development of the business of the Group from the beginning of FY2014 to the Latest Practicable Date is set out below. The information included in this section has been extracted from the relevant announcements released by the Company via SGXNET and is correct as at the date of the relevant announcements. Shareholders are advised to refer to the relevant announcements for further information.

#### **Key developments in FY2014**

In January 2014, the Company announced that Mianzhu Norwest had received the mining safety production permit (安全生产许可证) for Mine 2 issued by the Mianzhu City Administration Bureau of Work Safety (绵竹市安全生产监督管理局) and accordingly, Mianzhu Norwest can carry out the mining of phosphate rocks on Mine 2 with immediate effect.

In April 2014, the Company announced the following:

- (i) Mianzhu Norwest had applied to the Sichuan Land Department in or around December 2013 to have the Mine 1 exploration area expanded to approximately 1.54 sq km (“**Expansion Application**”) in preparation for the conversion of the Mine 1 exploration right to a mining right;
- (ii) the mining of phosphate rocks at two (2) of the Group’s mining adits were disrupted by a landslide which occurred in the vicinity of the Mine 1 mining area and as a safety precaution, the Group decided to temporarily suspend mining operations to carry out safety inspections and checks on the mines. It was subsequently announced that mining operations at Mine 1 had resumed the next day following the completion of safety checks;
- (iii) the Company had incorporated AsiaPhos Resources Pte. Ltd. (“**APR**”) on 16 April 2014 as a wholly-owned subsidiary, and the principal activity of APR is investment holding. APR had on 17 April 2014 entered into a subscription agreement with LY Resources Pte. Ltd. (“**LYR**”) and Mr. Luo Yong (罗勇) (“**Mr. Luo**”) pursuant to which LYR would issue and APR agreed to subscribe for 12.5% convertible loan notes due October 2016 with a principal value of between S\$10 million and S\$15 million (the “**Notes**”) (the “**Notes Subscription**”), which are convertible into ordinary shares in the capital of LYR (“**LYR Shares**”).

The Company had also entered into a conditional put and call option agreement on 17 April 2014 (the “**Option Agreement**”) with Mr. Luo, pursuant to which (a) the Company was granted a call option to require Mr. Luo to sell, and procure the sale of, all the LYR Shares (“**Call Option**”), and (b) Mr. Luo was granted a put option to require the Company to purchase all (but not some only) of the LYR Shares.

As a condition precedent to the Notes Subscription, Mr. Luo, Mianzhu Dashan Mining Co., Ltd (绵竹市大山矿业有限责任公司) (“**Dashan**”), Deyang Fengtai Mining Co., Ltd. (德阳市峰泰矿业有限责任公司) (“**FengTai**”) and LYR were required to enter into a restructuring memorandum with APR pursuant to which they will agree to use their respective best endeavours to undertake and complete various aspects of the reorganisation of various agreements and supplemental agreements with Dashan in respect of co-operation arrangements for the Group’s mines (“**Dashan Reorganisation**”) and the restructuring in relation to FengTai; and

- (iv) APR had entered into a subscription agreement dated 30 April 2014 (the “**RPS Subscription Agreement**”) with 17 investors (the “**Investors**”), pursuant to which APR will issue, and the Investors have agreed to subscribe for an aggregate of S\$7.0 million redeemable preference shares (“**2014 RPS**”) at the issue price of S\$1.00 per 2014 RPS (the “**RPS Subscription**”).

The Company had also, in connection with the RPS Subscription, entered into a deed of undertaking dated 30 April 2014 with APR, pursuant to which the Company gave an undertaking to subscribe for such number of new shares in the capital of APR for such aggregate consideration as may be sufficient to redeem the RPS held by the Investors at the Redemption Date (as defined in the RPS Subscription Agreement).

Both the Notes Subscription (for Notes with a principal value of S\$15 million) and the RPS Subscription were completed on 30 April 2014.

In June 2014, the Company announced the following:

- (i) the Expansion Application was still pending an official reply from the Sichuan Land Department; and
- (ii) Mianzhu Norwest had on 26 May 2014, applied to the Sichuan Land Department to have the exploration right for Mine 2, which had expired on 16 June 2014, for another two (2) years after 16 June 2014.

In July 2014, the Company announced that Mianzhu Norwest had on 21 July 2014, entered into a letter of intent (“**LOI**”) with Sichuan Mianzhu Economic Development Zone Authority (四川绵竹经济开发区管理委员会) to invest in GongXing Industrial Park in Sichuan Mianzhu Economic Development Zone on the production and other ancillary services of phosphate based chemical products where the Group’s factory operations are located. Pursuant to the LOI, Mianzhu Norwest will bring in investments of up to RMB300,000,000 of which fixed asset investment of RMB1.8 million per mu<sup>2</sup> is required in the GongXing Industrial Park within a period of three (3) years and must commence the development three (3) months from the date that Mianzhu Norwest legally obtains the land use rights.

In August 2014, the Company announced that further to the application to the Sichuan Land Department in or around December 2013 to expand the exploration area for Mine 1 to approximately 1.54 sq km, Mianzhu Norwest, had on 12 August 2014, received an exploration permit for Mine 1 from the Sichuan Land Department for an exploration area of approximately 1.54 sq km valid from 9 April 2014 to 9 April 2016.

In November 2014, the Company announced an updated qualified person’s report issued by WGM prepared in accordance with NI 43-101 relating to the mineral resources, to include additional resources for Mine 1 phosphorite deposit resulting from the increased size of the exploration area arising from the renewed exploration permit for Mine 1 for an exploration area of approximately 1.54 sq km. The report also incorporated all exploration and production data up to 30 September 2014 and the effective date of the mineral resource estimate is as at 30 September 2014 and covers both Mine 1 and Mine 2 (inclusive of the measured and indicated resource estimate of 1.3 million tonnes for the exploration area of Mine 2).

In December 2014, the Company announced that the SGX-ST had on 24 December 2014, not objected to the Company’s application for a waiver from complying with the requirements of Rules 1204(23)(a) and (c) of the Catalist Rules to include in the Company’s annual report a qualified person’s report dated no earlier than the end of the Company’s financial year (i.e. 31 December 2014) in accordance with the requirements as set out in Practice Note 4C of the Catalist Rules and a summary of reserves and resources as at the end of the Company’s financial year as set out in Appendix 7D of the Catalist Rules supported by a qualified person’s report, subject to certain conditions.

### **Key developments in FY2015**

In March 2015, the Company announced that Mianzhu Norwest had received an approval dated 28 February 2015 from the Mianzhu City Land and Resources Bureau (绵竹市国土资源局) for the land use rights for the Group's land located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC.

In June 2015, the Company announced that Mianzhu Norwest had on 11 June 2015 received the renewed exploration right for Mine 2 and the exploration right is valid from 16 June 2014 to 16 June 2016.

In July 2015, the Company announced that following the satisfaction of the conditions precedent stated in the Option Agreement, the Company had resolved to (a) acquire the existing LYR Shares; and (b) subscribe for new LYR Shares, and as a result the Company would hold the entire issued and paid-up share capital of LYR for a consideration of RMB250,000,000 (approximately S\$51,124,744). In connection therewith, 101,319,000 Shares ("**AP Consideration Shares**") will be issued by the Company to Mr. Luo to satisfy the consideration payable to Mr. Luo for the exercise of the Call Option.

In August 2015, the Company announced that the AP Consideration Shares were allotted and issued on 27 July 2015.

In December 2015, the Company announced the following:

- (i) on or around 25 November 2015, Mianzhu Norwest had applied to the Sichuan Land Department for the renewal of the mining right for Mine 1; and
- (ii) on or around 7 December 2015, FengTai had applied to the Sichuan Land Department to have the exploration right for the FengTai Mine renewed after 12 December 2015 for another two (2) years.

### **Key developments in FY2016**

In January 2016, the Company announced the following:

- (i) Mianzhu Norwest had on 7 January 2016, received the renewed mining right for Mine 1 ("**Mine 1 Renewal Right**"). The Mine 1 Renewal Right is valid until 25 December 2016 and has an approved production scale of 50,000 tonnes per year. The Sichuan Land Department had also urged Mianzhu Norwest to increase its approved production scale to 150,000 tonnes per year by 25 December 2016. Mianzhu Norwest intends to increase its approved production scale from 50,000 tonnes per year to meet the Sichuan Land Department's requirement of a minimum 150,000 tonnes per year and has submitted application for the conversion of the exploration right for Mine 1. Subject to the approval by the Sichuan Land Department, the intended increase in approved production scale may be achieved through the conversion of the exploration right for Mine 1 into a mining right, and when combined with the Mine 1 Renewal Right would result in a larger mining area and a corresponding increase in the approved production scale; and
- (ii) the redemption of the 2014 RPS and the issuance of the NWC Preference Shares. The proceeds from the issue of the NWC Preference Shares (together with the other internal resources of the Group) were used by the Company for the purpose of the subscription of 7,110,000 new ordinary shares in the capital of APR for an issue price of S\$1.00 each, in accordance with the terms of the deed of undertaking dated 30 April 2014 entered into by the Company with APR in connection with the issuance of the 2014 RPS.

In March 2016, the Company announced the following:

- (i) the qualified person's report issued by WGM dated 9 March 2016, prepared in compliance with the requirements of Practice Note 4C of the Catalist Rules and a summary of the reserves and resources of the Group as at 31 December 2015 prepared in accordance with the requirements under Appendix 7D of the Catalist Rules; and
- (ii) the SGX-ST had on 16 March 2016, advised that it had no objection to the Company's application for a waiver from strict compliance with the requirements under Rule 1204(23)(a) of the Catalist Rules to reproduce the qualified person's report in the Company's annual report for FY2015 and subsequent qualified person's reports in subsequent annual reports of the Company, subject to certain conditions.

In April 2016, the Company announced the following:

- (i) Mianzhu Norwest had on 28 March 2016, made an application to the Sichuan Land Department to renew the exploration right for Mine 1; and
- (ii) Mianzhu Norwest had on 18 April 2016, received the approval for the renewal of the exploration right for Mine 1 from the Sichuan Land Department. The renewed exploration right is for an exploration area of approximately 1.54 sq km and is valid from 9 April 2016 to 9 April 2018.

In June 2016, the Company announced that Mianzhu Norwest had on 14 June 2016, made an application to the Sichuan Land Department to renew the exploration right for Mine 2.

In July 2016, the Company announced the following:

- (i) FengTai had on 7 July 2016, received the approval for the renewal of the exploration right for the FengTai Mine from the Sichuan Land Department. The renewed exploration right is for an exploration area of approximately 12.43 sq km and is valid from 12 December 2015 to 12 December 2017; and
- (ii) Mianzhu Norwest had on 21 July 2016, received the approval for renewal of the exploration right for Mine 2 from the Sichuan Land Department. The renewed exploration right is for an exploration area of approximately 1.28 sq km and is valid from 16 June 2016 to 16 June 2018.

In October 2016, the Company announced that on the afternoon of 24 October 2016, an industrial accident ("**Accident**") had occurred during a routine discharge of slag at the Group's P<sub>4</sub> production plant located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC, resulting in an explosion within the plant. Production operations of P<sub>4</sub> at the plant had ceased immediately as a precautionary measure, pending investigations and safety checks to be conducted by the Group together with the PRC authorities.

In November 2016, the Company announced the following:

- (i) Mianzhu Norwest had on 3 November 2016, entered into a non-binding memorandum of understanding with Mianyang Aostar Phosphorus Chemical Industry Co., Ltd. (绵阳启明星磷化工有限公司) to collaborate on certain initiatives in relation to the Group's operations; and
- (ii) the investigations and safety checks in relation to the Accident conducted by the Group, together with the PRC authorities and technical experts, had been completed and the Group had resumed operations at its P<sub>4</sub> production plant on a reduced and limited scale so as to test the stability and safety of the production system.

In December 2016, the Company announced the following:

- (i) the entering into of a shareholder's loan agreement with Dr. Ong on 21 December 2016 in relation to the Dr. Ong Loan;
- (ii) Mianzhu Norwest had on 16 December 2016, applied to the Sichuan Land Department for the renewal of the mining right for Mine 1; and
- (iii) the Rights cum Warrants Issue and the Proposed Redemption.

**Key developments from 1 January 2017 to the Latest Practicable Date**

In February 2017, the Company announced the following:

- (i) the summary of the mineral resources and reserves of the Group as at 31 December 2016, as reproduced from the letter dated 20 February 2017 from WGM prepared in compliance with the requirements under Appendix 7D of the Catalist Rules; and
- (ii) the entering into by the Company with Dr. Ong, Ong Kwee Eng, Chia Chin Hau and Wang Xuebo ("**Indemnitors**") of a supplemental deed to vary the terms of the original deed of indemnity dated 21 June 2013, pursuant to which the Indemnitors had jointly and severally undertaken to, *inter alia*, indemnify the Group against losses incurred by the Group in connection with, *inter alia*, the requisite licences, permits and approvals for the production of phosphate-based chemical products by Mianzhu Norwest on the Group's land located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC.

Save as disclosed herein, or as otherwise previously disclosed publicly by the Company, there has been no material change in the affairs of the Group since 1 January 2014 to the Latest Practicable Date.

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

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

As at the Latest Practicable Date, the equity capital of the Company comprises:

	<b>Number of Shares</b>	<b>S\$</b>
Issued and paid-up share capital	901,319,000	69,596,469

The Company does not have any loan capital as at the Latest Practicable Date.

9(e) where –

(i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date;

or

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

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company, were as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>No. of Shares</u>	<u>% <sup>(1)</sup></u>	<u>No. of Shares</u>	<u>% <sup>(1)</sup></u>	<u>No. of Shares</u>	<u>% <sup>(1)</sup></u>
<b><u>Substantial Shareholders</u></b>						
Astute Ventures <sup>(5)(7)(8)(9)</sup>	–	–	245,025,455	27.19	245,025,455	27.19
Fica <sup>(2)</sup>	205,025,455	22.75	–	–	205,025,455	22.75
Dr. Ong <sup>(2)(3)(4)</sup>	7,115,384	0.79	215,233,492	23.88	222,348,876	24.67
Ong Bee Kuan Melissa <sup>(5)</sup>	5,367,190	0.60	245,025,455	27.19	250,392,645	27.79
Ong Eng Hock Simon <sup>(5)</sup>	2,919,306	0.32	245,025,455	27.19	247,944,761	27.51
Ong Eng Siew Raymond <sup>(5)(6)</sup>	2,919,306	0.32	246,374,186	27.33	249,293,492	27.65
Ong Kwee Eng <sup>(7)</sup>	16,318,265	1.81	245,025,455	27.19	261,343,720	29.00
Ng Siew Tin <sup>(8)</sup>	6,717,959	0.75	245,025,455	27.19	251,743,414	27.94
Luo Yong	101,319,000	11.24	–	–	101,319,000	11.24

**Notes:**

- (1) Based on the issued share capital of 901,319,000 Shares as at the Latest Practicable Date.
- (2) Fica is controlled by Dr. Ong and he is therefore deemed to be interested in the 205,025,455 Shares held by Fica.
- (3) Dr. Ong is also deemed to be interested in the 10,208,037 Shares held by his spouse.
- (4) Dr. Ong, Ong Eng Hock Simon, Ong Eng Siew Raymond and Ong Bee Kuan Melissa are relatives.
- (5) Ong Eng Hock Simon, Ong Eng Siew Raymond and Ong Bee Kuan Melissa are siblings. As they are directors of Astute Ventures and are entitled to exercise not less than 20% of the votes attached to the voting shares in the share capital of Astute Ventures, they are deemed to be interested in the 245,025,455 Shares held by Astute Ventures.
- (6) Ong Eng Siew Raymond is also deemed to be interested in the 1,348,731 Shares held by his spouse.
- (7) Ong Kwee Eng is entitled to exercise not less than 20% of the votes attached to the voting shares in the share capital of Astute Ventures and therefore deemed to be interested in the 245,025,455 Shares held by Astute Ventures.
- (8) Ng Siew Tin is entitled to exercise not less than 20% of the votes attached to the voting shares in the share capital of Astute Ventures and therefore deemed to be interested in the 245,025,455 Shares held by Astute Ventures.
- (9) The Shares held by Astute Ventures are held through its nominee, Raffles Nominees Pte. Ltd..



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

As at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings pending or known to be contemplated, by or against the Company or any of its subsidiaries which might have or which have had in the twelve (12) months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Company or the Group taken as a whole, save as disclosed below:

In June 2016, Mianzhu Norwest entered into two (2) purchase contracts with a customer, Sichuan Xinsheng Biotechnology Co., Ltd (四川鑫圣生物科技有限公司) ("**Sichuan Xinsheng**"), for a total contract value of approximately RMB1.99 million. Sichuan Xinsheng subsequently paid RMB500,000 on 31 October 2016 but failed to make any further payments thereafter to Mianzhu Norwest. On 3 January 2017, Mianzhu Norwest commenced proceedings against Sichuan Xinsheng to claim for compensation (including liquidated damages and interests) and for the costs relating to the proceedings to be borne by the customer. Settlement in respect of the said dispute had been reached, pursuant to which Mianzhu Norwest had received RMB1.63 million out of an aggregate settlement sum of RMB1.70 million, and the balance RMB0.07 million is to be paid by Sichuan Xinsheng by 31 March 2017.

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- 9(g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**

- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
- (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

The Company has not issued any securities or equity interests for cash or for services within the twelve (12) months immediately preceding the Latest Practicable Date.

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

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

- (a) the subscription agreement dated 26 January 2016 entered into between NWC and certain investors (namely, Mr. Ong Chu Poh, Mr. Teo, Yi Prime, Dr. Ong and Astute Ventures) pursuant to which NWC agreed to issue, and the aforementioned investors agreed to subscribe for 5,725,000 NWC Preference Shares in the capital of NWC at the issue price of S\$1.00 per NWC Preference Share;

- (b) the deed of undertaking dated 26 January 2016 entered into between the Company and NWC, pursuant to which the Company had undertaken to subscribe for such number of new shares in the capital of NWC for such aggregate consideration as may be sufficient to redeem the NWC Preference Shares on the redemption date thereof;
- (c) the loan agreement dated 3 June 2016 entered into between China Bohai Bank and Mianzhu Norwest in relation to the loan facility issued by China Bohai Bank extended to Mianzhu Norwest for a principal amount of RMB24 million for a duration of one (1) year starting from 18 July 2016 with an interest rate of 5.0025% (“**Bohai Loan**”);
- (d) the mortgage agreement dated 3 June 2016 entered into between China Bohai Bank and Mianzhu Norwest in relation to the mortgage over the Group’s plant located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC in connection with the Bohai Loan;
- (e) the mortgage agreement dated 3 June 2016 entered into between China Bohai Bank and Mianzhu Norwest in relation to the mortgage over certain machinery owned by Mianzhu Norwest in connection with the Bohai Loan;
- (f) the shareholders’ loan agreement dated 21 December 2016 entered into between the Company and Dr. Ong in relation to the Dr. Ong Loan;
- (g) the Deed for Early Redemption executed on 30 December 2016 under which it was agreed that, *inter alia*, an early redemption of the NWC Preference Shares will be effected ahead of the maturity date of the NWC Preference Shares of 26 January 2021;
- (h) the settlement document dated 9 January 2017 entered into between Mianzhu Norwest and Sichuan Xinsheng Biotechnology Co., Ltd (四川鑫圣生物科技有限公司) in relation to the contractual dispute between the parties (further details of which are as set out in paragraph 9(f) of “Part IV – Key Information” of this Offer Information Statement);
- (i) the letters each dated 12 January 2017 issued by SPD Rural Bank on the secured credit line facilities extended to Mianzhu Norwest and Deyang Fengtai Mining Co., Ltd. for principal amounts of RMB5.20 million and RMB4.80 million, respectively, for a duration of one (1) year with an interest rate of 6.525% per annum;
- (j) the supplemental deed dated 20 February 2017 entered into between Dr. Ong, Ong Kwee Eng, Chia Chin Hau and Wang Xuebo (collectively, the “**Indemnitors**”) and the Company varying the terms of the original deed of indemnity dated 21 June 2013 pursuant to which the Indemnitors had jointly and severally undertaken to, *inter alia*, indemnify the Group against losses incurred by the Group in connection with, *inter alia*, the requisite licences, permits and approvals for the production of phosphate-based chemical products by Mianzhu Norwest on the Group’s land located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC;
- (k) the management agreement dated 23 February 2017 entered into between the Company and United Overseas Bank Limited in relation to the appointment of United Overseas Bank Limited as the Manager for the Rights cum Warrants issue;
- (l) the Deed Poll dated 24 February 2017; and
- (m) the warrant agency agreement dated 24 February 2017 entered into between the Company and Boardroom Corporate & Advisory Services Pte. Ltd. for the appointment of the Warrant Agent for the purpose of the Rights cum Warrants Issue.



