

CIRCULAR DATED 3 AUGUST 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by OEL (Holdings) Limited (the “Company”). If you are in any doubt about this Circular, or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through the Central Depository (Pte) Limited (“CDP”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular, the enclosed Notice of Extraordinary General Meeting and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular, including the correctness of any of the figures used, statements or opinions made. The contact person for the Sponsor is Mr Tan Chong Huat, Registered Professional (Contact No. +65 63816757).

OEL (Holdings) Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED ISSUE OF UP TO S\$40 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF REDEEMABLE ZERO COUPON CONVERTIBLE BONDS ISSUABLE IN (I) AN INITIAL TRANCHE OF S\$2 MILLION; AND (II) 19 SEPARATE SUCCESSIVE TRANCHEs OF SUBSEQUENT BONDS, EACH HAVING A PRINCIPAL AMOUNT OF S\$2 MILLION (COLLECTIVELY, THE “BONDS”), TO PACIFIC ALLIANCE ASIA OPPORTUNITY FUND L.P. (THE “SUBSCRIBER”) AND/OR ITS AFFILIATES, EACH TRANCHE DUE ON THE DATE FALLING FIVE (5) YEARS FROM THE ISSUE DATE OF SUCH BOND (THE “BOND ISSUE”); AND**
- (B) THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 1,000,000,000 NEW SHARES TO BE ISSUED ON CONVERSION OF THE BONDS (THE “SHARE ISSUE”)**

IMPORTANT DATES AND TIMES:

Latest Date and Time for Lodgement of Proxy Form	:	17 August 2015 at 3.00 p.m.
Date and Time of Extraordinary General Meeting	:	19 August 2015 at 3.00 p.m.
Place of Extraordinary General Meeting	:	No. 8 Aljunied Ave 3 Oakwell Building Singapore 389933

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

“Affiliate”	:	With respect to any entity or person, all entities which are controlling, controlled by or under common control with such entity or person (including any investment vehicle of such entity or person)
“Board”	:	The board of Directors of the Company as at the date of this Circular, or from time to time, as the case may be
“Bond Subscription Agreement”	:	The bond subscription agreement entered into by the Company and the Subscriber dated 7 July 2015 under which the Company has agreed to issue and the Subscriber has agreed to subscribe for the Bonds (and/or procure subscriptions by its Affiliates) of up to 20 equal Tranches of S\$2,000,000 each, on the terms and conditions set out therein
“Bond Certificate”	:	The certificate(s) evidencing ownership to the Bonds which are to be issued to all Bondholders
“Bondholder” or “holder”	:	In relation to any Bond, the person whose name is registered on the Company’s register of bondholders as holder of such Bond
“Business Day”	:	A day (excluding Saturday, Sunday and public holidays) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50, of Singapore, as from time to time amended, modified, or supplemented
“Circular”	:	This Circular dated 3 August 2015
“Company” or “Issuer”	:	OEL (Holdings) Limited
“Competing Proposal”	:	Any initial, further or continuing approach, expression of interest, offer or proposal to or by or on behalf of any person other than the Subscriber involving a transaction which involves the issuance of bonds, debentures or other debt securities with features substantially similar to the Bonds to be issued under the Bond Subscription Agreement
“Completion”	:	The completion of the issuance of each tranche of the Bonds
“Conversion”	:	The conversion of the Bonds held by the Bondholders into New Shares in accordance with the Bond Subscription Agreement and subject to the Terms and Conditions

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“Conversion Date”	:	As defined in the Terms and Conditions
“Conversion Notice”	:	A completed, executed and deposited notice of conversion from the Bondholder to the Company, substantially in the form attached as Appendix A to the Bond Certificate
“Conversion Price”	:	The price at which the New Shares will be issued upon Conversion as stipulated in the Terms and Conditions
“Conversion Right”	:	The right of a Bondholder to convert any Bond into New Shares in accordance with the Terms and Conditions
“Directors”	:	The directors of the Company as at the date of this Circular
“Disclosure Letter”	:	Each and any of the Initial Disclosure Letter and the Subsequent Disclosure Letters, as applicable
“EGM”	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the resolution as set out in the Notice of EGM
“EPS”	:	Earnings per Share
“Event of Default”	:	As defined in the Terms and Conditions
“Fair Market Value”	:	As defined in the Terms and Conditions
“Final Long-Stop Date”	:	The date falling five (5) years from the Initial Completion Date
“FY”	:	Financial year ended 31 December
“Gearing”	:	The ratio determined by the Group’s Total Net Borrowings to Consolidated Shareholders’ Funds
“Group”	:	The Company and its subsidiaries and associated companies (whether now or hereinafter incorporated or acquired), and “Group Company” shall mean each and any of them
“Indemnified Persons”	:	The Subscriber and such of its Affiliates which may subscribe for any Bonds from time to time, and “Indemnified Person” shall mean each and any of them
“Initial Bonds”	:	The Bonds of S\$2 million aggregate principal amount, to be issued under the Initial Tranche