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**PART V (OPERATING AND FINANCIAL REVIEW AND PROSPECTS)**

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**Operating Results**

1. Provide selected data from –
    - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
    - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
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2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
    - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
    - (b) earnings or loss per share; and
    - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

The audited consolidated statements of comprehensive income of the Group for FY2013, FY2014 and FY2015 and the unaudited consolidated statement of comprehensive income of the Group for FY2016 are set out below:

<b>S\$'000</b>	<b>FY2013 (Audited)</b>	<b>FY2014 (Audited)</b>	<b>FY2015 (Audited)</b>	<b>FY2016 (Unaudited)</b>
Revenue	8,458	23,822	44,505	34,345
Cost of sales	(5,908)	(19,138)	(36,018)	(29,090)
Gross profit	2,550	4,684	8,487	5,255
Other income	1,883	21,781	6,378	337
Selling and distribution costs	(306)	(624)	(496)	(629)
General and administrative costs	(6,244)	(5,348)	(7,684)	(6,002)
Finance costs	(132)	(917)	(1,229)	(892)
Other expenses	–	(92)	(2,429)	–
<b>(Loss) / Profit before tax</b>	<b>(2,249)</b>	<b>19,484</b>	<b>3,027</b>	<b>(1,931)</b>
Taxation	(1,418)	14	(818)	197
<b>(Loss) / Profit for the year</b>	<b>(3,667)</b>	<b>19,498</b>	<b>2,209</b>	<b>(1,734)</b>
<b>Other comprehensive income</b>				
<u>Items that may be reclassified to profit or loss</u>				
Foreign currency translation	1,383	1,326	447	(2,015)
<b>Total comprehensive income for the year</b>	<b>(2,284)</b>	<b>20,824</b>	<b>2,656</b>	<b>(3,749)</b>
<b>(Loss) / Profit for the year attributable to:</b>				
Owners of the Company	(3,667)	19,498	2,209	(1,734)
Non-controlling interest	–	–	–	–
	<b>(3,667)</b>	<b>19,498</b>	<b>2,209</b>	<b>(1,734)</b>

S\$'000	FY2013 (Audited)	FY2014 (Audited)	FY2015 (Audited)	FY2016 (Unaudited)
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the Company	(2,284)	20,824	2,656	(3,749)
Non-controlling interest	–	–	–	–
	<b>(2,284)</b>	<b>20,824</b>	<b>2,656</b>	<b>(3,749)</b>
<b>(LPS) / EPS</b>				
Weighted average number of Shares ('000)	235,042	800,000	843,859	901,319
Basic and fully diluted (LPS) / EPS (cents)	(1.56)	2.44	0.26	(0.19)
Weighted average number of Shares (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming none of the Warrants are exercised) ('000) <sup>(1)</sup>	347,707	912,665	956,524	1,013,984
Basic and fully diluted (LPS) / EPS (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming none of the Warrants are exercised) (cents) <sup>(1)</sup>	(1.05)	2.14	0.23	(0.13)
Weighted average number of Shares (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming all the Warrants are exercised) ('000) <sup>(1)</sup>	460,372	1,025,330	1,069,189	1,126,649
Basic and fully diluted (LPS) / EPS (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming all the Warrants are exercised) (cents) <sup>(1)</sup>	(0.80)	1.90	0.21	(0.12)
<b>Gross dividend per Share (cents)</b>	–	–	0.10	–

**Note:**

- (1) The basic and fully diluted (LPS) / EPS as adjusted for the Proposed Redemption and the Rights cum Warrants Issue are computed based on the weighted average number of Shares in issue during the respective financial years and assuming that (i) the maximum of 112,664,875 Rights Shares and 112,664,875 Warrants are issued pursuant to the Rights cum Warrants Issue; (ii) the Proposed Redemption and the Rights cum Warrants Issue were completed at the beginning of each of the respective financial year and do not take into account the effects of the use of the proceeds from the Rights cum Warrants Issue and the Warrant Proceeds (if any) on the earnings of the Group; and (iii) on the basis that no adjustment has been made for any change in the weighted average number of Shares in issue during the respective financial year.

**3. In respect of –**

- (a) **each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) **any subsequent period for which interim financial statements have been published,**

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

A summary of the operations, business and financial performance of the Group for FY2013, FY2014, FY2015, and FY2016 is set out below:

The Group is organised into two (2) product units, namely (a) the Mining Operations and (b) the Chemical Production Operations.

## **FY2016 vs FY2015**

### Profit or loss

The Group's total revenue reduced from S\$44.5 million in FY2015 to S\$34.3 million in FY2016. Although the Group managed to build up a customer base for its P<sub>4</sub> business in China outside Sichuan Province and successfully brought down the production costs for the first nine (9) months of FY2016, the Group's sales were affected by disruptions due to production and transport restrictions which affected its customers and the industrial accident at the P<sub>4</sub> plant. The industrial accident also led to higher production costs for the recovery period post accident. As a result, the Group recorded a net loss after tax of S\$1.7 million in FY2016 as compared to a net profit of S\$2.2 million in FY2015.

### Revenue, cost of goods sold and gross profit

Revenue from Mining Operations reduced from S\$18.0 million in FY2015 to S\$10.8 million in FY2016 due to the reduction in sales quantity and average selling price of rocks.

Revenue from the Chemical Production Operations reduced from S\$26.5 million in FY2015 to S\$23.6 million in FY2016, due to reduction in sales quantity and average selling price of P<sub>4</sub>.

Gross profit for the Mining Operations reduced from S\$5.9 million in FY2015 to S\$2.2 million in FY2016. Reduction in gross margin was due to reduction in average selling price, partially mitigated by lower production costs for rocks due to lower mining levies in FY2016.

Gross profit for the Chemical Production Operations increased from S\$2.6 million in FY2015 to S\$3.0 million in FY2016. Improvement in gross margin for the Chemical Production Operations was due to lower average production costs in FY2016, partially offset by reduction in average selling price.

### Other income

Other income reduced from S\$6.4 million in FY2015 to S\$0.3 million in FY2016 due to the absence of fair value gains. In FY2015, the fair value gains of S\$4.9 million were due to the valuation of convertible loan note ("**CLN**"), a derivative asset in relation to a call-put option ("**Derivative Asset**") issued in connection to the acquisition of LY Resources Pte. Ltd. ("**LYR**") and the redeemable preference shares issued in 2014 (the "**2014 RPS**") upon the completion of the LYR acquisition.

### Selling and distribution costs

Selling and distribution costs increased from S\$0.5 million in FY2015 to S\$0.6 million in FY2016 due to higher transportation costs.

### General and administrative costs

General and administrative costs reduced from S\$7.7 million in FY2015 to S\$6.0 million in FY2016 mainly due to reduction in professional fees, fixed electricity costs incurred on the P<sub>4</sub> plant, and lower salaries and bonus. In FY2015, fixed electricity costs were incurred on the P<sub>4</sub> plant. There were no such electricity costs in FY2016.

### Other expenses

Other expenses of S\$2.4 million in FY2015 arose due to the termination of the pre-existing profit sharing arrangement with the co-operation partner. With the acquisition of LYR, the Group acquired the economic benefit of the profit sharing arrangement from the former co-operation partner. Accordingly, the Group recognised a one-off accounting charge in FY2015 in relation to the termination. There was no such expense in FY2016.

### Taxation

In FY2016, the tax credit was recognised in relation to the depreciation and amortisation of property, plant and equipment as well as mining properties of the LYR group.

## **FY2015 vs FY2014**

### Profit or loss

In FY2015, the Group's total revenue almost doubled to S\$44.5 million from S\$23.8 million in FY2014, with revenue contribution from the Chemical Production Operations at 60% and revenue from the Mining Operations at 40%. The stabilisation of P<sub>4</sub> production brought about higher revenue from the Chemical Production Operations while lower P<sub>4</sub> production costs raised gross profit and profit margin for the Chemical Production Operations. The Group had other income of S\$6.4 million, compared to S\$21.8 million in FY2014. Hence, net profit was S\$2.2 million in FY2015, compared to S\$19.5 million in FY2014. Excluding the non-recurring other income and accounting charge, the Group's operations recorded a profit before tax of S\$0.6 million in FY2015 compared to a loss before tax of S\$0.7 million in FY2014.

### Revenue, cost of goods sold and gross profit

Revenue from the Mining Operations increased from S\$12.7 million in FY2014 to S\$18.0 million in FY2015 due to increase in sales quantity of rocks. The increase was partially offset by reduction in average selling price of rocks.

Revenue from the Chemical Production Operations increased from S\$11.1 million in FY2014 to S\$26.5 million in FY2015, driven by the increased sales quantity of P<sub>4</sub> which dominated the revenue from the Chemical Production Operations. The increase was partially offset by reduction in average selling price of P<sub>4</sub>.

Gross profit for the Mining Operations increased from S\$3.9 million in FY2014 to S\$5.9 million in FY2015. Reduction in production costs arising from refund of mining levy in respect of mining levy paid in prior years and benefits reaped from the termination of a profit sharing arrangement following the LYR acquisition resulted in higher gross margin for the Mining Operations. The increase was partially offset by reduction in average selling price of rocks.

Gross profit for the Chemical Production Operations increased from S\$0.8 million in FY2014 to S\$2.6 million in FY2015. The stabilisation of P<sub>4</sub> production brought about lower production costs for P<sub>4</sub> in FY2015 resulted in higher gross margin for the Chemical Production Operations. The increase was partially offset by reduction in average selling price of P<sub>4</sub>.

### Other income

Other income reduced from S\$21.8 million in FY2014 to S\$6.4 million in FY2015 due to a reduction in interest income from the CLN and fair value gains. The CLN was converted into equity of LYR in July 2015 following the acquisition of the LYR group. In FY2014, the Group recognised net fair value gains of S\$20.2 million arising from valuation of the CLN, 2014 RPS and the Derivative Asset. In FY2015, the fair value gains of S\$4.9 million were due to the valuation of the CLN, the Derivative Asset and the 2014 RPS upon the completion of the LYR acquisition.

### Selling and distribution costs

Selling and distribution costs reduced from S\$0.6 million in FY2014 to S\$0.5 million in FY2015 due to lower transportation and export costs.

### General and administrative costs

General and administrative costs increased from S\$5.3 million in FY2014 to S\$7.7 million in FY2015 mainly due to the increase in salary related costs, professional fees including those incurred for the redemption of the 2014 RPS and issuance of the NWC Preference Shares, depreciation expense and foreign exchange loss. In FY2015, the Group incurred fixed electricity costs on the P<sub>4</sub> plant. There were no such electricity costs in FY2014.

#### Other expenses

Other expenses of S\$2.4 million in FY2015 arose due to the termination of the pre-existing profit sharing arrangement with the co-operation partner. With the acquisition of LYR, the Group acquired the economic benefit of the profit sharing arrangement from the former co-operation partner. Accordingly, the Group recognised a one-off accounting charge in FY2015 in relation to the termination.

#### Taxation

The Group incurred a taxation charge of S\$0.8 million in FY2015 due to higher taxable profits.

### **FY2014 vs FY2013**

#### Profit or loss

In FY2014, the Group's total revenue increased almost three-fold to S\$23.8 million from S\$8.5 million in FY2013, with contributions from both the Mining Operations and the Chemical Production Operations. The Mining Operations revenue contributed to 53% of total revenue, while the Chemical Production Operations accounted for 47% of total revenue. Net profit after tax rose to S\$19.5 million in FY2014 compared to a net loss after tax of S\$3.7 million in FY2013, mainly boosted by other income which constitutes primarily the fair value gains on financial instruments issued in connection with the acquisition of LYR.

#### Revenue, cost of sales and gross profit

Revenue from the Mining Operations increased from S\$6.5 million in FY2013 to S\$12.7 million in FY2014, driven by increased sales quantity of rocks.

Revenue from the Chemical Production Operations increased from S\$1.9 million in FY2013 to S\$11.1 million in FY2014, driven by the sale of P<sub>4</sub>, which commenced commercial production in FY2014.

Gross profit for the Mining Operations increased from S\$2.0 million in FY2013 to S\$3.9 million in FY2014. The increase in profit sharing costs in FY2014 was partially offset by reduction in production costs due to a reduction in a mining levy, leading to a decrease in gross margin for the Mining Operations.

Gross profit for the Chemical Production Operations increased from S\$0.5 million in FY2013 to S\$0.8 million in FY2014 due to the expanded downstream business with the sale of P<sub>4</sub> in FY2014. Technical issues encountered at the start of P<sub>4</sub> commercial production stage led to high production costs and lower gross margins for the Chemical Production Operations in FY2014.

#### Other income

Other income increased from S\$1.9 million in FY2013 to S\$21.8 million in FY2014 mainly due to increase in interest income on the CLN and fair value gains arising from valuation of the CLN and the Derivative Asset. The above increases were partially offset by fair value loss arising from valuation of the 2014 RPS and absence of a government grant of RMB8 million (approximately S\$1.6 million) recognised in FY2013.

#### Selling and distribution costs

Selling and distribution costs increased from S\$0.3 million in FY2013 to S\$0.6 million in FY2014 mainly due to increase in transportation and selling related costs.

#### General and administrative expenses

General and administrative expenses reduced from S\$6.2 million in FY2013 to S\$5.3 million in FY2014 mainly due to absence of fees related to the Company's initial public offering in FY2013, and partially offset by increase in operating expenses including corporate expenses which the Group incurred as a result of being a listed entity.

### Finance costs

Finance costs increased from S\$0.1 million in FY2013 to S\$0.9 million in FY2014, mainly due to interest expense incurred on the 2014 RPS.

### Other expenses

The Group wrote down the value of certain property, plant and equipment in FY2014.

### Taxation

The Group recognised a taxation credit in FY2014 due to the over-provision of prior year's tax. In FY2013, the Group recognised a tax charge of S\$1.4 million due to the reversal of deferred tax assets due to utilisation, over provision and expiry of prior year tax losses as well as provision of deferred tax liabilities arising from tax exposure in relation to certain income items.

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## **Financial Position**

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.
- 
5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

The consolidated balance sheets of the Group as at 31 December 2015 and as at 31 December 2016 are set out below:

S\$'000	As at 31 December	
	2015 (Audited)	2016 (Unaudited)
<b>Non-current assets</b>		
Mine properties	72,329	65,133
Land use rights	4,845	4,535
Property, plant and equipment	39,856	38,619
Prepayments	587	691
Other receivables	297	285
Intangible asset	57	–
Goodwill	8,271	12,249
Deferred tax asset	–	64
	<b>126,242</b>	<b>121,576</b>

S\$'000	As at 31 December	
	2015 (Audited)	2016 (Unaudited)
<b>Current assets</b>		
Stocks	2,728	7,941
Trade receivables	4,422	3,975
Prepayments	1,063	1,108
Other receivables	481	601
Cash and bank balances	4,301	2,588
	<b>12,995</b>	<b>16,213</b>
<b>Total assets</b>	<b>139,237</b>	<b>137,789</b>
<b>Current liabilities</b>		
Bank overdraft (secured)	16	392
Trade payables	4,377	6,022
Other payables	6,848	5,569
Advances from customers	247	455
Interest-bearing bank loans	–	7,086
Redeemable preference shares	8,050	–
Loan due to a director	–	1,000
Deferred income	–	35
Provision for taxation	1,062	556
	<b>20,600</b>	<b>21,115</b>
<b>Net current liabilities</b>	<b>(7,605)</b>	<b>(4,902)</b>
<b>Non-current liabilities</b>		
Redeemable preference shares	–	5,725
Deferred tax liabilities	19,506	17,506
Deferred income	2,407	2,202
Provision for rehabilitation	177	170
	<b>22,090</b>	<b>25,603</b>
<b>Total liabilities</b>	<b>42,690</b>	<b>46,718</b>
<b>Net assets</b>	<b>96,547</b>	<b>91,071</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	68,151	68,151
Reserves	18,107	13,457
	<b>86,258</b>	<b>81,608</b>
Non-controlling interest	10,289	9,463
<b>Total equity</b>	<b>96,547</b>	<b>91,071</b>
Number of Shares	901,319,000	901,319,000
NAV per Share (cents)	9.57	9.05
Number of Shares (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming none of the Warrants are exercised) <sup>(1)</sup>	1,013,983,875	1,013,983,875
NAV per Share (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming none of the Warrants are exercised) (cents) <sup>(1)</sup>	9.37	8.91
Number of Shares (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming all the Warrants are exercised) <sup>(1)</sup>	1,126,648,750	1,126,648,750
NAV per Share (adjusted for the Proposed Redemption and the Rights cum Warrants Issue and assuming all the Warrants are exercised) (cents) <sup>(1)</sup>	9.23	8.82



**Note:**

- (1) The NAV per Share as adjusted for the Proposed Redemption and the Rights cum Warrants Issue are computed based on the number of Shares in issue as at 31 December 2015 and as at 31 December 2016 and assuming that (i) the maximum of 112,664,875 Rights Shares and 112,664,875 Warrants are issued pursuant to the Rights cum Warrants Issue and (ii) the Proposed Redemption and the Rights cum Warrants Issue were completed as at 31 December 2015 and 31 December 2016, respectively, and without taking into account the effects of the use of proceeds from the Rights cum Warrants Issue and the Warrant Proceeds (if any) on the earnings of the Group; and (iii) no adjustment has been made for any change in the number of Shares in issue as at 31 December 2015 and as at 31 December 2016.

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**Liquidity and Capital Resources**

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

A summary of the consolidated statements of cash flow of the Group for FY2015 and FY2016 are set out below:

<b>S\$'000</b>	<b>FY2015 (Audited)</b>	<b>FY2016 (Unaudited)</b>
Net cash flows generated from / (used in) operating activities	9,543	(2,632)
Net cash flows used in from investing activities	(5,911)	(4,156)
Net cash flows used in financing activities	(3,766)	4,816
Net decrease in cash and cash equivalents	(134)	(1,972)
Cash and cash equivalents at beginning of the year	3,211	3,098
Effects of exchange rate changes on cash and cash equivalents	21	(114)
Cash and cash equivalents at end of the year	<u>3,098</u>	<u>1,012</u>

A review of the cash flow position of the Group for FY2015 and FY2016 is set out below.

**FY2015**

The Group generated net cash inflows from operating activities of S\$9.5 million in FY2015. This was mainly due to operating profit before working capital changes of S\$4.1 million, inflows from working capital changes of S\$4.9 million and interest received of S\$1.9 million, offset by interest paid of S\$1.0 million and tax paid of S\$0.4 million.

The Group had net cash used in investing activities of S\$5.9 million in FY2015, mainly due to payments for property, plant and equipment of S\$6.0 million and payment for land use rights of S\$0.1 million, offset by proceeds from disposal of property, plant and equipment of S\$0.1 million and net cash inflow from acquisition of subsidiaries of S\$0.1 million.

The Group had net cash used in financing activities of S\$3.8 million in FY2015, mainly due to repayment of bank loan of S\$6.1 million, offset by proceeds from bank loan of S\$2.3 million.

**FY2016**

The Group had net cash used in operating activities of S\$2.6 million in FY2016. This was mainly due to outflows from working capital changes of S\$3.6 million, interest paid of S\$1.4 million and tax paid of S\$0.7 million, offset by cash inflow generated from operating profit before working capital changes of S\$3.0 million.



The Group had net cash used in investing activities of S\$4.2 million in FY2016, mainly due to payments made for property, plant and equipment.

The Group generated net cash inflows from financing activities of S\$4.8 million in FY2016, mainly due to proceeds from bank loans of S\$7.1 million and issuance of the NWC Preference Shares of S\$4.0 million, and the Dr. Ong Loan. The proceeds were partially offset by redemption of the 2014 RPS of S\$6.3 million and payment of dividends of S\$0.9 million.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

As at the date of lodgement of this Offer Information Statement, the Directors are of the opinion that:

- (i) after taking into consideration the present banking facilities and operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements; and
- (ii) after taking into consideration the present banking facilities and operating cash flows of the Group as well as the net proceeds from the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**

- (a) a statement of that fact;
- (b) details of the credit arrangement or bank loan; and
- (a) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

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

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

- 9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the Section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further information.

### **Going-concern Issues**

The Group had incurred an unaudited net loss after tax of approximately S\$1.7 million in FY2016 as compared to a net profit after tax of approximately S\$2.2 million in FY2015. In addition, the Group's unaudited current liabilities as at 31 December 2016 had exceeded its unaudited current assets as at 31 December 2016 by approximately S\$4.9 million as compared to approximately S\$7.6 million as at 31 December 2015. The Group had also incurred net cash flows used in operating activities of approximately S\$2.6 million in FY2016, as compared to net cash flows generated from operating activities of approximately S\$9.5 million in FY2015.

The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As at the Latest Practicable Date, the audit of the financial statements of the Group for FY2016 is ongoing and accordingly, the possibility of an emphasis of matter or a qualification by the Group's auditors on the Group's financial statements for FY2016 has not been ruled out.

Rule 1303 of the Catalist Rules provides that the SGX-ST may at any time suspend trading of the listed securities of an issuer if an issuer is unable to continue as a going concern or is unable to demonstrate to the SGX-ST and its shareholders that it is able to do so.

In the opinion of the Directors, the Group will be able to continue as a going concern due to the following:

- (i) based on the current cash flow projections, the Group expects to generate net cash inflows from its operating activities in FY2017;
- (ii) discussions will be carried out by the Group with financial institutions to rollover its existing loans as and when they fall due and to also extend new facilities to the Group. The Group had recently renewed facilities of RMB10 million (equivalent to approximately S\$2.1 million) in January 2017. As at the Latest Practicable Date, the Group has aggregate facilities of RMB24 million (equivalent to approximately S\$5.0 million) which are due in May 2017 and June 2017. As the Group has in the past not defaulted on any of the loans extended to it, and barring unforeseen circumstances, the Directors expect that the Group will be able to obtain the requisite financing for the Group's operations;
- (iii) the proceeds from the Rights cum Warrants Issue and the Warrant Proceeds as and when the Warrants are exercised; and
- (iv) the interest savings arising from the Proposed Redemption of the NWC Preference Shares.

In the event that the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities.

### **Business Outlook**

#### **Mining Operations**

As at the Latest Practicable Date, the Group has applied for and is waiting for approval for the renewal of its mining licence for Mine 1. The Sichuan Land Department had informed the Group that the area covered by the licence could be inside the area earmarked for a proposed panda reserve and that further deliberations are needed to be made by the Sichuan Provincial Government before a final decision can be taken. The carrying value of the related infrastructure for Mine 1 as at 31 December 2016 amounted to RMB17.2 million (approximately S\$3.6 million).

In the event that said renewal is unsuccessful, the carrying value of the related infrastructure for Mine 1 may need to be written down to its recoverable amount. As at the Latest Practicable Date, as the Sichuan Provincial Government has yet to make a decision on the application, the Group has not written down the value of the mining right and related infrastructure nor recognised any compensation receivable in its financial statements as it is not practicable to make an estimate of the amount recoverable from compensation receiveable.

Any impact on the Group's consolidated income statement from the loss of output from Mine 1 may be mitigated by purchase of phosphate rocks from third parties for the Group's P<sub>4</sub> production. Furthermore, the Group will be able to redeploy its equipment currently working on Mine 1 to Mine 2 to increase Mine 2's output in FY2017.

As at 31 December 2016, the Group estimates that it had 81,700 tonnes of phosphate rocks available for sale, as compared to 8,900 tonnes of phosphate rocks as at 31 December 2015.

#### Chemical Production Operations

During FY2016, the Group has successfully managed to build up a customer base for its P<sub>4</sub> business in China outside of Sichuan Province. However, this did not positively contribute to profitability in FY2016 because the Group's sales were affected by disruptions caused by the G20 Summit in Hangzhou in the third quarter of 2016 and the industrial accident at the Group's P<sub>4</sub> plant in the fourth quarter of FY2016. Barring unforeseen circumstances, the Group expects to resume full operating capacity in the second quarter of 2017.

As at 31 December 2016, the Group estimates that it had 1,200 tonnes of P<sub>4</sub> available for sale, as compared to no P<sub>4</sub> inventory as at 31 December 2015.

### **RISK FACTORS**

**Prospective subscribers should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares, the Warrants and the New Shares. The Group could be affected by a number of risks that may relate to the industry and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.**

**There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects of the Group (collectively, the "Business") could be materially and adversely affected. In that event, the trading price of the Shares and/or the Rights Shares with Warrants could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares, the Warrants and the New Shares.**

#### **(I) Risks Relating to the Group's Business**

##### **(a) *Existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern***

The Group had incurred an unaudited net loss after tax of approximately S\$1.7 million in FY2016 as compared to a net profit after tax of approximately S\$2.2 million in FY2015. In addition, the Group's unaudited current liabilities as at 31 December 2016 had exceeded its unaudited current assets as at 31 December 2016 by approximately S\$4.9 million as compared to approximately S\$7.6 million as at 31 December 2015. The Group had also incurred net cash flows used in operating activities of approximately S\$2.6 million in FY2016, as compared to net cash flows generated from operating activities of approximately S\$9.5 million in FY2015.

The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As at the Latest Practicable Date, the audit of the financial statements of the Group for FY2016 is ongoing and accordingly, the possibility of an emphasis of matter or a qualification by the Group's auditors on the Group's financial statements for FY2016 has not been ruled out.

Rule 1303 of the Catalist Rules provides that the SGX-ST may at any time suspend trading of the listed securities of an issuer if an issuer is unable to continue as a going concern or is unable to demonstrate to the SGX-ST and its shareholders that it is able to do so.

If the Group is unable to continue as a going concern, the Business and any investment in the Shares, the Rights Shares, the Warrants and/or the New Shares may be materially and adversely affected.

(b) ***The Group experienced net cash flows used in operating activities and negative working capital***

The Group had incurred net cash flows used in operating activities of approximately S\$2.6 million based on the unaudited financial statements of the Group for FY2016. The Group had also recorded a negative working capital position (unaudited) of approximately S\$4.9 million as at 31 December 2016.

For more details, please refer to Part V (Operating and Financial Review and Prospects) of this Offer Information Statement.

If the Group is unable to obtain sources of funds on a timely basis, on conditions acceptable to the Group, to address its net cash flows used in operating activities and/or working capital shortfall, the Business and any investment in the Shares, the Rights Shares, the Warrants and the New Shares may be materially and adversely affected.

As the Group continues to expand and grow its business and operations, there can be no assurance that the Group will not experience net cash flows used in operating activities and/or negative working capital positions in the future.

(c) ***The Group is subject to natural disasters in the areas where its operations are situated***

Natural disasters such as earthquakes, floods, landslides and mudslides could severely hamper the Group's operations, which are located in west-central Sichuan Province in the PRC. The Group's operations are located at an active earthquake belt, where shocks have frequently occurred. Many earthquakes affecting the region have been recorded, and it is expected that earthquakes will recur in future. The locations of the Group's operations may also experience heavy rainfall from time to time, which results in flooding, loss of lives and damage to property and transport infrastructure.

For example, the Group's operations were substantially affected by the earthquake that occurred in Wenchuan County, Sichuan Province, PRC on 12 May 2008, which measured 8.0 on the Richter magnitude scale. In the aftermath of said earthquake, the Group also experienced subsequent landslides (including a major landslide in 2010) which blocked the access roads to the Group's Mines.

The Group is unable to assess the extent to which its operations may be adversely affected by the natural disasters including earthquakes and heavy rainfall.

The Group's vulnerability to natural disasters is exacerbated by the fact that the Group's Mines are situated in close proximity and generally rely on the same transportation infrastructure. Given their physical proximity, the occurrence of a natural disaster could substantially affect the Group's Mines and accordingly the Group's Business.

In the event of such natural disasters, including earthquakes and heavy rainfall, the Group's operations may be substantially affected or suspended altogether and injuries or casualties may occur. In addition, operating costs may increase as a result of equipment and facility damage, power outages, personnel evacuation and other similar events. Delivery of phosphate rocks to the Group's P<sub>4</sub> plant and customers may also be disrupted. In addition, such disruptions may cause the Group to purchase phosphate rocks from other suppliers which may be more costly and/or of inferior quality, thereby resulting in higher operating costs for the Group's operations. The Group may also continue to incur fixed operating expenses while the Group's operations have slowed down or ceased altogether. As such, any disruptions, delays or suspensions of the Group's operations as a result of natural disasters or other events beyond the Group's control will have a material adverse effect on the Group's Business. Furthermore, the occurrence of a natural disaster within the proximity of the Group's Mines and/or the fact that the Group is vulnerable to natural disasters may affect the Group's ability to obtain external financing on a timely basis, on terms acceptable to the Group, or at all. In the event that any of the above-mentioned events occur, the Group's Business may be materially and adversely affected.

(d) ***The Group's operations are subject to seasonal and other disruptions***

The Group's operations are subject to various seasonal events and operating conditions, such as inclement weather, as well as circumstances beyond the Group's control which may result in temporary stoppages of the Group's operations.

As part of the Group's safety policy, the Group's mining activities are halted annually during (i) the winter season, which typically lasts from mid-December to mid-March and (ii) the rainy season, which typically lasts from early July to end-August. Barring unforeseen circumstances, the Group undertakes mining activities for about seven (7) months per year on a daily basis, subject to, *inter alia*, holidays, weather conditions and equipment maintenance.

During the low-water periods, which typically last from mid-November to mid-April, the Group's electricity costs increase and the Group may not produce P<sub>4</sub>, which requires high levels of electricity, unless justified by sufficiently high market prices of P<sub>4</sub>. In the event that such costs cannot be effectively passed on to the Group's customers, the Group's Business may be adversely affected.

Although the Group maintains buffer stocks of phosphate rocks and P<sub>4</sub>, in the event that the Group experiences a surge in demand for phosphate rocks or phosphate-based chemical products during the non-mining and non-production periods, the Group may not be able to cope with the increase in demand, which may materially and adversely affect the Group's Business.

In the event that the winter season, rainy season or low-water periods are prolonged, the Business may be materially and adversely affected.

Furthermore, due to this seasonality, the Group's financial performance in one (1) financial quarter may not be indicative of its financial performance for the subsequent or corresponding financial quarter(s) in the previous financial year.

From time to time, there are circumstances which are beyond the Group's control which may result in temporary stoppages of the Group's operations as well as those of its customers.

While the Group has safety policies and measures in place, the Group may experience accidents from time to time which will affect its operations. For example, in October 2016, there was an accident at the Group's P<sub>4</sub> plant located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC, resulting in an explosion within the plant. This resulted in a temporary stoppage of production operations of P<sub>4</sub> at the plant for about a month.



(e) ***The Group is dependent on its ability to obtain, maintain and renew licences, permits and approvals from the relevant PRC government authorities in relation to the Group's operations***

Under the 中华人民共和国矿产资源法 (Mineral Resources Law of the PRC), all mineral resources in the PRC are owned by the PRC government. The Group requires certain licences, permits and approvals from the relevant PRC authorities and regional governments to carry out its operations in the PRC. These licences, permits and approvals are also limited to specified areas and time periods and govern the Group's mining, exploration and chemical production activities, including the Group's ability to deal with the phosphate rocks extracted from its mining and exploration sites. The Group's ability to carry on its operations is therefore subject to the Group's adherence to and/or interpretation of any conditions imposed under such licences, permits or approvals, and/or the Group's ability to obtain, convert and/or renew, as the case may be, such licences, permits and approvals from the relevant PRC government authorities in a timely manner.

The application process for such licences, permits and approvals may be complex, due to the various levels of PRC government that may need to be involved. There can be no assurance that the Group will be able to obtain, convert and/or renew its licences, permits or approvals in a timely manner, if at all, or that such licences, permits and approvals will not be subsequently revoked by the relevant PRC authorities. The Group may also be required to obtain additional licences, permits and approvals pursuant to new PRC laws and regulations that may be promulgated in the future. Failure to obtain, convert and/or renew such licences, permits and approvals may cause the Group to delay or halt its production or expansion plans, thereby adversely affecting the Business.

In particular, in the event that the Group identifies prospective mine resources for acquisition in the future, there can be no assurance that mining rights can be successfully obtained. There can also be no assurance that the interpretation of conditions imposed under such licences, permits or approvals will remain unchanged, and any such changes may adversely impact the Group's Business.

In addition, changes in legislation and regulations or changes in the interpretation or implementation of the relevant legislation and regulations could also result in consequences which would materially and adversely affect the Group's Business.

In respect of Mine 1, the Group has applied to the Sichuan Land Department to increase the approved production scale for Mine 1 from 50,000 tonnes a year to potentially 400,000 tonnes per year via a conversion of the Mine 1 exploration right into a mining right ("**Conversion Application**") and to renew the Mine 1 Mining Right which expired on 25 December 2016 ("**Renewal Application**"). As at the Latest Practicable Date, the Conversion Application and the Renewal Application are pending approval by the Sichuan Land Department. There has been a halt in mining operations at Mine 1 since 24 December 2016, pending the approval for the Renewal Application.

(f) ***The Group is dependent on the availability of reliable access to the Mines for the Group's phosphate rocks and phosphate-based chemical products***

The Group depends on reliable access to the Mines for the delivery of the Group's (i) phosphate rocks from the Mines to the Group's processing facilities; and (ii) phosphate-based chemical products to the Group's customers from the Group's processing facilities. The Group plans to increase production capacity and sales of phosphate rocks and phosphate-based chemical products. This increase in production will lead to an increase in the utilisation of the access roads leading to the Mines, and the paved roads and provincial highways connecting the Group's P<sub>4</sub> plant and the Group's customers. If the Group or the relevant authorities are unable to maintain the condition of these roadways in a timely manner, or any of these roadways are significantly damaged or cut off for an extended period of time for reasons beyond the Group's control such as vehicle breakdowns, floods, landslides or mudslides, the delivery of the Group's phosphate rocks and phosphate-based chemical products would be significantly affected.

In such event, if the Group is unable to utilise any alternative transport methods or transportation networks to deliver the Group's phosphate rocks, the Group's operations will be substantially affected or disrupted and this may have a material adverse effect on the Group's Business.

In addition, as transportation costs and timeliness of delivery are important considerations to the Group's customers, any material increase in transportation costs or delays in delivery may have an adverse effect on the Group's Business.

- (g) ***The Group's revenue and profitability achieved in a financial year or period is not an accurate indicator of the Group's profitability that may be achieved in a subsequent financial year or period***

The Group's revenue and profitability in a given financial year or period is dependent on various factors such as, the availability of the Group's resources, seasonality of the Group's operations, market sentiment, market competition and general economic conditions. In addition, the Group's revenue and profitability may also be adversely affected by disruptions to the Group's operations due to natural disasters, adverse weather conditions and other unforeseen difficulties.

In view of the foregoing, the historical financial performance and financial position of the Group may not be indicative of the Group's future financial performance and financial position.

- (h) ***The prices of the Group's phosphate rocks and phosphate-based chemical products may experience significant fluctuations due to, inter alia, factors beyond the Group's control***

The Group's Business is dependent on, *inter alia*, the prices of the Group's phosphate rocks and phosphate-based chemical products, which are in turn affected by market forces of demand and supply, as well as numerous other factors that are beyond the Group's control and are inherently unpredictable.

For instance, the demand for phosphate rocks and phosphate-based chemical products may be adversely affected by global economic downturns, prices of commodities, expectations with respect to the rate of inflation, exchange rates, increases of supply by competitors, alternative product development, global and regional political and economic conditions and governmental policies with respect to the use and/or import and export of phosphate and its related products.

Supply of phosphate rocks and phosphate-based chemical products may be affected by the capacities of current mines and rising market prices of phosphate to a level that may encourage additional capital expenditure to expand production capacity.

The occurrence of any of these factors may affect demand and/or supply, and hence the prices of the Group's phosphate rocks and phosphate-based chemical products may fluctuate. This may in turn result in an adverse effect on the Group's Business.

- (i) ***The Group is subject to changes in applicable government policies governing the industries to which the Group supplies its phosphate rocks and phosphate-based chemical products***

The Group may be affected by government policies affecting industries to which the Group supplies its phosphate rocks and phosphate-based chemical products. Government policies may be implemented to impose price restrictions or export duties in order to preserve domestic supply in the industries to which the Group supplies its phosphate rocks and phosphate-based chemical products. Additionally, certain countries have imposed bans and/or limits on the use of phosphate-based chemicals in detergents in the past years. Certain countries are also now considering whether to extend bans and/or limits to encompass industrial and institutional use of detergents and to further reduce phosphate levels in soap for dishwashers.



A change in or tightening of applicable government policies governing the industries to which the Group supplies its phosphate rocks and phosphate-based chemical products could have an adverse effect on the Group's Business.

Currently, the Group's sale of phosphate rocks is confined to the PRC, as the Group does not possess the relevant licence imposed by the PRC government to sell phosphate rocks overseas.

An example of an industry that may be susceptible to the imposition of government policies is the domestic market for fertilisers in the PRC. Demand for and prices of fertilisers in the PRC, which is generally produced using phosphate rocks as one of its key raw materials, have historically been influenced by export duties imposed by the PRC government on certain fertilisers to preserve domestic supply. Any export duties imposed by the relevant authorities could exert pressure on producers of fertilisers to minimise production quantities, thereby depressing the purchase price of phosphate at which these producers are willing to pay. As phosphate rocks are mainly used for production of fertiliser and feed, the imposition of such government policies in the PRC market for fertilisers may depress the prices at which the Group is able to sell its phosphate rocks, thereby adversely affecting the Group's Business.

(j) ***The Group may not be able to operate efficiently and effectively in the event that the Group loses key personnel and/or the Group is unable to attract and retain skilled workers***

The responsibility of managing the strategic and operational aspects of the Group depends substantially on a number of the Group's key personnel and skilled workers. The Group faces keen competition in the recruitment and/or retention of these key personnel and skilled workers.

The Company has an experienced management team with relevant experience in their respective areas of expertise, in particular the Company's Chief Executive Officer and Executive Director, Dr. Ong, the Company's Executive Director, Ong Eng Hock Simon, and the Company's key executive, Wang Xuebo, who are each responsible for, *inter alia*, overseeing the strategic growth and managing the day-to-day operations of the Group. The loss of the services of any of the Group's key personnel without suitable timely replacements may materially and adversely affect the Group's Business.

In addition, the Group expects to require more skilled engineers, technicians, chemical experts, mining workers and operators of specialised equipment with the expansion of the Group's operations. A shortage of such skilled labour may lead to increases in labour costs and in the event that the Group is unable to pass on any such increases in labour costs to its customers, the Group's Business may be adversely affected.

There can be no assurance that the Group's key personnel and skilled workers will continue to be employed by the Group, and/or that the Group will be able to attract and retain key personnel or skilled workers in the future. Any inability by the Group to attract, recruit and train skilled workers and/or retain key personnel could materially and adversely affect the Group's Business.

(k) ***The Group may not be adequately insured against its operational risks***

The Group faces various risks in connection with its operations. While the Group has taken up social insurance and commercial insurance coverage including coverage for its mining workers and its key equipment, there is no assurance that such insurance coverage is sufficient to insure the Group against all types of business risks and hazards the Group may face, such as loss of key personnel, business interruption and third party liability insurance against claims for environmental disaster, property damage, personal injury and environmental liabilities. The Group has limited insurance coverage in relation to the occurrence of natural disasters or acts of God. Any losses and liabilities for which the Group is not insured or the Group's insurance coverage is inadequate to cover the entire liability may have an adverse effect on the Group's Business.

While the Group has implemented various safety policies and adopted the necessary safety measures, there is no assurance that the safety policies and measures the Group has in place for its operations will be sufficient to mitigate or reduce industrial accidents. There is no assurance that casualties or accidents will not occur or that the Group's insurance coverage would be sufficient to cover costs associated with major accidents. Also, the Group cannot predict the continued availability of insurance coverage at premium levels that are acceptable to the Group, or at all. In the event that the Group incurs substantial losses or liabilities and its insurance does not cover such losses or liabilities adequately or at all, the Group's Business may be adversely affected.

(l) ***The Group may be subject to increases in its operating costs***

Mining costs generally increase over the lifespan of a mine. In addition, labour, diesel, raw materials and utilities costs in the PRC have been increasing in recent years and are generally expected to increase further. Due to the Group's dependence on the supply of labour and electricity for its operations, the Group is sensitive to any increase in labour and other costs and prices of utilities and raw materials. Expansion of the Group's production capacity, sales and existing network of customers in the PRC and other countries will also increase the overall operating costs of the Group.

Labour costs in the PRC have also been increasing due to, *inter alia*, changes in applicable PRC labour laws. Workers' rights concerning overtime hours, pensions, layoffs, employment contracts and the role of trade unions have been formalised and greater liabilities have been imposed on employers which will increase the cost of an employer's decision to reduce its workforce. In addition, the Group faces increased hiring costs of its workers due to demand for workers from the Group's competitors.

The Group's profitability may be affected in the future due to any potential or unforeseen increase in its operating costs, such as new or additional tax levies. If the Group's operating costs increase and the Group cannot increase its production efficiency to offset any such increase or pass any such increase on to the Group's customers, the Group's Business may be adversely affected.

(m) ***The Group's future growth will depend on its ability to manage its expansion plans***

There can be no guarantee that the implementation and execution of the Group's business strategies and future plans for its future growth will be successful as they (i) involve a number of risks and uncertainties; (ii) are subject to the then-prevailing economic conditions being conducive for such strategies to be in place; (iii) are dependent on approvals from governmental and regulatory authorities; (iv) are dependent on the Group's ability to secure sufficient external funding for capital and other financial requirements; and (v) are based on the Group's ability to attract relevant qualified persons to support the Group's business growth.

In the event that the revenue generated by the Group's future plans is lower than expected, the costs associated with such plans are higher than expected, the Group is unable to secure sufficient external funding, unable to attract relevant qualified persons to support the requirements of the Group's increased scale of operations, or the commencement of these planned expansions is delayed or aborted, the Group may be unable to recoup its investment and/or may suffer losses. As a result, the Group's Business may be materially and adversely affected.

(n) ***The Group is exposed to the creditworthiness of its customers***

The Group's performance is dependent on the creditworthiness of its customers. Material default in payment by the Group's major customers may adversely affect the Group's performance and cash flow. There is no assurance that there will be no risk of default by its customers in the future, or that the Group will not experience cash flow problems as a result of such default. Should these events occur, the Group's Business may be adversely affected.

(o) ***The Group faces intense competition from its competitors***

The Group faces competition from both domestic and foreign competitors who are also engaged in similar businesses. Certain competitors may have access to more resources, be better-positioned to pursue new expansion and development opportunities, and/or possess competitive advantages, including control over or access to low-cost raw materials, access to low-cost credit, geographical proximity to suppliers or customers and relationships with global market participants. These competitors may also compete with the Group for skilled labour required for the Group's operations.

In the event that the Group is not able to compete effectively against its competitors, both the sales and the pricing of the Group's products may be adversely affected, which in turn will have an adverse effect on the Group's Business.

(p) ***The Group may not be able to successfully implement its capital expenditures***

The Group's operations are capital-intensive businesses. The Group has in the past funded and may continue to fund its capital expenditures primarily through cash flow from operations, equity injections, shareholders' borrowings and short-term bank loans. However, the Group may not be able to generate adequate cash flow from its current operations and external funding may not be available at the level required by the Group, on a timely basis, on terms acceptable to the Group, or at all. In the event that the Group is unable to finance planned capital expenditures, or finance such expenditures on terms acceptable to the Group, some or all the projects in the Group's pipeline may not be implemented according to schedule, or at all. The Group's growth may be constrained, expected efficiency gains from the construction of new facilities may not be achieved and any growth prospects based on the assumption that these projects complete may not materialise. If any of the above-mentioned events occur, the Group's Business may be adversely affected.

In addition, the Group may face difficulties in hiring suitably qualified personnel to carry out the implementation of the Group's capital expenditure projects. The Group may also face uncertainties in the implementation of the Group's capital expenditures such as non-completion, cost overruns and defects in design or construction, which may result in additional investments being required. Further, the Group may rely on third party contractors for the implementation of the Group's capital expenditures. In the event that such third party contractors cease operations without giving the Group prompt notice, the Group could incur costs and experience delays if the Group is unable to find a suitable replacement promptly.