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“Initial Completion Date”	:	the date for the completion of the issuance of the Initial Bonds, which shall be 31 August 2015 after the fulfilment of the conditions precedent set out in Bond Subscription Agreement, or such other date as may be agreed in writing by the Company and the Subscriber
“Initial Long-Stop Date”	:	The date falling twelve (12) months from the date of the Bond Subscription Agreement, or such other date as the Parties may agree in writing
“Initial Tranche”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Illustrative Conversion Price”	:	The illustrative Conversion Price of S\$0.045 computed based on the Conversion Price formula as set out in the Bond Subscription Agreement, and assuming (purely for illustration purposes) that Conversion takes place on the Latest Practicable Date
“Initial Disclosure Letter”	:	The letter (if any) to be dated on or before the initial completion date of the first tranche of Initial Bonds and executed and delivered by the Company to the Subscriber, disclosing various matters relating to the warranties and undertakings contained in the Bond Subscription Agreement
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 27 July 2015
“Licensed FA”	:	A financial advisory firm holding a valid financial adviser’s licence under the Financial Advisers Act, Chapter 110 of Singapore
“Listing Approval”	:	All requisite approvals from the SGX-ST for (i) the issuance of the New Shares upon conversion of any of the Bonds pursuant to the Terms and Conditions; and (ii) the listing and quotation of the New Shares on the Catalist board of the SGX-ST, including without limitation the issuance of the relevant listing and quotation notice by the SGX-ST
“Listing Rules”	:	The rules set out in Section B of the Listing Manual of the SGX-ST as from time to time amended, modified, or supplemented, applicable to sponsored companies listed on Catalist
“Market Day”	:	a day on which SGX-ST (as defined below) is open for securities trading
“Material Adverse Change”	:	Any circumstance, development or event that has or is likely to have a Material Adverse Effect

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“Material Adverse Effect”	:	an effect on the assets, business, financial condition, liabilities or prospects of the Group or results of operations of the Group that could reasonably result in or could reasonably be expected to: (i) adversely affect the rights, powers and remedies of the Subscriber or any of the Bondholders under the Bond Subscription Agreement or the Terms and Conditions; or (ii) result in the inability of the Issuer to perform any of its obligations or undertakings under the Bond Subscription Agreement or the Terms and Conditions
“Maturity Date”	:	In respect of any Bond, the date falling five (5) years from the date of issue of such Bond
“Minimum Average Price”	:	Has the meaning ascribed to it in Section 2.2.1(h) of this Circular
“Minimum Completion Price”	:	S\$0.045
“Minimum Conversion Price”	:	S\$0.04
“Notice of EGM”	:	The notice of EGM as set out on pages 102 and 103 of this Circular
“Notice of Request”	:	The notice to be issued by the Subscriber setting out its request to subscribe for a Subsequent Tranche of Subsequent Bonds, or the notice to be issued by the Company setting out its request for the Subscriber to subscribe for a Subsequent Tranche of Subsequent Bonds, in substantially the form set out in the Bond Subscription Agreement
“NTA”	:	Net tangible assets
“New Shares”	:	The up to 1,000,000,000 Shares to be allotted and issued by the Company upon conversion of the Bonds
“Offering Document”	:	An Offer Information Statement in such form and substance satisfactory to the Subscriber and in compliance with applicable laws and regulations to be issued by the Issuer (if required by law) from time to time
“Put Option Date”	:	The date falling one (1) year from the date of issue of such Bond
“Registrar”	:	Share registrar of the Company or such other person as may be agreed between the Company and the Bondholders in writing