There also can be no assurance that management estimates of efficiency gains will be realised and/or achieved, if at all. New operations may be prone to unexpected problems during the initial development phase. Such occurrences could result in damage to properties or processing facilities, interruptions in production, injury or casualties, monetary losses and legal liabilities. In such an event, the Group's Business may be adversely affected.

(q) ***The Group will need to obtain further financing for the Group's future growth***

The Group will have to fund the investment costs for capital expenditure and operating costs required for its operations. The Group may also require additional funding for its growth plans.

In the event that the costs of implementing its growth plans exceed its funding estimates significantly or that the Group come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and the funds generated from the Group's operations prove insufficient for such purposes, the Group may need to raise additional funds to meet these funding requirements. The Group will consider obtaining such funding from new issuance of equity, debt instruments and/or external bank borrowings, as appropriate. In addition, the Group may need to obtain additional equity or debt financing for other business opportunities that the Group deems favourable to its future growth and prospects. Funding through the new issuance of equity will lead to a dilution in the interests of its Shareholders. An increase in debt financing may be accompanied by conditions that

restrict the Group's ability to pay dividends or require the Group to seek lenders' consent for payment of dividends, or restrict the Group's freedom to operate its business by requiring lenders' consent for certain corporate actions. In addition, there is no assurance that the Group will be able to obtain additional financing on terms that are favourable and acceptable to the Group, or at all. If the Group is not able to secure adequate financing on a timely basis or at all, the Group's Business may be adversely affected.

(r) ***The Group may incur impairment losses related to the Group's assets, which may adversely affect its financial performance***

In accordance with the Group's accounting policy, the carrying amount of the Group's assets, including goodwill, property, plant and equipment and the Mines, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Estimating the value in use requires the Group to estimate cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. Any material decrease in the amount of the Group's projected cash flows may result in impairment on the carrying value of goodwill, property, plant and equipment and the Mines, which may adversely affect the Group's financial performance.

(s) ***Terrorist attacks, armed conflicts, and/or outbreak of Severe Acute Respiratory Syndrome ("SARS"), avian influenza, H1N1, H7N9, Zika and/or any other diseases or viruses, may affect the markets in which the Group operate and the Group's business and operations***

The effects of terrorist attacks or armed conflicts may materially and adversely affect the Group's Business and operations or those of the Group's suppliers or customers. Such terrorist attacks or armed conflicts could have an adverse impact on the demand for the Group's products and the Group's ability to deliver products to its customers in a timely and cost-effective manner, which in turn could have a material adverse impact on the Group's Business and operations. Political and economic instability in some regions of the world may also result from such terrorist attacks and armed conflicts, and could negatively impact the Group's Business. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group is not able to foresee such events that could have an adverse impact on the Group's Business.

An outbreak of contagious disease or of viruses may have an adverse effect on the economies of certain Asian countries and may materially and adversely affect the Group's Business.

For example, in the first half of 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia. In 2009, there was a global outbreak of new strain of influenza A virus sub-type H1N1. In the last few years, large parts of Asia experienced unprecedented outbreaks of avian flu. In 2013, a deadly strain of influenza A virus sub-type H7N9 was reported in the PRC. These infectious diseases seriously interrupted economic activities and general demand for goods plummeted in the affected regions.

There can be no assurance that an outbreak of SARS, avian flu, H1N1, H7N9, Zika or other diseases or of viruses, or the measures taken by the governments of affected countries against such potential outbreaks, will not seriously interrupt the Group's operations or those of the Group's contractors, suppliers and/or customers. This, in turn, may have a material adverse effect on the Group's Business. The perception that there may be a recurrence of an outbreak of SARS, avian flu, H1N1, H7N9, Zika or other diseases or viruses may also have an adverse effect on the economic conditions of countries in Asia and accordingly, the Group's Business.

(t) ***The Group's Business may be adversely affected by recent developments in the global markets***

Since the global economic downturn in late 2008, there have been negative developments in the global financial markets including the downgrading by major international credit rating agencies of sovereign debts issued by some of the European Union member countries and the difficult conditions in the global credit and capital markets. These challenging market conditions have given rise to reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing, government intervention and lack of market confidence. These factors, combined with declining business and consumer confidence, have resulted in global economic uncertainties.

It is difficult to predict how long these developments will last. Further, there can be no assurance that measures implemented by governments around the world to stabilise the credit and capital markets will improve market confidence and the overall credit environment and economy. A global economic downturn could adversely affect the Group's ability to obtain short-term and long-term financing. It could also result in an increase in the cost of the Group's bank borrowings and reduction in the amount of banking facilities currently available to the Group. The inability of the Group to access capital efficiently, on time, or at all, as a result of possible economic difficulties, may have an adverse effect on the Group's Business. Any deterioration in the global economy could in turn adversely affect the health of the local economy and impact the Group's Business.

In the event that the global economic conditions do not improve or any recovery is halted or reversed, the Group's Business may be adversely affected.

(II) **Risks Relating Specifically to the Group's Mining Operations**

(a) ***The Group is materially dependent on the Mines for its Mining Operations***

The Group expects the Mines to be the Group's only operating mines in the near term and on which the Group will depend substantially for its operating revenue and cash flow, and to support the Group's Chemical Production Operations. Any significant operational or other difficulties in the mining, processing or transport of phosphate rocks from the Mines to the Group's P<sub>4</sub> plant or to the Group's customers may hinder the sales and production of the Group's phosphate rock and phosphate-based chemical products. In particular, the Group may face difficulties in the transportation of phosphate rocks from its Mines owing to landslides and/or other environmental hazards. The Group's Chemical Production Operations may be disrupted if the Group is unable to secure prompt alternative sources of phosphate rocks for its Chemical Production Operations. In the event that the Group fails to derive the expected economic benefits from its Mines due to any delay or difficulty in its operations, and/or to optimise the capacity of its operations, the Group's Business may be adversely affected.

(b) ***The Group may not be able to achieve the expected production output of its phosphate rocks based on resource estimates***

The Group's phosphorite resource estimates are based on, *inter alia*, certain estimation methodology and procedures, various assumptions and professional engineering judgment. There can be no assurance that the resource estimates will be accurate, or that the resource estimates will translate to proven reserves. Resource estimates involve professional judgment based on factors such as technical data, experience and industry practice. The accuracy of these estimates may be affected by many factors, including the quality of the results of exploration drilling, sampling of the rocks, analysis of the rock samples, estimation procedures and the experience of the person(s) making the estimates. Estimates of the Group's phosphorite resources may change significantly when new information becomes available or new factors arise which change the assumptions underlying the resource estimates. If the data on which the phosphorite resource estimates are based on are later found to be unreliable, the accuracy of the estimates and information may be compromised and the phosphorite resource estimates may not translate to proven reserves.



A reduction of the Group's phosphorite resource estimates may result in the lowering of the expected mining lives of the Mines. Fluctuations in factors such as the prices of the Group's products, production costs and transportation costs, variation in recovery rates and unforeseen geological or geotechnical perils may require the Group to revise its phosphorite resource data. If such revisions result in a reduction in recoverable phosphorite resources at one or more of the Mines, the Group's Business may be materially and adversely affected.

(c) ***The Group faces risks and uncertainties associated with its Mining Operations***

The Group's Mining Operations are subject to a number of operating risks and potential hazards normally associated with the exploration and extraction of natural resources, some of which are beyond the Group's control. The occurrence of any operating risk and potential hazard could result in extraction shortfalls and/or damage to persons or property. These operating hazards and risks include:

- periodic interruptions of the Group's Mining Operations due to inclement or hazardous weather conditions (including flooding, mudslides and landslides) and natural disasters;
- interruptions due to transportation disruptions and/or delays;
- accidents;
- power or fuel supply interruptions;
- unexpected maintenance or technical problems;
- labour issues;
- boundary disputes;
- disputes with third parties;
- critical equipment failures in the Group's Mining Operations; and
- unusual or unexpected variations in the Mines and their geological or mining conditions, such as instability of the slopes and subsidence of the working areas.

In particular, the Group's Mining Operations involve the handling and storage of certain dangerous articles including explosives, and use of heavy machinery, which involve inherent risks that cannot be completely eliminated through preventive efforts. The occurrence of any of these potential hazards could delay and adversely affect the Group's Mining Operations, increase production costs, result in environmental damage, and/or result in casualties and/or injury to the Group's workers, damage to property and liability for the Group. Such incidents may also result in breach of consents or approvals obtained from the relevant PRC authorities for the Group's Mining Operations and imposition of fines and other penalties on the Group.

Any disruption for a sustained period to the operations of the Group's Mines may have a material adverse effect on the Group's Business. There can be no assurance that future accidents will not materially and adversely affect the Group's Business. The occurrence of any of these events, whether man-made or natural, could have an adverse effect on the Group's Business.

(d) ***The Group works with and relies on co-operation partners and third party advisers in its business operations***

Currently, the Group has co-operation arrangements, including with Sichuan Lomon Phosphate Products Joint Stock Ltd. Company ("**Lomon Products**"), Sichuan Lomon Phosphate Chemical Co., Ltd. ("**Lomon Chemicals**") and Mianyang Aostar Phosphorus Chemical Industry Co., Ltd. ("**Mianyang Aostar**").

The Group entered into a co-operation agreement with Lomon Products in 2011. The Group's co-operation with Lomon Products relates to jointly utilising, *inter alia*, the relevant facilities and main tunnel transportation system to obtain phosphate rocks within such areas that fall within the Group's respective mining rights.

The Group entered into a co-operation agreement with Lomon Chemicals in 2012. The Group's co-operation with Lomon Chemicals mainly relates to, *inter alia*, access to Adit 1703, which is owned by Lomon Chemicals, for the mining of phosphate rocks.

The Group entered into a co-operation agreement with Mianyang Aostar in 2016. The Group's co-operation with Mianyang Aostar mainly relates to, *inter alia*, purchase of the Group's phosphate rocks by them, P<sub>4</sub> related co-operation, and to explore the possibility of leveraging on Mianyang Aostar's existing electricity arrangement for the Group's subsidiary to benefit from preferential electricity rates.

The success of these co-operation arrangements largely depends on maintaining a good long-term working relationship with the Group's co-operation partners, and the satisfactory performance and fulfilment of obligations by them. Co-operation arrangements involve associated risks in that the Group's partners may:

- be unable or unwilling to fulfil their obligations under the relevant co-operation agreements;
- have a different interpretation of the Group's co-operation arrangements which are set out in general terms;
- have economic or business interests or goals that are inconsistent with the Group's;
- take actions or omit to take any actions contrary to the Group's instructions or requests or contrary to the Group's policies or objectives or good corporate governance practices or the law;
- have disputes with the Group as to the scope of their responsibilities and obligations; or
- encounter financial difficulties.

In addition, the co-operation of the Group's partners may not always be forthcoming. Any disagreement the Group may have with the Group's co-operation partners may lead to a deadlock situation, which could materially and adversely affect the Group's Business. There is no assurance that the Group will be able to resolve such disagreements in a manner that will be in the Group's interests, or at all, which could have an adverse effect on the Group's Business.

The Group also works closely with third party advisers and consultants in the Group's Mining Operations. For example, the Group engages third party PRC-licensed geological companies from time to time to carry out inspections as and when the exploration rights that the Group holds are due to be renewed or extended. As a result, the Group's Business may be affected by the performance of such third party advisers and consultants. Any failure by such third party advisers and consultants to meet the applicable professional, quality, safety and environmental standards could affect the Group's compliance with government rules and regulations relating to exploration and may also result in increased costs for the Group, which in turn could have a material adverse effect on the Group's Business.

(e) ***The Group may be unable to continue to discover additional phosphate deposits which can be mined economically***

The amount of phosphate deposits within the areas specified under the Group's mining rights will decline as the Group continue to mine. As such, the Group's future success and growth in the medium to long-term will depend, in part, on the Group's ability to discover additional phosphate deposits, and convert the Group's exploration rights to mining rights when more phosphate deposits are discovered.



Exploration of mineral deposits is speculative in nature, and involves significant risks which even a combination of careful evaluation, experience and knowledge is unlikely to entirely eliminate. There can be no assurance that the exploration activities will result in the discovery of new mineable reserves. Substantial capital expenditure and time may be required during which the capital cost and economic feasibility may change. Further, production output may be different from the estimates made initially. Whether mining of a phosphate deposit will be economically feasible depends on a number of factors including the size and quality of a deposit, phosphate prices and applicable government regulations. The effect of these factors cannot be accurately predicted, but any combination of them may result in the Group not receiving adequate, or any, returns for exploration activities.

Further, the Group may have to convert its exploration rights to mining rights, and there can be no assurance that the Group will be able to do so on a timely basis, on terms acceptable to the Group, or at all. There can be no assurance as to the factors or criteria that may be considered, and the extent of discretion exercised, by the PRC government in determining a mining right application.

Even in the event that exploration rights are converted to mining rights, there can be no assurance that project terms will not be altered or that the Group will not be subject to additional conditions imposed by the PRC government, or other relevant authorities.

If the Group is unable to replace its phosphate deposits as they are depleted with new phosphate deposits, the Group's Business may be adversely affected.

(f) ***The Group may be subject to costs and risks associated with the monitoring, rehabilitation and compliance with environmental laws and regulations***

Environmental protection and rehabilitation requirements, including the submission of environmental assessment reports, environmental management plans, rehabilitation plans and compliance with the environmental monitoring requirements, may increase the Group's costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. It is possible that costs and delays associated with the compliance with applicable laws and regulations could affect the Group's ability to proceed with the development or operation of the Mines, which will have an adverse effect on the Group's Business.

The Mines have a finite life and will eventually be closed. Before a mine can be closed, a report for closing the mine, and relevant documents including information on the mining operations, hidden dangers, land reclamation and utilisation, and environmental protection must be prepared, and an application for approval must be filed with the competent authorities and in accordance with applicable laws and regulations. In the event that the Mines are closed, the Group may face additional costs and risks arising from mine closures including reforestation and reinstatement of land used for Mining Operations to its original condition or compliance with other environmental protection or safety issues. The successful completion of these tasks is dependent on the Group's ability to adhere to applicable laws and regulations as may be implemented by the relevant government. The consequences of a difficult closure and/or non-compliance with applicable laws and regulations may include increased and/or unforeseen costs, penalties and damage to the reputation of the Group. In such an event, the Group's Business may be adversely affected.

(III) **Risks Relating Specifically to the Group's Chemical Production Operations**

(a) ***The Group may be adversely affected if the Group faces any disruptions to the supply of power and other raw materials***

The Group's Chemical Production Operations depend heavily on the availability of power supply, as well as other raw materials such as natural gas, electrodes, caustic soda, soda ash, silica and coke. There can be no assurance that supplies of power as well as other raw materials will not be interrupted or that their prices will not increase.

Since December 2012, the facilities for the Group's Chemical Production Operations have been connected to the electricity supply network of the 国家电网公司 (State Grid Corporation of China) and the Group is charged based on the prevailing market rates. Cost of electricity constitutes a significant portion of the Group's total costs of production, and electricity cost increases, for example during low-water periods which typically occur within the period from November to April, may materially and adversely affect the Group's Business.

In the event the Group experiences disruptions in the supply of power or other raw materials to its processing facilities, and the Group is unable to find suitable replacement suppliers promptly or obtain alternative supplies at prices acceptable to the Group to meet the shortfall, the Group's Business may be adversely affected.

(b) ***The Group faces risks relating to environmental hazards and production safety associated with its Chemical Production Operations***

The Group's Chemical Production Operations are subject to risks normally associated with working with chemicals and hazardous substances, such as spills, discharges or other releases of hazardous substances into the environment. The occurrence of accidents involving the Group's phosphate-based chemical products or by-products, which may be flammable and/or hazardous in nature, as the case may be, could result in severe damage and/or injury to persons and/or property. In such an event, the Group may be subject to equipment failures or shutdowns, litigations and/or regulatory investigations, all of which could materially and adversely affect the Group's Business.

(c) ***The Group may be adversely affected by any imposition of any additional export duties, quotas and/or restrictions on the Group's phosphate-based chemical products***

Certain of the Group's phosphate-based chemical products are subject to additional export tax and quotas imposed by the PRC government.

In the event that any additional or new export duties or quotas are imposed on the Group's products, the Group's Business may be adversely affected.

(d) ***The Group is subject to foreign exchange risks and fluctuations***

The Group is exposed to foreign exchange rate risks. Revenue for the exports of the Group's phosphate-based chemical products is denominated in US\$ while the Group's operating costs are mainly denominated in RMB and S\$. To the extent that the Group's revenue and operating costs and/or purchases are not entirely matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, as the case may be, the Group is exposed to any depreciation of US\$ and/or S\$ against RMB. Any significant depreciation of US\$ and/or S\$ against RMB could adversely affect the financial performance and position of the Group.

The Group is also subject to translation risks as the Group's combined financial statements are presented in S\$ while the financial statements of the Group's foreign subsidiaries are prepared in RMB, its functional currency. For the purposes of consolidating the results of the Group's foreign subsidiaries, the balance sheet of the Group's foreign subsidiaries are translated from RMB based on the year end exchange rate for the relevant financial period or year. The profit or loss statement of the Group's foreign subsidiaries are translated using the average exchange rates for the relevant financial year or period. Any significant depreciation of the S\$ against the RMB will adversely affect the Group's financial performance and position.

Moreover, the Shares are traded in S\$. Accordingly, any fluctuation in the exchange rates between the currencies may have an impact on the value of the Group's reported earnings, NAV and other financial measures in S\$ terms. This, in turn, may affect the market price of the Shares. It should also be noted that the RMB is not a freely convertible currency.

The Company has been advised that under the PRC foreign exchange rules and regulations, payments of current account items, including profit distributions, interest payments and expenditures related to business operations, are permitted to be made in foreign currencies without prior government approval but are subject to certain procedural requirements. Strict foreign exchange controls continue to apply to capital account transactions. Capital account transactions must be registered with and approved by the State Administration for Foreign Exchange of the PRC. Repayments of loan principal, distributions of returns on direct capital investment and investments in negotiable instruments are also subject to restrictions.

As a result of controls described above, there is no assurance that the Group will be able to remit profits from its PRC subsidiaries in the form of dividends or otherwise.

(e) ***The Group may experience equipment failure or other interruptions in the Group's Chemical Production Operations***

The Group's Chemical Production Operations depend on the operation of the Group's equipment and production facilities, for which the Group is in the process of obtaining the relevant approvals. The facilities may experience various operational delays such as shut-downs, downtime or periods of reduced production as a result of unanticipated malfunction owing to reasons including power shortages, equipment failure or defects. In addition, the Group's P<sub>4</sub> plant may be subject to unanticipated events such as fire or natural disasters including earthquakes, resulting in damage to persons and/or property. Disruption at one part of the Group's facilities may also adversely affect production for other phosphate-based chemical products.

In the event that such unanticipated events occur and cause delays to the operations of the Group's P<sub>4</sub> plant, and the Group is unable to resolve and/or find suitable prompt replacement of such equipment, the Group's Business may be adversely affected.

(f) ***The Group may not be able to consistently, if at all, develop new and/or improved phosphate-based chemical products, which are profitable or commercially viable, and the Group's customers may reduce their demand for the Group's phosphate-based chemical products in favour of substitutes***

The Group may not be able to develop new and/or improved phosphate-based chemical products to expand its product range and improve the quality of its phosphate-based chemical products consistently, if at all. There can be no assurance that the Group's efforts will yield profitable or commercially viable phosphate-based chemical products. In addition, as the time frame for developing and the demand for new products are not pre-determinable, the Group may have to abandon a potential product which is no longer marketable even if the Group has invested significant resources in the development of such product. Further, even if the Group is successful in developing a new product, a significant amount of time may lapse between the Group's investment in that product and the receipt of any related revenue. In addition, the Group's phosphate-based chemical products also compete with other substitutes for various applications. If a significant portion of the Group's customers are willing to accept such substitutes, the demand for the Group's products would decrease and the market price for the Group's phosphate-based chemical products may decline. This would materially and adversely affect the Group's Business.

(g) ***The Group is subject to economic and political conditions of the PRC arising from uncertainties due to changes in government policies and social conditions***

The Group conducts substantially all of its business operations in the PRC. Furthermore, the Group's sale of phosphate rocks is confined to the PRC, as the Group does not possess the relevant licence(s) required by PRC laws and regulations to sell phosphate rocks overseas. Therefore, the Group's Business is sensitive to the economic, political and legal environment in the PRC, and the PRC's overall GDP growth. The PRC economy differs from the economies of most developed countries in many respects, including its structure, its level of development, its growth rate, its control of foreign exchange and its allocation of resources.

The economy of the PRC is still in the process of being transformed from a planned economy to a more market-oriented economy. The PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of its economy. Although the Company believes these reforms will have a positive effect on its overall and long-term development, the Group cannot predict whether changes in the PRC's economic and other policies will have any adverse effect on the Group's Business.

(h) ***Introduction of new laws or changes to, or interpretation of, the existing laws by the PRC government may significantly affect the Group's Business***

The Group's business and operations in the PRC are governed by the legal system of the PRC. The PRC legal system is a codified system with written laws, regulations, circulars, administrative directives and internal guidelines. As the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protections available to the Group. Some of these laws and regulations are relatively new, so the volume of published cases in relation to these laws and regulations are limited. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof are still at an experimental stage and are therefore subject to policy changes. In addition, some regulatory requirements issued by certain PRC government authorities may not be consistently applied. The Group cannot predict the effect of future developments in the PRC legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the pre-emption of local regulations by national laws. Further, the PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Accordingly, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions.

(i) ***The Group is subject to applicable PRC laws and other regulations concerning environmental protection, health and safety and other areas of laws***

The Group is subject to various national, provincial and local laws and regulations relating to mining, environmental protection, land use, occupational health, production safety and other matters that govern the Group's operations. These impose inherent risks of liabilities in the Group's operations.

*Environmental protection*

Environmental hazards may occur in connection with the Group's operations as a result of human negligence, force majeure or otherwise. Environmental events such as changes in the water table or landslides could adversely affect the Group's Mining Operations. The occurrence of any environmental hazard may delay production, increase production costs, cause personal injuries or property damage, result in liability to the Group and/or damage the Group's reputation.

The Group is subject to national, provincial and local laws, rules and regulations regarding environmental matters, such as the treatment and discharge of hazardous wastes and materials. For example, the Group is required to abide by applicable PRC laws and regulations on the discharge of waste substances into the environment.

In addition, the Group is required under the current PRC laws and regulations to conduct its Mining Operations in a manner that minimises the impact on the environment. The Group may be required to incur significant capital and maintenance expenditures in order to comply with these environmental protection laws and regulations. Any failure by the Group to discharge its obligations could result in the imposition of fines and penalties, damage in reputation, delays in production and/or temporary or permanent closure of the Group's operations.

The Group is also subject to future changes in existing laws or regulations or enforcement policies, or further investigation or evaluation of the potential health hazards of some of the Group's products or business activities, which may result in additional compliance and other costs. Stricter laws and regulations, or more stringent interpretations of existing laws or regulations, may impose new liabilities on the Group, reduce operating hours, require additional investment by the Group in pollution control equipment, or impede the opening of new or expanding existing plants or facilities. The Group could be forced to conduct preventive or remedial action(s), such as pollution control facilities, which could result in the incurrence of substantial costs. Such costs, liabilities or disruptions in operations could materially and adversely affect the Group's Business.

#### *Occupational health and safety*

The Group is required to comply with applicable health and safety laws and regulations of the relevant PRC authorities. Relevant government authorities regularly conduct safety inspections of the mines and facilities of mining companies. Failure to pass the safety inspections may harm the Group's corporate image, reputation and the credibility of the Group's management, and have a material adverse effect on the Group's Business. The Group may also be subject to fines, penalties or even suspension of operations.

The Group's operations are subject to manufacturing, operating and handling risks associated with the products the Group produce and the products the Group use in its operations. In particular, the Group's operations may involve the transportation, handling and storage of explosives and other dangerous or hazardous materials in customised storage tanks. The Group may encounter accidents, maintenance or technical difficulties, mechanical failures or breakdowns during the exploration, mining and production processes. There is no assurance that accidents such as fires, equipment mishandling and mechanical failures which may result in property damage, severe personal injuries or even fatalities will not occur during the course of the Group's operations. The occurrence of such accidents may disrupt or result in a suspension of the Group's operations, increase production costs, result in liability to the Group and harm the Group's reputation and Business.

#### *Labour*

The Group is also required to comply with applicable PRC labour, social insurance and housing fund laws and regulations. In the PRC, employers entering into a labour contract relationship with the workers shall perform the duties stipulated under the relevant laws and regulations, including the execution of contracts with employees, prompt payment of salaries, and contribution to the employees' social insurance and housing fund. Any failure by the Group in complying with the applicable labour, social insurance and housing fund laws may subject the Group to penalties and liabilities under PRC laws and regulations, including but not limited to issue of warnings and imposition of fines.

There can be no assurance that existing laws and regulations in relation to, *inter alia*, environmental, occupational health and safety, and labour, will not be amended in the future. Stricter laws and regulations, or more stringent interpretation of existing laws and regulations, may impose additional compliance requirements on the Group, such as reducing the Group's operating hours, and altering the Group's production processes. The Group may even be required to incur additional investment in pollution control equipment and/or incur additional operating costs to comply with such additional requirements and regulations. Any failure by the Group to comply with the changes to the laws and regulations could result in the imposition of fines and penalties, damage in reputation, delays in production and/or temporary or permanent closure of the Group's operations. Such increase in costs of or disruptions in operations may materially and adversely affect the Group's Business.

(j) ***The Group may be subject to any changes of laws and regulations relating to currency conversion and tax in the PRC***

Under the present unified floating exchange rate system, the People's Bank of China publishes a daily exchange rate for the RMB based on the previous day's dealings in the inter-bank foreign exchange market. Under this unified floating exchange rate system,



fluctuations in the exchange rate of the RMB against other currencies, are to a certain extent, subject to market forces. There can be no assurance that the RMB will not be subject to devaluation or depreciation due to administrative or legislative intervention by the PRC government or adverse market movements. A devaluation of the RMB may adversely affect the Group's cash flow position in the repayment of the Group's foreign currency debt (if any) and the payment of dividends on the Shares. Conversely, an appreciation of RMB could lead to a reduction in the prices of imported products and negatively impact the Group's competitiveness against foreign products within the PRC, thereby lowering the Group's profitability and adversely affecting the Group's Business.

(k) ***Failure to comply with PRC regulations in respect of the Group's PRC Employees' (as defined below) share awards may result in the Group and/or such PRC Employees being subjected to fines and legal or administrative sanctions***

Pursuant to the relevant PRC laws, rules and regulations in respect of foreign exchange control, including the 关于境内个人参与境外上市公司股权激励计划外汇管理有关问题的通知 (notice issued on 15 February 2012 by the State Administration for Foreign Exchange of the PRC), eligible PRC employees who are granted share awards under the AsiaPhos Performance Share Plan (the "**PRC Employees**") are required to complete (i) foreign exchange registration for the share awards with the State Administration for Foreign Exchange of the PRC or its local branch(es) via a qualified PRC agent and (ii) certain other procedures.

The Group is required to (i) appoint and/or authorise a qualified PRC agent to complete the State Administration for Foreign Exchange Registration on behalf of the Group's PRC Employees; and (ii) submit the requisite documents to the State Administration for Foreign Exchange of the PRC or its local branch(es), including evidentiary materials that prove the authenticity of the AsiaPhos Performance Share Plan and letters of undertaking regarding the veracity of the employment relationship between the PRC Employees and the Group's PRC subsidiary.

If the Group, or its PRC Employees, fail to comply with relevant PRC laws, rules and regulations, the Group and/or its PRC Employees may be subject to fines and legal or administrative sanctions.

**(IV) Risks Relating to the Shares, the Warrants and/or the New Shares**

(a) ***Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST***

The Company is listed on Catalist, a listing platform primarily designed for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in securities quoted on Catalist may carry a higher risk than an investment in securities quoted on the Main Board of the SGX-ST. The future success and liquidity in the market of the Shares and, if listed, the Warrants (collectively, the "**Securities**") cannot be guaranteed.

(b) ***Market and economic conditions may affect the market price and demand for the Securities***

Movements in domestic and international securities markets, economic conditions, foreign rates and interest rates may affect the market price and demand for the Securities. As the Shares will be quoted in S\$ on the SGX-ST, dividends, if any, in respect of the Shares will be paid in S\$. Fluctuations in the exchange rate between the S\$ and other currencies will affect, amongst other things, the foreign currency value of the proceeds which a Shareholder would receive upon sale in Singapore of the Shares (and if applicable, the Warrants) and the foreign currency value of dividend distributions.



(c) ***The price of the Securities may be volatile***

The market price of the Securities may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond the Group's control and may be unrelated or disproportionate to the Group's financial results:

- political, economic, financial and social developments in the PRC and in the global economy;
- perceived prospects, the general outlook of the Group's industry, and success or failure of management in implementing the Group's business plans;
- changes in general economic and stock market conditions;
- changes in the Group's operating results;
- changes in securities analysts' estimates of the Group's financial performance and recommendations;
- announcements of gain or loss of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in market valuations and share prices of companies with similar businesses to the Group that may be listed in Singapore or elsewhere;
- fluctuations of exchange rates;
- ability to obtain or maintain regulatory approval for the Group's operations;
- addition or loss of key personnel; and
- the Group's involvement in material litigation.

(d) ***Future dilution may result due to capital requirements***

The Group's working capital and capital expenditure needs may vary materially from those presently planned, depending on numerous factors, including the Group's marketing and distribution strategies, strategic alliances and other factors which cannot be foreseen. If the Group does not meet its goals with respect to revenues, or costs are higher than anticipated, substantial additional funds may be required. Even if the Group exceeds its goals, the success may introduce new opportunities that may have to be fulfilled quickly and this could also result in the need for substantial new capital. The Group may have to raise additional funds to meet the new capital requirements. These additional funds may be raised through the issuance of new Shares. In such events, if any Shareholder is unable or unwilling to participate in such fund raising, such Shareholder may experience dilution in his investment.

(e) ***Negative publicity may adversely affect the price of the Securities***

Negative publicity involving the Group, any of the Directors or Substantial Shareholders, may adversely affect the market perception or the stock performance of the Company, whether or not it is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

(f) ***As a significant portion of the Group's operations and assets are located outside Singapore, investors may find it difficult to enforce a judgment against the Group or management.***

A significant portion of the Group's operations and assets are located outside Singapore. Accordingly, Shareholders may encounter difficulties if they wish to make a claim against the Group, or wish to enforce a judgment against the assets of the Group.

(g) ***The actual performance of the Group may differ materially from the forward-looking statements in this Offer Information Statement***

This Offer Information Statement contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside of the Group's control. Furthermore, the Group's revenue and financial performance are dependent on a number of external factors, including demand for the Group's phosphate rock and phosphate-based chemical products which may decrease for various reasons, such as increased competition within the industry or changes in applicable laws and regulations. There is no assurance that these assumptions will be realised and the Group's actual performance will be as projected.

(h) ***Shareholders will suffer dilution of their percentage of ownership of the Shares if they do not or are not able to subscribe for their Rights Shares with Warrants***

If any Shareholder does not subscribe for his Rights Shares with Warrants entitlements in full, his proportionate voting and ownership interest will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his "nil-paid" Rights Shares with Warrants entitlements, or such "nil-paid" Rights Shares with Warrants entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights cum Warrants Issue.

(i) ***An active trading market in the "nil-paid" Rights Shares with Warrants entitlements may not develop***

There is no certainty that an active trading market for the "nil-paid" Rights Shares with Warrants entitlements on the SGX-ST will develop during the trading period for such nil-paid entitlements. Even if an active market develops, the trading price for the "nil-paid" Rights Shares with Warrants entitlements, which depends on the trading price of the Shares, may be volatile.

(j) ***Shareholders need to act promptly and follow subscription instructions, otherwise their subscription of the Rights Shares with Warrants may be rejected and their Rights Shares with Warrants entitlements may expire without value and without any compensation***

Entitled Shareholders who desire to subscribe for the Rights Shares with Warrants or apply for Excess Rights Shares with Warrants in the Rights cum Warrants Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth under Appendices B to D to this Offer Information Statement. Failure to complete and sign the required acceptance forms or letters, the sending of an incorrect payment amount, or otherwise failure to follow the procedures that apply to a Shareholder's desired transaction may lead to rejection of the Entitled Shareholder's acceptance of the Rights Shares with Warrants and any Rights Shares with Warrants entitlements not accepted will expire without value and without any compensation.

(k) ***The Company is not obliged to redeem the Shares***

Shareholders have no right to request the Company to redeem their Shares while the Shares are listed on the SGX-ST. It is intended that Shareholders may only deal in their listed Shares through trading on the SGX-ST.

(l) ***There is no assurance that the Shares will remain listed on Catalist or that there will be a liquid market for the Shares***

Although it is currently intended that the Shares will remain listed on Catalist, there is no guarantee of the continued listing of the Shares. The Company may not continue to satisfy any continuing listing obligations under the Catalist Rules. As a result, there may not be a liquid market for the Shares. In addition, active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on,

amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on Catalist may change or improve after the Rights cum Warrants Issue.

(m) ***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 on Catalist 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 and complete the Rights cum Warrants Issue. In such an event, Warrant holders will not be able to trade their Warrants on Catalist.

(n) ***In the event that the Warrants are not exercised by the end of the Exercise Period, they will expire and become worthless***

The Warrants have an Exercise Period of three (3) years. In the event that the Warrants are not exercised by the end of the Exercise Period, they will expire and be worthless to the Warrant holders.

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

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

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

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

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**12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

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

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**13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

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

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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

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14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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

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**Significant Changes / Meaning of “published”**

15. Disclose any event that has occurred from the end of –

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

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

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company, the Directors are not aware of any event which has occurred from 1 January 2017 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

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## PART VI (THE OFFER AND LISTING)

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### **Offer and Listing Details**

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price for each Rights Share is S\$0.08, payable in full on acceptance and/or application. The Issue Price represents a discount of approximately 20.8% to the closing price of S\$0.101 per Share on 30 December 2016, being the date of the announcement of the Rights cum Warrants Issue.

The Warrants will be issued free with the Rights Shares on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. The Exercise Price for each Warrant, payable in full upon the exercise of the Warrant (subject to any adjustment under certain circumstances as set out in the Deed Poll), is S\$0.08.

The expenses incurred by the Company in respect of the Rights cum Warrants Issue will not be specifically charged to subscribers of the Rights Shares with Warrants.

An administrative fee will be incurred for each successful application made through the ATMs of the respective Participating Banks.

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

Not applicable. The Shares are traded on Catalist.

In respect of the Warrants, the Exercise Price of S\$0.08 for each New Share was determined by the Company after taking into consideration, *inter alia*, the market price of the Shares and the Exercise Period of the Warrants. The Exercise Price of S\$0.08 for each New Share represents a discount of approximately 20.8% to the closing price of S\$0.101 per Share on 30 December 2016, being the date of the announcement of the Rights cum Warrants Issue.

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

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

None of the Shareholders have any pre-emptive rights to subscribe for the Rights Shares with Warrants.

As there may be prohibitions or restrictions against the offering of the Rights Shares with Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights cum Warrants Issue. Please refer to the Section entitled "Eligibility of Shareholders to Participate in the Rights cum Warrants Issue" of this Offer Information Statement for further information.

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –

(a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –

(i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

(b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –

(i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

(c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

(d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

(a) The highest and lowest market prices and the volume of the Shares traded on the SGX-ST for each of the last twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 February 2017 to 20 February 2017, being the Latest Practicable Date, are as follows:

Month / Period	Price Range		Volume of Shares traded <sup>(3)</sup> (‘000)
	High <sup>(1)</sup> (S\$)	Low <sup>(2)</sup> (S\$)	
February 2016	0.102	0.077	1,221
March 2016	0.127	0.086	24,176
April 2016	0.097	0.085	3,007
May 2016	0.093	0.084	568
June 2016	0.091	0.080	1,601
July 2016	0.110	0.084	7,080
August 2016	0.090	0.082	1,918
September 2016	0.087	0.080	444
October 2016	0.087	0.072	927
November 2016	0.110	0,078	52,043
December 2016	0.108	0.092	1,142
January 2017	0.102	0.080	3,733
1 February 2017 to 20 February 2017 (being the Latest Practicable Date)	0.090	0.081	7,882



(Source: Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company and the Manager have included the above information in its proper form and context and have not verified the accuracy of such information.)

**Notes:**

- (1) Based on the highest market price for the Shares in a particular month / period.
  - (2) Based on the lowest market price for the Shares in a particular month / period.
  - (3) Based on the total volume of the Shares traded in a particular month / period.
- (b) Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.
  - (c) Save for temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com> in accordance with the requirements of the Catalist Rules, there has not been any significant trading suspension of the Shares that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
  - (d) Not applicable. The Shares were regularly traded on the SGX-ST.

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**5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide -**

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

The Rights Shares and the New Shares (when issued upon the exercise of the Warrants) will, on allotment and issue, rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotment or other distributions, the Record Date for which falls on or before the date of allotment and issue of the Rights Shares or the relevant exercise date of the Warrants (as the case may be).

The Warrants will, upon issue, be a new class of securities. Each Warrant entitles the Warrantholder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions set out in the Deed Poll.

Please refer to paragraph 1 of Part X (Additional Information required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for information on the rights, preferences and restrictions attached to the Warrants.

The Rights Shares and the New Shares will be issued pursuant to the general share issue mandate granted by the Shareholders at the Company's annual general meeting held on 29 April 2016.

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## **Plan of Distribution**

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Rights cum Warrants Issue is made on a renounceable basis to Entitled Shareholders at the Issue Price of S\$0.08 for each Rights Share with Warrant, on the basis of one (1) Rights Share with one (1) Warrant for every eight (8) existing Shares held by, or standing to the credit of the Securities Accounts, as the case may be, of Entitled Shareholders as at the Books Closure Date, fractional entitlements, if any, to be disregarded.

Entitled Shareholders shall be at liberty to accept, decline, or otherwise renounce (or in the case of Entitled Depositors) or trade their provisional allotments of the Rights Shares with Warrants and are eligible to apply for Excess Rights Shares with Warrants. Entitled Depositors will be able to trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Rights Shares with Warrants.

Fractional entitlements to the Rights Shares with Warrants, if any, have been disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares with Warrants that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or Purchasers, any unsold "nil-paid" provisional allotments of Rights Shares with Warrants of Foreign Shareholders and any Rights Shares with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, the Constitution of the Company, the Deed Poll and the instructions contained in the PAL, the ARE, the ARS and/or any other application form for Rights Shares with Warrants, be aggregated and issued to satisfy applications for Excess Rights Shares with Warrants (if any) or otherwise disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit.

The basis of allotting any Excess Rights Shares with Warrants will be determined at the absolute discretion of the Directors. In the allotment of Excess Rights Shares with Warrants, preference will be given to Entitled Shareholders for rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The Rights Shares with Warrants are not offered through any broker or dealer.

As there may be prohibitions or restrictions against the offering of Rights Shares with Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights cum Warrants Issue. Please refer to the Section entitled "Eligibility of Shareholders to Participate in the Rights cum Warrants Issue" of this Offer Information Statement for further information.

The allotment and issue of the Rights Shares with Warrants pursuant to the Rights cum Warrants Issue is governed by the terms and conditions as set out in this Offer Information Statement, the PAL, the ARE and the ARS.

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- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

Not applicable. The Rights cum Warrants Issue is not underwritten by any financial institution.

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## PART VII (ADDITIONAL INFORMATION)

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### **Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

The Summary of Mineral Resources and Reserves (as defined in paragraph 9(b) of Part IV (Key Information)) was prepared by Watts, Griffis and McOuat Limited of Suite 301, 8 King Street East, Toronto, Ontario, M5C 1B5 Canada, independent geologist engaged by the Company to, *inter alia*, prepare a report in accordance with the requirements of Practice Note 4C of the Catalyst Rules.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
  - (a) state the date on which the statement was made;**
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
  - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

The Summary of Mineral Resources and Reserves dated 20 February 2017 summarises the report by WGM being prepared for the purpose of the requirements of Practice Note 4C of the Catalyst Rules.

WGM has given, and has not withdrawn, its written consent to the issue of this Offer Information Statement with the inclusion of the Summary of Mineral Resources and Reserves in the form and context in which it is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Noted.

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### **Consents from Issue Manager and Underwriters**

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

The Manager and the Sponsor, namely United Overseas Bank Limited, has given, and has not, before the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority, withdrawn its written consent to being named in this Offer Information Statement as the Manager of the Rights cum Warrants Issue and the Sponsor.

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**Other Matters**

**5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**

**(a) the relevant entity's business operations or financial position or results; or**

**(b) investments by holders of securities in the relevant entity.**

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matter not disclosed under any other paragraph of this Offer Information Statement which could materially affect, directly or indirectly:

(a) the Group's business operations or financial position or results; or

(b) investments by holders of securities in the Company.

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**PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES  
BY WAY OF RIGHTS ISSUE)**

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**1. Provide**

- (a) the particulars of the rights issue;**
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**
- (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;**
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

The Rights cum Warrants Issue is being offered on a renounceable basis to Entitled Shareholders at the Issue Price, on the basis of one (1) Rights Share with one (1) Warrant for every eight (8) existing Shares held by, or standing to the credit of the Securities Accounts of, as the case may be, Entitled Shareholders as at the Books Closure Date, fractional entitlements, if any, to be disregarded.

**(1) Principal Terms of the Rights Shares**

- Number of Rights Shares : Up to 112,664,875 Rights Shares.
- Issue Price : S\$0.08 for each Rights Share, payable in full on acceptance and/or application.
- Basis of provisional allotment : One (1) Rights Share with one (1) Warrant for every eight (8) existing Shares held by, or standing to the credit of the Securities Accounts of, as the case may be, Entitled Shareholders, fractional entitlements, if any, to be disregarded.

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

- Status of the Rights Shares : The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls after the date of issue of the Rights Shares.

- Listing of the Rights Shares : On 16 February 2017, the Company obtained the listing and quotation notice from the SGX-ST for the listing of and quotation for up to 112,664,875 Rights Shares, up to 112,664,875 Warrants and up to 112,664,875 New Shares on Catalist, subject to certain conditions.

The listing and quotation notice granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

Trading of the Rights Shares and odd lots : Upon the listing of and quotation for the Rights Shares on Catalist, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system.

For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

Irrevocable Deeds of Undertaking : Please refer to paragraphs 1(f) and 1(g) of Part X (Additional Information required for Offer of Securities by way of Rights Issue) of this Offer Information Statement.

Governing law : Laws of Singapore.

**(2) Principal Terms of the Warrants and the New Shares**

Number of Warrants and New Shares : Up to 112,664,875 Warrants and up to 112,664,875 New Shares.

Exercise Price : S\$0.08 for each New Share on the exercise of a Warrant, payable in full on acceptance and/or application.

Status of the New Shares : The New Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls after the relevant exercise date of the Warrants.

Listing of the Warrants and the New Shares : On 16 February 2017, the Company obtained the listing and quotation notice from the SGX-ST for the listing of and quotation for up to 112,664,875 Rights Shares, up to 112,664,875 Warrants and up to 112,664,875 New Shares on Catalist, subject to certain conditions. The listing and quotation notice granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

Trading of the Warrants and the New Shares and odd lots : Upon the listing of, and quotation for, the Warrants and the New Shares on Catalist, the Warrants and the New Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system subject to, *inter alia*, there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such number as may be notified by the Company.



Irrevocable Deeds of Undertaking : Please refer to paragraphs 1(f) and 1(g) of Part X (Additional Information required for Offer of Securities by way of Rights Issue) of this Offer Information Statement.

Governing law : Laws of Singapore.

Last date and time for splitting : 13 March 2017 at 5.00 p.m.

Last date and time for acceptance and payment : 17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

Last date and time for renunciation and payment : 17 March 2017 at 5.00 p.m.

Last date and time for excess application and payment : 17 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

The terms and conditions of the Rights cum Warrants Issue are as set out in this Offer Information Statement, the ARE, the ARS and the PAL.

- 
1. (f) **the particulars of any undertaking from substantial shareholders or substantial equity interest holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
- (g) **if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

Dr. Ong Deed of Undertaking

As at the date of the Dr. Ong Deed of Undertaking, the OHE Group owns and/or has collective shareholding interests in 282,071,250 Shares, representing approximately 31.30% of the total issued Shares, and Dr. Ong owns 2,287,500 NWC Preference Shares which are redeemable at a principal amount of S\$2,287,500.

Furthermore, as at the date of the Dr. Ong Deed of Undertaking, the net outstanding amount owing by the Company to Dr. Ong under the Dr. Ong Loan is S\$1,000,000.

Pursuant to the Dr. Ong Deed of Undertaking, Dr. Ong has unconditionally and irrevocably undertaken that he will, *inter alia*:

- (a) subscribe for, by way of acceptance, an aggregate of 35,258,903 Rights Shares with Warrants (the aggregate value of which is S\$2,820,712.24 based on the Issue Price) to be provisionally allotted to the members of the OHE Group on the basis of their respective shareholdings in the Company; and
- (b) subscribe for up to 30,834,847 Rights Shares with Warrants (the aggregate value of which is up to S\$2,466,787.76 based on the Issue Price) which are not taken up by the other Entitled Shareholders or their renounees by way of excess application (subject to availability).

Pursuant to the Dr. Ong Deed of Undertaking, it is also agreed that the Company shall, on the allotment and issuance date of the Rights Shares with Warrants under the Rights cum Warrants Issue, apply and set-off the subscription monies otherwise payable by Dr. Ong and the other members of the OHE Group in respect of the subscription of the Rights Shares with Warrants and the Excess Rights Shares with Warrants against the following amounts in the following order of priority:

- (i) the principal amount of S\$2,287,500 in respect of the redemption of the NWC Preference Shares held by Dr. Ong under the Proposed Redemption; and
- (ii) the principal amount of S\$1,000,000 representing the Dr. Ong Loan obtained by the Company pursuant to the shareholder's loan agreement with Dr. Ong on 21 December 2016 (the "**Shareholder's Loan Agreement**") to the extent required for payment of the aforementioned subscription monies. In the event that there is any remaining balance of the principal amount of the Dr. Ong Loan (after payment of the aggregate subscription monies for the Rights Shares with Warrants which Dr. Ong is obliged to subscribe for under the Dr. Ong Deed of Undertaking), such remaining balance shall be fully repaid by the Company out of a portion of the net proceeds of the Rights cum Warrants Issue, and the terms of the Shareholder's Loan Agreement shall be deemed to have been amended and varied accordingly.

Pursuant to the Dr. Ong Deed of Undertaking, Dr. Ong has acknowledged that (assuming the entire principal amount of S\$2,287,500 for the redemption of Dr. Ong's NWC Preference Shares and the S\$1,000,000 representing the Dr. Ong Loan is set-off against the subscription monies otherwise payable by Dr. Ong and the other members of the OHE Group under the Rights cum Warrants Issue) the additional cash amount payable by Dr. Ong for the subscription of the Rights Shares with Warrants and the Excess Rights Shares with Warrants successfully applied for by him shall be a maximum of S\$2,000,000 (the "**Additional Financial Outlay**").

The Company has received a written confirmation dated 7 February 2017 from Oversea-Chinese Banking Corporation Limited that Dr. Ong has the financial resources to satisfy the Additional Financial Outlay.

#### AV Deed of Undertaking

As at the date of the AV Deed of Undertaking, Astute Ventures owns 245,025,455 Shares, representing approximately 27.19% of the total issued Shares, and 2,000,000 NWC Preference Shares which are redeemable at a principal amount of S\$2,000,000.

Pursuant to the AV Deed of Undertaking, Astute Ventures has unconditionally and irrevocably undertaken that it will, *inter alia*, subscribe for 25,000,000 Rights Shares with Warrants (the aggregate value of which is S\$2,000,000 based on the Issue Price).

In view of the above, the full amount of subscription monies payable by Astute Ventures in connection with its subscription of 25,000,000 Rights Shares with Warrants pursuant to the AV Deed of Undertaking will be fully set-off against the redemption sum for the principal amount of Astute Ventures' NWC Preference Shares under the Proposed Redemption.

#### Teo Deed of Undertaking

As at the date of the Teo Deed of Undertaking, Mr. Teo owns 280,000 Shares, representing approximately 0.03% of the total issued Shares, and 287,500 NWC Preference Shares which are redeemable at a principal amount of S\$287,500.

Pursuant to the Teo Deed of Undertaking, Mr. Teo has unconditionally and irrevocably undertaken that he will, *inter alia*:

- (a) subscribe in full for his *pro-rata* entitlement of 35,000 Rights Shares with Warrants (the aggregate value of which is S\$2,800 based on the Issue Price); and

- (b) by way of excess application, subscribe for 3,558,750 Rights Shares with Warrants (the aggregate value of which is S\$284,700 based on the Issue Price).

In the event Mr. Teo is able to fully subscribe for the Rights Shares with Warrants in accordance with (a) and (b) above, the full amount of subscription monies payable by Mr. Teo in connection with his subscription of Rights Shares with Warrants will be fully set-off against the redemption sum for the principal amount of Mr. Teo's NWC Preference Shares under the Proposed Redemption.

In the event that the Rights cum Warrants Issue is oversubscribed and there are insufficient Rights Shares with Warrants to satisfy the allotment and issuance to Mr. Teo of the full number of Excess Rights Shares with Warrants under his excess application, Mr. Teo has agreed pursuant to the Teo Deed of Undertaking that the value (based on the Issue Price) of the shortfall of Rights Shares with Warrants required to fully redeem his NWC Preference Shares shall be paid in cash to him.

#### Yi Prime and Lim Deed of Undertaking

As at the date of the Yi Prime and Lim Deed of Undertaking, Mr. Lim owns 3,200,000 Shares, representing approximately 0.36% of the total issued Shares, and Yi Prime owns 1,150,000 NWC Preference Shares which are redeemable at a principal amount of S\$1,150,000.

Pursuant to the Yi Prime and Lim Deed of Undertaking, Mr. Lim and Yi Prime have unconditionally and irrevocably undertaken that Mr. Lim will, *inter alia*:

- (a) subscribe in full for his *pro-rata* entitlement of 400,000 Rights Shares with Warrants (the aggregate value of which is S\$32,000 based on the Issue Price); and
- (b) by way of excess application, subscribe for 13,975,000 Rights Shares with Warrants (the aggregate value of which is S\$1,118,000 based on the Issue Price).

In the event Mr. Lim is able to fully subscribe for the Rights Shares with Warrants in accordance with (a) and (b) above, the full amount of subscription monies payable by Mr. Lim in connection with his subscription of Rights Shares with Warrants pursuant to the Yi Prime and Lim Deed of Undertaking provided by Mr. Lim and Yi Prime will be fully set-off against the redemption sum for the principal amount of Yi Prime's NWC Preference Shares under the Proposed Redemption.

In the event that the Rights cum Warrants Issue is oversubscribed and there are insufficient Rights Shares with Warrants to satisfy the allotment and issuance to Mr. Lim of the full number of Excess Rights Shares with Warrants under his excess application, Yi Prime and Mr. Lim have agreed pursuant to the Yi Prime and Lim Deed of Undertaking that the value (based on the Issue Price) of the shortfall of Rights Shares with Warrants required to fully redeem Yi Prime's NWC Preference Shares shall be paid in cash to Yi Prime.

On the basis of the Deed for Early Redemption and the Irrevocable Deeds of Undertaking, the Company has decided to proceed with the Rights cum Warrants Issue on the basis that it will not be underwritten by any financial institution.

## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8A OF THE CATALIST RULES

### 3(b) Working Capital

Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 are set out below:-

S\$'000	← As at 31 December →		
	2014 (Audited)	2015 (Audited)	2016 (Unaudited)
Total current assets	18,803	12,995	16,213
Total current liabilities	15,779	20,600	21,115
Working capital	3,024	(7,605)	(4,902)

#### As at 31 December 2015 compared to as at 31 December 2014

As at 31 December 2015, the Group had a negative working capital of S\$7.6 million as compared to a positive working capital of S\$3.0 million as at 31 December 2014. This was mainly due to a decrease in current assets of S\$5.8 million and an increase in current liabilities of S\$4.8 million.

Current assets of the Group decreased by S\$5.8 million as at 31 December 2015 compared to as at 31 December 2014 mainly due to decreases in (i) stocks of S\$6.1 million; (ii) other receivables of S\$1.4 million and (iii) cash and bank balances of S\$0.5 million, partially offset by increases in (i) trade receivables of S\$1.9 million and (ii) prepayments of S\$0.3 million.

Current liabilities of the Group increased by S\$4.8 million as at 31 December 2015 compared to as at 31 December 2014 mainly due to increases in (i) redeemable preference shares of S\$8.1 million; (ii) other payables of S\$0.5 million and (iii) provision for taxation of S\$0.5 million, partially offset by decreases in (i) bank overdraft (secured) of S\$0.4 million; (ii) advances from customers of S\$0.1 million and (iii) interest-bearing bank loans of S\$3.7 million.

#### As at 31 December 2016 compared to as at 31 December 2015

As at 31 December 2016, the Group's negative working capital decreased to S\$4.9 million from S\$7.6 million as at 31 December 2015. This was mainly due to an increase in current assets of S\$3.2 million, partially offset by an increase in current liabilities of S\$0.5 million.

Current assets of the Group increased by S\$3.2 million as at 31 December 2016 compared to as at 31 December 2015 mainly due to increases in (i) stocks of S\$5.2 million and (ii) other receivables of S\$0.1 million, partially offset by decreases in (i) trade receivables of S\$0.4 million and (ii) cash and bank balances of S\$1.7 million.

Current liabilities of the Group increased by S\$6.2 million as at 31 December 2016 compared to as at 31 December 2015 mainly due to increases in (i) bank overdraft (secured) of S\$0.4 million; (ii) trade payables of S\$1.6 million; (iii) advances from customers of S\$0.2 million; (iv) interest-bearing bank loans of S\$7.1 million and (v) the Dr. Ong Loan of S\$1.0 million. The increases were partially offset by decreases in (i) other payables of S\$1.3 million; (ii) redeemable preference shares of S\$8.1 million and (iii) provision for taxation of S\$0.5 million.

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**3(c) Convertible Securities**

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Catalist Rules**
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences**

- (i) For information required under Rule 832(1) to Rule 832(8) of the Catalist Rules, please refer to (a) paragraph 1 of Part X (Additional Information required for Offer of Securities by way of Rights Issue) and (b) Appendix A of this Offer Information Statement.

For information required under Rule 832(9) of the Catalist Rules, please refer to paragraph 3 of Part IV (Key Information) of this Offer Information Statement.

For information required under Rule 832(10) of the Catalist Rules, please refer to paragraphs 1 and 4 of Part V (Operating and Financial Review and Prospects) of this Offer Information Statement.

- (ii) Not applicable. The Rights cum Warrants Issue is not underwritten by any financial institution.

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**3(d) A statement by the Manager and the Sponsor that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the Manager and Sponsor are not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**

United Overseas Bank Limited, the Manager and Sponsor, confirms that, to the best of its knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts relating to the Rights cum Warrants Issue, the Company and its subsidiaries, and that it is not aware of any facts the omission of which would make any statement contained in this Offer Information Statement misleading.

No profit forecast is contained in this Offer Information Statement.

## APPENDIX A

### TERMS AND CONDITIONS OF THE WARRANTS

The warrants to subscribe for new ordinary shares in the capital of AsiaPhos Limited (the “**Company**” and such warrants, the “**Warrants**”), are issued subject to the benefit of a deed poll dated 24 February 2017 executed by the Company (the “**Deed Poll**”). The issue of the Warrants was authorised by resolutions of the board of directors of the Company passed on 29 December 2016 and of the shareholders of the Company passed on 29 April 2016. Approval in-principle has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for the Warrants and the new 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 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 Company and at the specified office of the Warrant Agent (as defined below) referred to in Condition 4.7 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.

#### 1. Definitions

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

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company 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 Company;

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

“**Catalist**” means the sponsor-supervised listing platform of the SGX-ST;

“**Catalist Rules**” means Listing Manual Section B: Rules of Catalist of the SGX-ST;

“**Companies Act**” means the Companies Act, Chapter 50 of Singapore, as amended from time to time;

“**Depositor**” and “**Depository**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act;

“**Depository Register**” means the register maintained by the Depository pursuant to the Securities and Futures Act in respect of the Warrants registered in the name of the Depository;

“**Directors**” means the directors for the time being of the Company;

“**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 Shareholders of the Company is closed, then the “**Exercise Date**” shall be earlier of the next Business Day on which the Register of Shareholders of the Company is open and the Expiry Date;

“**Exercise Notice**” means a notice (for the time being current) for the exercise of the Warrants, copies of which may be obtained from the Warrant Agent;



**“Exercise Period”** means the period commencing on (and including) the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3<sup>rd</sup>) anniversary of 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;

**“Exercise Price”** means, in respect of each Warrant, S\$0.08, subject to adjustment in accordance with Condition 5 below;

**“Expiry Date”** means the last date of the Exercise Period;

**“Extraordinary Resolution”** means a resolution passed at a meeting of the Warranholders duly convened and held in accordance with the provisions contained herein by a majority consisting of not less than threefourths of the votes cast thereon;

**“Global Warrant Certificate”** means the global Warrant Certificate in respect of such Warrants held through CDP, in such number as required by CDP, which will be deposited with CDP;

**“Market Day”** shall have the meaning ascribed to it in the Catalist Rules;

**“Members”** means members of the Company and **“Member”** shall be construed accordingly;

**“Register”** means the Register of Warranholders to be maintained by the Warrant Agent pursuant to Condition 4.6 below;

**“Registrar”** means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person, firm or company as may be appointed as such from time to time by the Company;

**“Schedule”** means schedule of the Deed Poll;

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

**“Securities and Futures Act”** means the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time;

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

**“Shares”** means ordinary shares in the capital of the Company;

**“Special Account”** means the account maintained by the Company with a bank in Singapore for the purpose of crediting moneys paid by exercising Warranholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warranholders;

**“S\$”** means the lawful currency of Singapore;

**“unexercised”** means, in relation to the Warrants, all the Warrants which are issued pursuant to the Recital of this Deed Poll for so long as the Warrants shall not have lapsed in accordance with Condition 3 other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Warrant Certificates in respect of which replacement Warrant Certificates 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 Warrant Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Warrant Certificates have been issued pursuant to Condition 10; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warranholders and (ii) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 12 and paragraphs 1, 3, 4 and 8 of Schedule 2 to the Deed Poll, those Warrants 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 of even date appointing, *inter alia*, 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 Agent”** means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person as may be appointed as such from time to time by the Company pursuant to the Warrant Agency Agreement;

**“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 to the Deed Poll, as from time to time modified in accordance with the provisions set out herein; and

**“Warrantholders”** means the registered holders of the Warrants, except that where the registered holder is the Depository, the term **“Warrantholders”** 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 2 of the Deed Poll relating to meetings of Warrantholders, such Warrantholders 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 Warrantholders supplied by the Depository to the Company. 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 Company 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) each 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 Company 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 Company 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.

2.2 The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company 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 completion of a Transfer Form and payment of the fees and expenses referred to in Condition 9 be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made.

2.3 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 Company shall not be bound to register more than three 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 Warrantholder;

- (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 Warrantheader;
- (c) the Company 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 in respect of all payments which ought to be made in respect of such Warrants.

### **3. Exercise Rights**

- 3.1 Each Warrantheader shall have the right, by way of exercise of each 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) 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 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 Company. No payments shall be refunded and no fraction of a 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.
- 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 Expiry Date shall become void.

### **4. Procedure for Exercise of Warrants**

#### **4.1 Lodgement Conditions**

In order to exercise one or more Warrants, a Warrantheader must fulfill the following conditions:

- (a) lodgment before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiry Date during the Exercise Period, of the relevant Warrant Certificate registered in the name of the exercising Warrantheader 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 and which are in the form or substantially in the form prescribed by the Deed Poll, duly completed and signed by or on behalf of the exercising Warrantheader 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 Global Warrant Certificate where such Warrants being exercised are registered in the name of the Depository;
- (b) 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 Warrantheader (including every joint Warrantheader, if any) or otherwise to ensure the due exercise of the Warrants and such other evidence as the Company may require to verify due compliance for the purposes of administering and implementing the provisions set out in these Conditions;
- (c) the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4.2 below;

- (d) 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
- (e) the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the new Shares in the name of the exercising Warrantholder or the Depository, as the case may be, and the delivery of the certificates for such new Shares and any property or other securities to be delivered upon the exercise of the relevant Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depository, as the case may be.

Any exercise by a Warrantholder in respect of Warrants registered in the name of the Depository shall be further conditional on:

- (i) the number of Warrants so exercised being available in the "Free Balance" of the Securities Account of the exercising Warrantholder with the Depository and remain so credited until the relevant Exercise Date; and
- (ii) the relevant Exercise Notice specifying that the new Shares arising on exercise of the Warrants are to be credited to the Securities Account of the exercising Warrantholder, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Warrants are registered in the name of the Depository irrevocably authorise the Company and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company 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 (including steps as may be set out in the Depository's procedures for the exercise of warrants in its website [www1.cdp.sgx.com](http://www1.cdp.sgx.com) or such other website, as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder, provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by any Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the Depository Register or the records of and information supplied by or statements or certificates of the Depository.

Once all the abovementioned conditions (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 Company.

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

Payment of the Exercise Price shall be made to the Warrant Agent at its specified office 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 Special Account for the full amount of the Exercise Price payable in respect of the Warrants exercised.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and any banker's drafts or cashier's orders shall be endorsed on the reverse side with (i) the number of Warrants exercised, (ii) the name of the exercising Warrantholder and (iii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of the Depository, the Securities Account(s) number(s) of the exercising Warrantholder which is to be debited with the Warrants being exercised and in each case compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

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 Company, 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 Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder'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 or forward the same to the Company and, accordingly, the whole of such relevant payment shall remain in the Special 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 Company 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 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 is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register is open and the Expiry 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 Special Account**

Payment of the Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Shares to be delivered in consequence of the exercise of such Warrants. The relevant Warrants and Warrants Certificates shall be cancelled on the Exercise Date except that, in relation to Global Warrant Certificate in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Warrants so exercised. The original Global Warrant Certificate shall be cancelled and replaced with a new Global Warrant Certificate representing the Warrants that are held through the Depository which remain unexercised, as soon as possible after receipt by the Warrant Agent from the Depository of the original Global Warrant Certificate, accompanied by instructions from the Depository as to the cancellation of such original Global Warrant Certificate in lieu of the new Global Warrant Certificate.

If such payment 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 of the Exercise Price or the conditions set out in Condition 4.1 above have not then all been fulfilled in relation to the exercise of such Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgement conditions set out in Condition 4.1, as the case may be, but on whichever is the earlier of:

- (a) the fourteenth (14<sup>th</sup>) day after receipt of such Exercise Notice by the Warrant Agent; and
- (b) the Expiry Date,

such payment will (if the Exercise Date in respect of such Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.



The Warrant Agent will, if it is possible to relate the payment so received 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 to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company and the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and outofpocket expenses of the Warrant Agent. Such payment as referred to aforesaid (together with all documents lodged) will be returned to the Warrantholder or (in the case of Warrants registered in the name of the Depository) to the Depository or to such person as the Depository may direct, by ordinary post and at the risk and expense of such Warrantholder. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned fourteen (14) day period with the consent in writing of the Company. The Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses.

#### **4.5 Allotment of New Shares and Issue of Balancing Warrant Certificates**

A Warrantholder exercising Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of new Shares arising from the exercise of such Warrants to be effected by crediting such Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice within five (5) Market Days of the date on which the Warrant Agent confirms with the Depository that the Warrants which have been tendered for exercise are available for exercise in the relevant Securities Account of the exercising Warrantholder and the number of Warrants represented by the Global Warrant Certificate in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

A Warrantholder exercising Warrants which are registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the new Shares arising from the exercise of such Warrants or to have the delivery of such new Shares effected by crediting such new Shares to his Securities Account with the Depository.

The Company shall allot and issue the new Shares arising from the exercise of the relevant Warrants by a Warrantholder and deliver such new Shares in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:

- (a) where such Warrantholder has elected in the Exercise Notice to receive physical share certificates in respect of the new Shares arising from the exercise of the relevant Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warrantholder, the certificates relating to such new Shares registered in the name of such Warrantholder; or
- (b) (if applicable) where such Warrantholder has elected in the Exercise Notice to have the delivery of new Shares arising from the exercise of the relevant Warrants to be effected by the crediting of the Securities Account of such Warrantholder as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Business Days after the relevant Exercise Date despatch the certificates relating to such new Shares in the name of, and to, the Depository for the credit of the Securities Account of such Warrantholder as specified in the Exercise Notice (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such new Shares at his address specified in the Register).

Where a Warrantholder exercises part only (and not all) of the subscription rights represented by Warrants which are registered in the name of the Depository, the number of Warrants represented by the Global 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. Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Warrants which are

registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warrantholder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warrantholder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the new Shares arising upon exercise of such Warrants.

#### **4.6 Register of Warrantholders**

The Warrant Agent shall maintain a register (the “**Register**”) containing particulars of the Warrantholders (other than Warrantholders who are Depositors) and if the Depository holds any Warrants, the Depository and such other information relating to the Warrants as the Company may require. The Register shall be closed during such periods as the Register of Transfers of the Company may be closed and during such periods as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants under Condition 5 or during such other period as the Company may determine. Not less than fourteen (14) days’ notice of each closure of the Register will be given to the Warrantholders in accordance with Condition 13.

Except as required by law or as ordered by a court of competent jurisdiction, the Company 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 Company or any Warrantholder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantholders, 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 Company 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 and Registrar**

The name of the initial Warrant Agent and the Registrar and its specified office is set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and Registrar and to appoint an additional or another Warrant Agent and/or another Registrar, Provided that it shall at all times maintain a Warrant Agent and a Registrar 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 and/or the Registrar shall be given to the Warrantholders in accordance with Condition 13.

Warrant Agent and Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

### **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 Approved Bank and/or the Auditors and certified to be in accordance with Condition 5.2 below by the Auditors. The Exercise Price and/or 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, subdivision (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), or conversion of Shares; or



- (b) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its Members who had an option to take cash or other dividend in lieu of the relevant Shares); or
- (c) a Capital Distribution (as defined below) made by the Company 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); or
- (d) an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an issue (otherwise than pursuant to a rights issue available to all Members, requiring an adjustment under Condition 5.1(d) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90.0%) of the Current Market Price (as defined below) for each Share (calculated as provided below).

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 (e) above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or Auditors shall determine):

(a) Consolidation or Subdivision or Conversion of Shares

If, and whenever, consolidation or subdivision or conversion of the Shares occurs (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), the Exercise Price shall be adjusted in the following manner:

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

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

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

where:

A = the aggregate number of issued and fully paidup Shares immediately before such consolidation or subdivision or conversion;

B = the aggregate number of issued and fully paidup Shares immediately after such consolidation or subdivision or conversion;

W = the existing number of Warrants held; and

X = the existing Exercise Price.

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) Capitalisation Issues

If and whenever the Company shall make any issue of Shares to its Members credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares), the Exercise Price and/or the number of Warrants shall be adjusted in the following manner:

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

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

where:

A = the aggregate number of issued and fully paidup Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Members credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had elected to take cash or other dividend in lieu of the relevant Shares);

W = as in W above; and

X = as in X above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the 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 (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

(c) Capital Distribution or Rights Issues

If and whenever the Company shall make:

(a) a Capital Distribution (as defined below) to its Members whether on a reduction of capital or otherwise; or

(b) any offer or invitation to Members by way of rights whereunder they may acquire or subscribe for Shares (“**Rights Issue**”);

then the Exercise Price shall be adjusted in the following manner:

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

and, in the case of Condition 5.2(c)(ii), the number of Warrants held by each Warrantholders shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{(C - D)} \times W$$

where:

- C = the Current Market Price on the Market Day immediately preceding the date on which the Capital Distribution or Rights Issue (as the case may be) is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution or Rights Issue (as the case may be);
- D = (1) in the case of a transaction falling within Condition 5.2(c)(i), the fair market value, as determined by an Approved Bank and/or Auditors, of that portion of the Capital Distribution attributable to one Share; and
- (2) in the case of a transaction falling within Condition 5.2(c)(ii), the value of rights attributable to one (1) Share (as defined below);
- X = as in X above; and
- W = as in W above.

For the purpose of sub-paragraph (2) of D above, the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

Where:

- C = as in C above;
- E = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and
- F = the number of Share(s) which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) Share.

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 Shares (not falling under Condition 5.2(b) above) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made where the Members had elected to take cash or other dividend in lieu of the relevant Shares). 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 Company 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, the “**Current Market Price**” in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on Catalist for the five (5) consecutive Market Days (on each of which trading of the Shares on Catalist has been transacted) immediately preceding that Market Day.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such Capital Distribution or such offer or invitation, as the case may be.

(d) Concurrent Capitalisation Issue and Rights Issue

If and whenever the Company 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(c)(ii) 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:

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

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

where:

B = as in B above;

C = as in C above;

E = as in E above;

I = the aggregate number of issued and fully paidup Shares on the record date;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for 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 date 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 Shares are to be made under the terms of such offer or invitation.

(e) Issues at Discount other than by way of Rights

If and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5.2(c)(ii) or 5.2(d) above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90.0%) of the Current Market Price for each Share on the SGX-ST on the date on which the issue price of such 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 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 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 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 Company determines the offering price of such Shares.

For the purposes of Conditions 5.1(e) and 5.2(e), the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such 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 Share**” shall be the Total Effective Consideration divided by the number of 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 the number of Warrants will be required in respect of:
- (a) an issue by the Company of Shares to *inter alia*, officers, including directors or employees of the Company or any of its subsidiaries, related corporations and/or associated companies pursuant to any purchase, option or option scheme approved by the Members in any general meeting; or
  - (b) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
  - (c) any issue by the Company of Shares pursuant to the exercise of any of the Warrants; or
  - (d) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
  - (e) subject to Condition 5.10 below, any purchase by the Company of Shares.
- 5.4 Any adjustment to the Exercise Price will be rounded upwards to the nearest one (1) cent and in no event shall any adjustment involve an increase in the Exercise Price (other than upon the consolidation of Shares). No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5.2 above 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 adjusted would be less than one (1) cent but any such adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 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 5.2 above by the Auditors and (ii) 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 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 held by each Warrantholder 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 held by each Warrantholder should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether for any reason

whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or if such Approved bank and/or Auditors shall consider an adjustment to be appropriate, an adjustment shall be made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or Auditors to be in its opinion appropriate. Any adjustment made pursuant to this Condition 5 (unless otherwise provided under the rules of the SGX-ST from time to time) shall be announced as soon as practicable by the Company.

- 5.7 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheolders in accordance with Condition 13 below 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 adjusted 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 there is an adjustment to the number of Warrants, the Company 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, to 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 Approved Bank 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 Approved Bank and/or auditors 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 Company 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 Shares, the Company shall appoint an Approved Bank and/or Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or Auditors 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 If the Company shall purchase or otherwise acquire Shares issued by it pursuant to the provisions of the Companies Act, the Company shall, if so required by the Warrantheolders by way of an Extraordinary Resolution, appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrantheolder shall be adjusted accordingly.
- 5.11 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the 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.
- 5.12 In giving any certificate or making any adjustment hereunder, the Approved Bank and/or Auditors 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 Company, the Approved Bank and/or the Auditors.

5.14 Any adjustments made pursuant to this Condition 5 shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company via SGXNET.

## 6. Status of Allotted Shares

Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Record Date for which is after the relevant Exercise Date of the Warrants. For the purpose of this Condition 6, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

## 7. Winding Up of the Company

If a resolution is passed for a Members' voluntary winding up of the Company, then:

- (a) if such windingup 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, shall be a party and shall have approved or assented to by way of an Extraordinary Resolution, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Warrants; and
- (b) if notice is given by the Company to its Members to convene a general meeting for the purposes of considering a Members' voluntary winding up of the Company, every Warranholder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all relevant payments payable and other items required under Condition 4 above, to elect to be treated as if he had prior to the commencement of such winding up exercised the Warrants to the extent of the number of Warrants specified in the Exercise Notice and had on such date been the holder of the New Shares. The New Shares will be allotted to such Warranholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

The Company shall give notice to the Warranholders in accordance with Condition 13 of the passing of any such resolution within seven (7) Business Days after the passing thereof.

Subject to the foregoing, if the Company is wound up for any other 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 Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue or participating rights unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.



## 9. Transfer of Warrants

9.1 In order to transfer Warrants, the Warrantholder must fulfil the following conditions:

- (a) lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company 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 Warrantholder;
- (c) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) for every Warrant Certificate issued together with any stamp duty and goods and services tax (if any) specified by the Warrant Agent to the Warrantholder;
- (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; and
- (e) the Warrants may only be transferred in lots of 100 Warrants or more.

9.2 The Warrantholder specified in the Register or the Depository Register shall remain the registered holder of the Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent or the Depository Register, as the case may be.

9.3 If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder 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 transferring Warrantholder accompanied by written notice of the omission(s) and/or error(s) and requesting the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.

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

- (a) register the person’s name in the Transfer Form as transferee in the Register as the registered holder of the Warrant in place of the transferring Warrantholder;
- (b) cancel the Warrant Certificate(s) in the name of the transferring Warrantholder; and
- (c) issue new Warrant Certificate(s) in respect of the Warrants in the name of the transferee.

9.5 The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company 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 completion of a Transfer Form and payment of the fees and expenses referred to in sub-paragraphs 9.1(c) and (d) above be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made.

9.6 Where the Warrants are registered in the name of the Depository and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the Depository by way of book-entry.

9.7 A transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Warrant 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.

#### **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 or requirement of the SGX-ST) for every replacement 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 Company on demand the market value of the Warrants at the time of the replacement thereof) as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered to the Warrant Agent 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. Warrant Agent not Acting for the Warranholders**

In acting under the Warrant Agency Agreement, the Warrant Agent is, subject to the terms and conditions therein, acting solely as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warranholders.

#### **12. Meetings of Warranholders and Modification**

12.1 The Deed Poll contains provisions for convening meetings of the Warranholders 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 Company or by Warranholders holding not less than twenty per cent. (20.0%) 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 present being Warranholders or proxies duly appointed by the Warranholders holding or representing over fifty per cent. (50.0%) 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 affecting the rights of the Warranholders (including cancelling the subscription rights constituted by the Warrants or changing the Exercise Period), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons present being Warranholders or proxies duly appointed by the Warranholders holding or representing not less than seventy-five per cent. (75.0%), or at any adjournment of such meeting, over fifty per cent. (50.0%) 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.

12.2 The Company may, without the consent of the Warranholders but in accordance with the terms and conditions of the Deed Poll and subject to the approval of the SGX-ST, effect any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Company:

- (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 new Shares arising from the exercise thereof or meetings of the Warranholders in order to facilitate trading in or 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 Catalist.

Any such modification shall be binding on the Warranholders and shall be notified to them in accordance with Condition 13 as soon as practicable thereafter. Unless made pursuant to subparagraphs (a) to (d) above, any alteration to the terms of the Warrants to the advantage of the Warranholders is subject to the approval of the Members and the SGX-ST.

Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warranholders must be approved by the shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

Except where the alterations are made pursuant to these Conditions (including but not limited to alterations made pursuant to and in accordance with Condition 5 above or the foregoing provisions of this Condition 12.2), the Company shall not:

- (i) extend the Exercise Period;
- (ii) issue new warrants to replace the Warrants;
- (iii) change the Exercise Price; or
- (iv) change the exercise ratio of the Warrants.

### **13. Notices**

- 13.1 All notices to Warranholders shall be valid if published in any leading daily English language newspaper for general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices shall be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.
- 13.2 All notices required to be given pursuant to these Conditions shall also be announced by the Company on the internet website of the SGX-ST on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

### **14. Notice of Exercise Price and the Notice of Expiry Date**

- 14.1 The Company shall, not later than one (1) month before the Expiry Date, give notice to the Warranholders in accordance with Condition 13, of the Expiry Date.
- 14.2 Additionally, the Company shall take reasonable steps to notify the Warranholders in writing of the above 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 the Depository, their addresses as shown in the records of the Depository. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

## 15. Governing Law and Jurisdiction

- 15.1 The Warrants and the Deed Poll are governed by, and shall be construed in accordance with, the laws of Singapore.
- 15.2 The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and the Deed Poll and accordingly any legal action or proceedings arising out of or in connection with the Warrants and the Deed Poll (the “**Proceedings**”) may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### 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 particular, a Warranholder should note that he may be under an obligation to extend a takeover offer of the Company if:
  - (a) he intends to acquire, by the exercise of the Warrants, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of the Company; or
  - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights of the Company, and either alone or together with persons acting in concert with him, intends to acquire additional 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. (1.0%).
- (2) The attention of Warranholders is drawn to Condition 3.2 and 3.3 of the Warrants relating to restrictions on the exercise of the Warrants.
- (3) A Warranholder who holds not less than five per cent. (5.0%) of the aggregate of the nominal amount of the issued share capital of the Company (assuming all the Warrants he holds are fully exercised), is under an obligation to notify the Company of his interest in the manner set out in Sections 82, 83 and 84 of the Companies Act and Sections 135, 136, 137, 137A and 137B of the Securities and Futures Act.

## **APPENDIX B**

### **PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

#### **1. INTRODUCTION**

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares with Warrants are governed by the terms and conditions of this Offer Information Statement, the Constitution of the Company, the Deed Poll and the instructions in the ARE.

The number of Rights Shares with Warrants provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares with Warrants as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares with Warrants in full or in part and are eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares with Warrants and payment for Excess Rights Shares with Warrants are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares with Warrants specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares with Warrants, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares with Warrants in full or in part and (if applicable) application for Excess Rights Shares with Warrants may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the relevant Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares with Warrants accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE, the Deed Poll or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto (in each case) **AT HIS/THEIR OWN RISK BY CREDITING HIS/ THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST** to his/their mailing address as maintained in the records of CDP or in such other manner **AT HIS/THEIR OWN RISK as he/they may have agreed with CDP for the payment of any cash distributions** without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES WITH WARRANTS EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL, the Deed Poll and/or any other application form for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants in relation to the Rights cum Warrants Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants in relation to the Rights cum Warrants Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares with Warrants, and where applicable, application for Excess Rights Shares with Warrants in relation to the Rights cum Warrants Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares with Warrants.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE, the ARS and/or the Deed Poll with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE, the ARS or the Deed Poll has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## **2. MODE OF ACCEPTANCE AND APPLICATION**

### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Shares with Warrants provisionally allotted, in full or in part, or (if applicable) to apply for Excess Rights Shares with Warrants will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix D to this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES WITH WARRANTS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**



## 2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept his provisional allotment of Rights Shares with Warrants, in full or in part, and (if applicable) apply for Excess Rights Shares with Warrants through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares with Warrants provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares with Warrants applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/ Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares with Warrants accepted and (if applicable) Excess Rights Shares with Warrants applied for:
  - (i) by hand to **ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares with Warrants accepted and (if applicable) Excess Rights Shares with Warrants applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — ASIAPHOS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

## 2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE, this Offer Information Statement and the Deed Poll as if the ARE had been completed, signed and submitted to CDP.

## 2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares with Warrants accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares with Warrants applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix B which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares with Warrants in relation to the Rights cum Warrants Issue.



## 2.5 Acceptance of Part of Provisional Allotments of Rights Shares with Warrants and Trading of Provisional Allotments of Rights Shares with Warrants

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares with Warrants specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares with Warrants and trade the balance of his provisional allotment of Rights Shares with Warrants on Catalist, he should:

- (a) complete and sign the ARE for the number of Rights Shares with Warrants provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares with Warrants by way of Electronic Application(s) in the prescribed manner as described in paragraphs 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares with Warrants may be sold as soon as dealings therein commence on Catalist.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares with Warrants on Catalist during the provisional allotment trading period should note that the provisional allotments of Rights Shares with Warrants will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares with Warrants, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares with Warrants as soon as dealings therein commence on Catalist. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of Catalist during the provisional allotment trading period.

## 2.6 Sale of Provisional Allotments of Rights Shares with Warrants

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that the ARS is accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares with Warrants may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 P.M. ON 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the "nil-paid" Rights Shares with Warrants, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares with Warrants. Purchasers may obtain a copy from CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Foreign Purchasers should note that their participation in the Rights cum Warrants Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES WITH WARRANTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES WITH WARRANTS REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES WITH WARRANTS PURCHASED, THEY WILL NEED TO PROVIDE THEIR RESPECTIVE FINANCE**

**COMPANIES OR DEPOSITORY AGENTS WITH THE APPROPRIATE INSTRUCTIONS NO LATER THAN THE DEADLINES SET BY THEM, IN ORDER FOR THEM TO ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES WITH WARRANTS ON THEIR BEHALF.**

**2.7 Renunciation of Provisional Allotments of Rights Shares with Warrants**

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares with Warrants in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares with Warrants which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares with Warrants. The last time and date for acceptance of the provisional allotments of Rights Shares with Warrants and payment for the Rights Shares with Warrants by the renounee is **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made through CDP) of **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made by way of an Electronic Application through an ATM of a Participating Bank).

**3. COMBINATION APPLICATION**

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares with Warrants by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares with Warrants by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares with Warrants provisionally allotted to him and/or application for Excess Rights Shares with Warrants (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

**4. ILLUSTRATIVE EXAMPLES**

As an illustration, if an Entitled Depositor has 1,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 125 Rights Shares with Warrants as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

**Alternatives**

- (a) Accept his entire provisional allotment of 125 Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants.

**Procedures to be taken**

- (1) Accept his entire provisional allotment of 125 Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

## Alternatives

## Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 125 Rights Shares with Warrants and (if applicable) the number of Excess Rights Shares with Warrants applied for and forward the original signed ARE together with a single remittance for S\$10.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares with Warrants accepted and Excess Rights Shares with Warrants applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP — ASIAPHOS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

## Alternatives

- (b) Accept a portion of his provisional allotment of Rights Shares with Warrants, for example 100 provisionally allotted Rights Shares with Warrants, not apply for Excess Rights Shares with Warrants and trade the balance on the SGX-ST.

- (c) Accept a portion of his provisional allotment of Rights Shares with Warrants, for example 100 provisionally allotted Rights Shares with Warrants, and reject the balance.

## Procedures to be taken

- (1) Accept his provisional allotment of 100 Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 P.M. on 17 MARCH 2017**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 100 Rights Shares with Warrants, and forward the original signed ARE, together with a single remittance for S\$8.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 25 Rights Shares with Warrants which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares with Warrants would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares with Warrants or any other board lot size which the SGX-ST may require.

- (1) Accept his provisional allotment of 100 Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 100 Rights Shares with Warrants and forward the original signed ARE, together with a single remittance for S\$8.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## Alternatives

## Procedures to be taken

The balance of the provisional allotment of 25 Rights Shares with Warrants which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 5. TIMING AND OTHER IMPORTANT INFORMATION

#### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IN RELATION TO THE RIGHTS CUM WARRANTS ISSUE IS:**

- (A) 9.30 P.M. ON 17 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; AND**
- (B) 5.00 P.M. ON 17 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares with Warrants in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares with Warrants shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their respective mailing addresses as maintained in the records of CDP or in such other manner as they have agreed with CDP for the payment of any cash distribution (where acceptance and/or application has been made through CDP), or by crediting their accounts with the relevant Participating Banks (where acceptance and/or application has been made through Electronic Application at the ATMs of the Participating Banks).

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**



## 5.2 APPROPRIATION

Without prejudice to paragraph 1.3 of this Appendix B, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares with Warrants and/or applying for Excess Rights Shares with Warrants, he acknowledges that, in the case where:
  - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares with Warrants provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares with Warrants as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares with Warrants in relation to the Rights cum Warrants Issue differs from the amount actually received by CDP, or
  - (ii) the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares with Warrants in relation to the Rights cum Warrants Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares with Warrants provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares with Warrants. The determination and appropriation by the Company and CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares with Warrants in relation to the Rights cum Warrants Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares with Warrants and (if applicable) his application for Excess Rights Shares with Warrants, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares with Warrants in relation to the Rights cum Warrants Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares with Warrants provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares with Warrants by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares with Warrants (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

## 5.3 Application for Excess Rights Shares with Warrants

The Excess Rights Shares with Warrants available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement, the Constitution of the Company, and the Deed Poll. Applications for Excess Rights Shares with Warrants will, at the Directors' absolute discretion, be satisfied from such Rights Shares with Warrants as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares with Warrants together with the aggregated fractional entitlements to the Rights Shares with Warrants, any unsold "nil-paid" provisional allotment of Rights Shares with Warrants (if any) of Foreign Shareholders and any Rights Shares with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares with Warrants than are available, the successful applications for Excess Rights Shares with Warrants will be determined by ballot or in such manner as the Directors of the Company may, in their absolute



discretion, deem fit in the interests of the Company, provided that the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares with Warrants, preference will be given to Entitled Shareholders for rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company reserves the right to refuse any application for Excess Rights Shares with Warrants, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares with Warrants allotted to an Entitled Depositor is less than the number of Excess Rights Shares with Warrants applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares with Warrants actually allotted to him.

If no Excess Rights Shares with Warrants are allotted or if the number of Excess Rights Shares with Warrants allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares with Warrants by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their respective mailing addresses as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares with Warrants through CDP).

#### 5.4 Deadlines

**It should be particularly noted that unless:**

- (a) acceptance of the provisional allotment of Rights Shares with Warrants is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares with Warrants is effected by **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares with Warrants accepted and (if applicable) Excess Rights Shares with Warrants applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — ASIAPHOS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK, to ASIAPHOS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares with Warrants is effected by **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares with Warrants will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST** to their respective mailing addresses as maintained in the records of CDP or in such manner as they may have agreed with CDP for the payment of any cash distribution (where acceptance and/or application has been made through CDP), or by crediting their accounts with the relevant Participating Banks (where acceptance and/or application has been made by way of an Electronic Application through an ATM of a Participating Bank), and **AT THE ENTITLED DEPOSITOR'S OR PURCHASERS' (AS THE CASE MAY BE) OWN RISK.**

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

#### **5.5 Certificates**

The certificates for the Rights Shares and the Warrants issued pursuant to the Rights cum Warrants Issue will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and the Warrants, CDP will send to the Entitled Depositors or Purchaser (as the case may be), **BY ORDINARY POST AND AT THEIR OWN RISK**, a notification letter showing the number of Rights Shares and Warrants credited to their Securities Account.

#### **5.6 General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares with Warrants provisionally allotted and credited to the Securities Account of the Entitled Depositors or the Purchasers (as the case may be). They can verify the number of Rights Shares with Warrants provisionally allotted and credited to their Securities Account online if they have registered for CDP Internet Access Service or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their telephone pin (T-Pin). Alternatively, they may proceed personally to CDP with their identity card or passport to verify the number of Rights Shares with Warrants provisionally allotted and credited to their Securities Account.

It is the responsibility of the Entitled Depositors or the Purchasers (as the case may be) to ensure that the ARE and/or the ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein, in the ARE the ARS and/or the Deed Poll, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or the ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. The Entitled Depositors or the Purchasers (as the case may be) can check the status of their acceptance of the provisional allotment of Rights Shares with Warrants and (if applicable) their application for Excess Rights Shares with Warrants through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their T-Pin.

**CDP Phone User Guide**

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

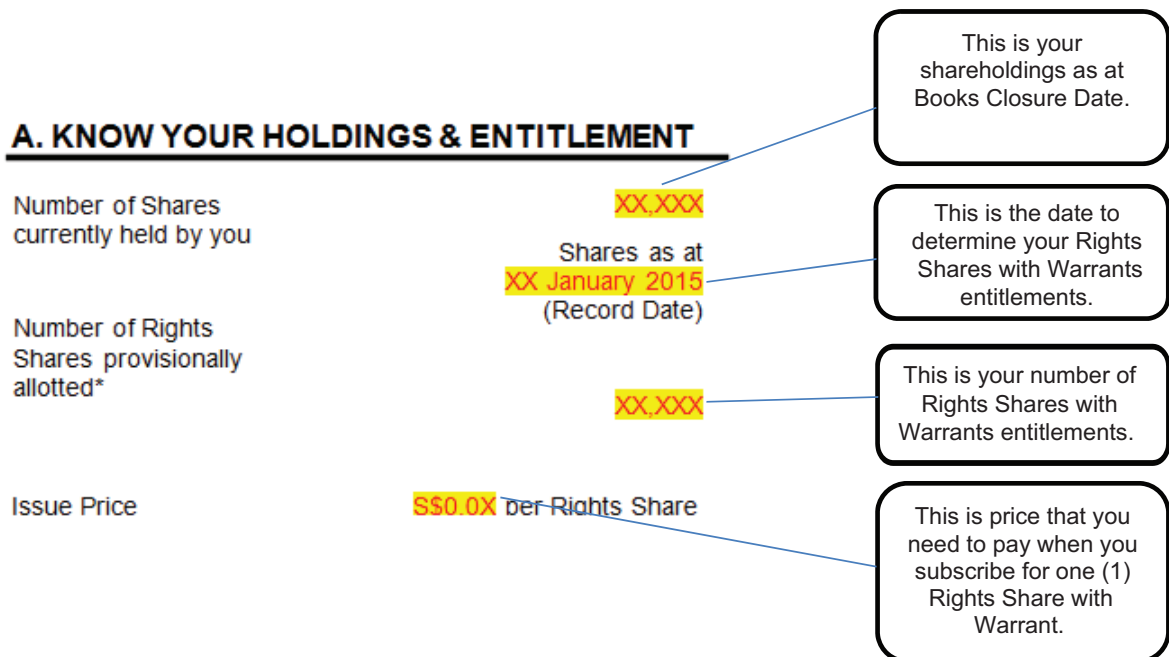
All communications, notices, documents and remittances to be delivered or sent to the Entitled Depositors or the Purchasers (as the case may be) will be sent by **ORDINARY POST** to their respective mailing addresses as maintained in the records of CDP, and **AT THEIR OWN RISK**.

**5.7 Personal Data Privacy**

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, the SGX-ST and the Company (the "Relevant Persons") for the purpose of facilitating his application for the Rights Shares with Warrants, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

**6. PROCEDURE TO COMPLETE THE ARE / ARS**

**6.1 Know your holdings and entitlement**



## 6.2 Select your application options

### **B. SELECT YOUR APPLICATION OPTIONS**

- 1. ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **XX September 2015 at 9.30 p.m.** Participating Banks are **XXX, XXX and XXX.**
- 2. MAIL** Complete section below and submit this form to CDP by **XX September at 5.00 p.m.**
- (i) Only **BANKER'S DRAFT/CASHIER'S ORDER** payable to **"CDP-XXXXX RIGHTS ISSUE ACCOUNT"** will be accepted
- (ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER** will be **rejected**
- (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date and time to subscribe for the Rights Shares with Warrants through ATMs of Participating Banks and CDP.

You can apply your Rights Shares with Warrants through ATMs of these Participating Banks.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the Company.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Books Closure Date, Issue Price, Closing Date, list of Participating Banks and payee name on the Cashier's Order.

## 6.3 Declaration

### **C. DECLARATION**

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied: (Provisionally Allotted + Excess Rights Shares)

--	--	--	--	--	--	--	--	--	--	--	--

ii. Cashier's Order/Banker's Draft Details: (Input last 6 digits of CO/BD)

--	--	--	--	--	--	--

Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares with Warrants and Excess Rights Shares with Warrants (for ARE) / number of Rights Shares with Warrants (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the Cashier's Order / Banker's Draft number (eg.001764) within the boxes.

Sign within the box.

#### Notes:

- (i) If the total number Rights Shares with Warrants applied exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares with Warrants applied will be based on cash amount stated in your Cashier's Order / Banker's Draft. The total number of Rights Shares with Warrants will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one (1) Cashier's Order per application form.

6.4 Sample of a Cashier's Order

**CASHIER'S ORDER**

DATE   
DD / MM / YY

PAY CDP -  RIGHTS ISSUE ACCOUNT

OR ORDER   
S\$ 7,600.00

SINGAPORE DOLLARS \*\*SEVEN THOUSAND SIX HUNDRED ONLY\*\*

BANK REF. : 0105085000052 S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆ 00 1 76 ⑆ 7 1 7 ⑆ 105 ⑆ 1050999997 ⑆

## **APPENDIX C**

### **PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

Acceptances of the provisional allotment of and any excess application for the Rights Shares with Warrants must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

#### **ENTITLED SCRIPHOLDERS**

Entitled Scripholders are entitled to receive this Offer Information Statement and the PAL which incorporates the following documents, and forms part of this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination (with Consolidated Listing Form)	Form D
Excess Rights Shares with Warrants Application Form	Form E

The provisional allotments of Rights Shares with Warrants and application for Excess Rights Shares with Warrants are governed by the terms and conditions of this Offer Information Statement, the Constitution of the Company, the Deed Poll and the instructions contained in the PAL. The number of Rights Shares with Warrants provisionally allotted to each Entitled Scripholder is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares with Warrants in whole or in part and are eligible to apply for Rights Shares with Warrants in excess of their entitlements under the Rights cum Warrants Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares with Warrants and the procedures to be adopted should the Entitled Scripholders wish to renounce, transfer or split their provisional allotments are set out in this Offer Information Statement as well as the PAL.

#### **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES WITH WARRANTS ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**

Where any acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, the Constitution of the Company, the Deed Poll and/or any other application form for Rights Shares with Warrants and/or Excess Rights Shares with Warrants, or is illegible, incomplete, incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the Share Registrar may, at their absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they may deem fit.

The Company and/or the Share Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares with Warrants and (if applicable) application for Excess Rights Shares with Warrants and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of the provisional allotment of Rights Shares with Warrants and (if applicable) application for Excess Rights Shares with Warrants.

#### **The full amount payable for the relevant number of Rights Shares with Warrants accepted/applied for will be rounded up to the nearest whole cent, if applicable.**



**Entitled Scripholders should note that all dealings in, and transactions of, the provisional allotments of Rights Shares with Warrants through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on Catalist.**

Unless expressly provided to the contrary in this Offer Information Statement, the PAL and/or the Deed Poll, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the PAL and/or the Deed Poll has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

**(a) Form of Acceptance (Form A)**

Entitled Scripholders who wish to accept all of their provisional allotments of Rights Shares with Warrants or to accept any part of it and decline the balance, should complete and sign the Form of Acceptance (Form A) for the number of Rights Shares with Warrants which they wish to accept and forward at the sender's own risk, the PAL in its entirety, duly completed and signed, together with a single remittance for the payment in the prescribed manner to **ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to reach the Share Registrar not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

**(b) Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares with Warrants accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares with Warrants applied for by the Entitled Scripholder; the attention of the Entitled Scripholder is drawn to paragraph (c) of this Appendix C entitled "Appropriation" which sets out the circumstances and manner in which the Company and/or the Share Registrar shall be entitled to determine the number of Rights Shares with Warrants which the Entitled Scripholder has given instructions to accept.

**(c) Appropriation**

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares with Warrants, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares with Warrants which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares with Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore.

**(d) Request for Splitting (Form B) and Form of Renunciation (Form C)**

Entitled Scripholders who wish to accept only part of their provisional allotments of Rights Shares with Warrants and renounce the balance of their provisional allotments of Rights Shares with Warrants, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one (1) person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B together with the PAL, in its entirety, duly completed and signed should be returned, by post in the self-addressed envelope provided, at the sender's own risk, to **ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to reach the Share Registrar not later than **5.00 P.M. on 13 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B (together with the PAL in its entirety) is received after **5.00 P.M. on 13 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Company reserves the right to reject any request for Split Letters if, in the opinion of the Directors, the Rights Shares with Warrants requested for in the Split Letters are in unreasonable denominations. The surrender of the PAL purported to be signed by an Entitled Scripholder shall be conclusive evidence in favour of the Company, the Share Registrar and any other person involved in the Rights Shares with Warrants of the title of the person(s) lodging it, or on whose behalf it is lodged, to deal with the same and to receive Split Letter(s) and to have credited to that person's Securities Account the Rights Shares with Warrants allotted to him or, if relevant, to receive physical Share certificate(s) and/or to receive any statement from CDP and/or refund of acceptance or application monies. Instructions relating to acceptance, payment, renunciation, nomination and consolidation set out in the PAL shall apply to Split Letters received consequent upon the original provisional allotment of Rights Shares with Warrants being split.

The Split Letters, representing the number of Rights Shares with Warrants which Entitled Scripholders intend to renounce, may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares with Warrants they intend to accept, if any, and forward the said Split Letter(s) together with a single remittance for the payment in the prescribed manner to **ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to reach the Share Registrar not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares with Warrants in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares with Warrants which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

**(e) Form of Nomination (with Consolidated Listing Form) (Form D)**

Each Entitled Scripholder may consolidate the Rights Shares with Warrants provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A (Form of Acceptance) and the Consolidated Listing Form in Form D (Form of nomination) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares with Warrants comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D (Form of Nomination) of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

Form D together with PALs in its entirety, duly completed and signed, together with payment in the prescribed manner, are to reach **ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

**(f) Payment**

Payment in relation to the PALs must be made in the form of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore and made payable to "**ASIAPHOS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be forwarded, by post in the self-addressed envelope provided at the sender's own risk, to **ASIAPHOS**

**LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to reach the Share Registrar not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the manner specified in the PAL are not received by **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares with Warrants will be deemed to have been declined and shall forthwith lapse and become void and will cease to be capable of acceptance, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s) to their respective mailing addresses as maintained with the Share Registrar, as the case may be, without interest or share of revenue or other benefit arising therefrom within 14 days after the Closing Date.

**(g) Excess Rights Shares Application Form (Form E)**

Entitled Scripholders who wish to apply for Excess Rights Shares with Warrants in addition to those which have been provisionally allotted to them may do so by completing and signing the Excess Rights Shares with Warrants Application Form (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for in the form and manner set out above, by post in the self-addressed envelope provided at their own risk, to **ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to reach the Share Registrar not later than **5.00 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

**FORM E IS NOT TRANSFERABLE AND MAY ONLY BE USED BY THE ENTITLED SCRIPHOLDERS NAME HEREIN.**

Applications for Excess Rights Shares with Warrants available for application are subject to the terms and conditions of this Offer Information Statement, the Constitution of the Company, the Deed Poll and the instructions contained in the PAL (including Form E). Applications for Excess Rights Shares with Warrants will, at the absolute discretion of the Directors, be satisfied from such Rights Shares with Warrants as are not validly taken up by the Entitled Scripholders or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares with Warrants, the unsold "nil-paid" provisional allotments of Rights Shares with Warrants (if any) of Foreign Shareholders and any Rights Shares with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, the Constitution of the Company, the Deed Poll and the instructions contained in the PAL (including Form E) and/or any other application form for the Rights Shares with Warrants. In the event that applications are received by the Company for more Excess Rights Shares with Warrants than are available, the successful applications for Excess Rights Shares with Warrants will be determined by ballot or in such manner as the Directors of the Company may, in their absolute discretion, deem fit in the interests of the Company, provided that the Directors and Substantial Shareholders of the Company shall rank last in priority in the allotment of such Excess Rights Shares with Warrants. In the allotment of Excess Rights Shares with Warrants, preference will be given to Shareholders for the rounding of odds lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board of Directors of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company reserves the right to reject any application for Excess Rights Shares with Warrants, in whole or in part, without assigning any reason whatsoever.

In the event that the number of Excess Rights Shares with Warrants allotted to an applicant is less than the number of Excess Rights Shares with Warrants applied for, such applicant shall be deemed to have accepted the number of Excess Rights Shares with Warrants actually allotted to him.

If no Excess Rights Shares with Warrants are allotted to Entitled Scripholders or if the number of Excess Rights Shares with Warrants allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, by means of a crossed cheque drawn on a bank in Singapore and sent BY ORDINARY POST at their own risk to their respective mailing addresses as maintained with the Share Registrar.

**(h) General**

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

**Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Upon the listing and quotation on Catalist, any trading of the Rights Shares and the Warrants (as the case may be) on Catalist will be via the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares and the Warrants (as the case may be) effected through Catalist and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP.

**To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants provisionally allotted to them and (if applicable) apply for Excess Rights Shares with Warrants and who wish to trade the Rights Shares and the Warrants (as the case may be) issued to them on Catalist under the book-entry (scripless) settlement system should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares with Warrants or applying for any Excess Rights Shares with Warrants in order for the number of Rights Shares with Warrants and, if applicable, the Excess Rights Shares with Warrants that may be allotted and issued to them to be credited by CDP to their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares with Warrants and (if applicable) apply for the Excess Rights Shares with Warrants must fill in their Securities Account numbers and/or NRIC / passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to do so or whose particulars are incorrect or invalid or whose particulars as provided differ from those particulars in their Securities Accounts will be issued physical certificates in their own names for the Rights Shares and the Warrants allotted to them and if applicable, the Excess Rights Shares and the Warrants allotted to them. Such physical certificates, if issued, will be forwarded to such person(s) entitled thereto BY ORDINARY POST AT THEIR OWN RISK. Physical certificates will not be valid for delivery pursuant to trades done on Catalist under the book-entry (scripless) settlement system although they will continue to be *prima facie* evidence of legal title.**

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP.

A holder of the physical certificate(s), or an Entitled Scripholder, who has not deposited his certificate(s) with CDP but who wishes to trade on Catalist, must deposit with CDP his certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and Warrants or existing Shares, as the case may be, before he can effect the desired trade.

**THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS IS 5.00 P.M. ON 17 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

**(i) Personal Data Privacy**

By completing and delivering the PAL, an Entitled Shareholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix B to this Offer Information Statement) for the Purposes (as defined in Appendix B to this Offer Information Statement); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.



**APPENDIX D**  
**ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION**  
**THROUGH THE ATMS OF PARTICIPATING BANKS**

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the Participating Banks (the “**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounees or the Purchaser and (as the case may be) applies for the Excess Rights Shares with Warrants through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Bank. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares with Warrants and (if applicable) applications for Excess Rights Shares with Warrants must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of the Participating Bank, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants purchased must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares with Warrants and (if applicable) application for Excess Rights Shares with Warrants made directly through CDP, Electronic Application at any ATM of the Participating Banks, the Share Registrar and/or the Company will be rejected.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.**

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement and the Deed Poll including, but not limited to, the terms and conditions appearing below:–

- (1) In connection with his Electronic Application for the Rights Shares with Warrants, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:–



- (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares with Warrants under the Rights cum Warrants Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
- (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, the SGX-ST and the Company (the “Relevant Parties”).

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of the Participating Banks for the Rights Shares with Warrants using cash only by authorising the Participating Bank to deduct the full amount payable from his account with the Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares with Warrants provisionally allotted and Excess Rights Shares with Warrants applied for as stated on the Transaction Record or the number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants as may be standing to the credit of the “Free Balance” of his Securities Account as at the Books Closure Date. In the event that the Company decides to allot any lesser number of Excess Rights Shares with Warrants or not to allot any number of Excess Rights Shares with Warrants to the Applicant, the Applicant agrees to accept the decision as final and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of Rights Shares with Warrants accepted and/or Excess Rights Shares with Warrants applied for shall signify and shall be treated as his acceptance of the number of Rights Shares with Warrants accepted and/or Excess Rights Shares with Warrants applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares with Warrants both by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares with Warrants which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares with Warrants which are standing to the credit of the “Free Balance” of his Securities Account as at the Books Closure Date and the aggregate number of Rights Shares with Warrants which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM, and the Company and/or CDP, in determining the number of Rights Shares with Warrants which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares with Warrants, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through Electronic Application through an ATM of a Participating Bank which the Applicant has authorized or is deemed to have authorised to be applied towards the payment in respect of his acceptance.

- (6) If applicable, in the event that the Applicant applies for Excess Rights Shares with Warrants both by way of the ARE and by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares with Warrants which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares with Warrants not exceeding the aggregate number of Excess Rights Shares with Warrants for which he has applied by way of the ARE and by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares with Warrants which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Shares with Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Applicant irrevocably requests and authorises the Company to:–
- (a) register or procure the registration of the Rights Shares with Warrants and (if applicable) the Excess Rights Shares with Warrants allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares with Warrants not be accepted and/or Excess Rights Shares with Warrants applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares with Warrants be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES WITH WARRANTS AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Share Registrar, the Company, the Manager, the Sponsor and/or the Receiving Bank), and any other events whatsoever beyond the control of CDP, the Participating Banks, the Share Registrar, and the Company, the Manager, the Sponsor and if, in any such event, CDP and/or the Participating Bank and/or the Share Registrar and/or the Company do not record or receive the Applicant's Electronic Application by **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Share Registrar, the Manager, the Sponsor and the Company, for any purported acceptance thereof and (if applicable) any application for Excess Rights Shares with Warrants, or for any compensation, loss or damage in connection therewith or in relation thereto.

- (10) **Electronic Applications may only be made at the ATMs of the Participating Bank from Monday to Saturday between 7.00 a.m. to 9.30 p.m. (excluding public holidays).**
- (11) Electronic Applications shall close at **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the Participating Bank which does not strictly conform to the instructions set out on the ATM screens of such Participating Bank will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Bank and agreeing to close the Rights cum Warrants Issue at **9.30 P.M. on 17 MARCH 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:-
- (a) his Electronic Application is irrevocable (whether or not the form and/or content of this Offer Information Statement is modified (as may be determined by the Authority), or it is amended, supplemented, replaced and/or re-lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, the Manager, the Sponsor, CDP, the Participating Banks, nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares with Warrants and (if applicable) his application for Excess Rights Shares with Warrants;
  - (e) in respect of the Rights Shares with Warrants for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and

- (f) unless expressly provided to the contrary in this Offer Information Statement, the Deed Poll or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the Deed Poll or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore, to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Deed Poll, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares with Warrants or (if applicable) applies for Excess Rights Shares with Warrants, as the case may be, by way of the ARE and/or the ARS or by way of Electronic Application through any ATM of the Participating Banks, the Rights Shares with Warrants and/or Excess Rights Shares with Warrants will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one (1) or a combination of the following:–
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST AT HIS OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
- (b) crediting the Applicant's bank account with the Participating Bank **AT HIS OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which he can validly accept, the Company and/or CDP are entitled and the Applicant hereby authorises the Company and/or CDP to take into consideration:–
- (a) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which the Applicant has validly accepted, whether under the ARE or any other form of application (including Electronic Application through an ATM) for the Rights Shares with Warrants;
- (b) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
- (c) the total number of Rights Shares with Warrants represented by the provisional allotment of Rights Shares with Warrants which has been disposed of by the Applicant.

The Applicant hereby acknowledges that CDP's and/or the Company's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Banks through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares with Warrants accepted by the Applicant and (if applicable) the Excess Rights Shares with Warrants which the Applicant has applied for.
- (21) With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, the Constitution of the Company, the Deed Poll and/or any other application form for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants in relation to the Rights cum Warrants Issue or which does not comply with the instructions for Electronic Application or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares with Warrants subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares with Warrants, and where applicable, application of Excess Rights Shares with Warrants in relation to the Rights cum Warrants Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Shares with Warrants and (if applicable) application for Excess Rights Shares with Warrants.

**APPENDIX E**  
**LIST OF PARTICIPATING BANKS**

- (a) Oversea-Chinese Banking Corporation Limited
- (b) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited



## **DIRECTORS' RESPONSIBILITY STATEMENT**

This Offer Information Statement is dated 1 March 2017

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm that, having made making all reasonable enquiries that, to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

For and on behalf of **ASIAPHOS LIMITED**

### **BOARD OF DIRECTORS**

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Hong Pian Tee

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Dr. Ong Hian Eng

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Ong Eng Hock Simon

---

Ong Eng Siew Raymond

---

Ong Bee Pheng

---

Francis Lee Fook Wah

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Goh Yeow Tin