DEFINITIONS

“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289, of Singapore, as from time to time amended, modified, or supplemented
“Securities Lending Agreement”	:	The securities lending deed entered into by the Share Lender and the Subscriber dated 7 July 2015 under which the Share Lender has agreed to lend the Subscriber up to 33,000,000 Shares (constituting approximately 16.71% of the Share Lender’s entire shareholding interest in the Company and approximately 4.9% of the existing share capital of the Company), in order to facilitate the Bond Issue
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Lender”	:	Jeffrey Hing Yih Peir, the controlling shareholder of the Company
“Shareholder”	:	A holder of Shares in the Company
“Shareholders Approval”	:	The approval of the Shareholders for both of (i) the issue of the Bonds and New Shares (including any further Bonds and/or New Shares issued or to be issued pursuant to any adjustment in accordance with the Terms and Conditions) and (ii) the proposed diversification of the business scope of the Group to include the oil and gas business proposed to be acquired by the Company
“Shares”	:	Ordinary shares in the capital of the Company
“Stock Exchange Business Day”	:	Any day (other than a Saturday or Sunday) on which the SGX-ST is open for securities trading
“Subscriber”	:	Pacific Alliance Asia Opportunity Fund L.P.
“Subscriber Option Period”	:	The period commencing from the Initial Completion Date and ending on the first anniversary of such date
“Subscriber Option Tranche”	:	Each of the first 4 Subsequent Tranches after the Initial Tranche
“Subsequent Bonds”	:	The Subsequent Tranches of Bonds of up to S\$38,000,000 aggregate principal amount, to be issued in up to 19 separate successive tranches, each Tranche having an aggregate principal amount of S\$2,000,000, under the Subsequent Tranches

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“Subsequent Disclosure Letter”	:	In relation to a specific Subsequent Tranche, the letter (if any) to be dated on or before the date of the Notice of Request relating to such Subsequent Tranche and to be executed and delivered by the Issuer to the Subscriber, disclosing various matters relating to the warranties and undertakings contained in the Agreement
“Subsequent Tranches”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Subsequent Completion”	:	In relation to any particular Subsequent Tranche, the completion of the issue by the Company of, and the subscription by the Subscriber for, the Subsequent Bonds covered by that Subsequent Tranche, on the terms of the Bond Subscription Agreement and subject to the Terms and Conditions
“Subsequent Completion Date”	:	In relation to any particular Subsequent Tranche, the date for the completion of the issuance of the Subsequent Bonds covered by such Subsequent Tranche, which shall be on a date as soon as reasonably practicable after, as agreed by the Company and the Subscriber, but not later than seven (7) Business Days after, the date of the Notice of Request, or such other date as may be agreed in writing by the Company and the Subscriber
“Subsidiary”	:	In respect of any person, means any entity controlled directly or indirectly by such person, such control being evidenced by: (i) the ownership of more than 50% of the shares of such entity; (ii) the ability to control the composition of the majority of the board of directors of such entity; or (iii) the ability to exercise or control the exercise of more than 50% of the voting rights of such entity
“Substantial Shareholder”	:	A person who has an interest of not less than 5% of the issued voting shares of the Company
“Terms and Conditions”	:	The terms and conditions of the Bonds set out in Schedule 1 of the Bond Subscription Agreement, as the same may from time to time be amended, supplemented or modified in accordance with the provisions of the Bond Subscription Agreement and any reference to a specific “Condition” shall be construed accordingly
“Total Net Borrowing”	:	Total loans and borrowings less cash and cash equivalents

DEFINITIONS

“Trading Day”	:	A day when the SGX-ST is open for dealing business, provided that if no closing price is reported in respect of the relevant Shares on the SGX-ST for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days
“Tranche”	:	Each and any of the Initial Tranche and the Subsequent Tranche, each having an aggregate principal amount of S\$2,000,000 or such other amount as the Company and the Subscriber may agree
“Transaction Documents”	:	The Bond Subscription Agreement, the Securities Lending Agreement and the Bonds
“Warranties”	:	The representations and warranties made by the Company under the Bond Subscription Agreement set out in Appendix 4 of this Circular
“S\$” or “cents”	:	Singapore dollars or Singapore cents, respectively
“%”	:	Per centum or percentage.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in section 130A 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 in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or statutory modification as the case may be.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancies in the tables included herein between the amounts therein and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

Directors

Low Beng Tin (Chairman and Managing Director)
Jeffrey Hing Yih Peir (Deputy Chairman and Executive Director)
Renny Yeo Ah Kiang (Lead Independent Director)
Bernard Tay Ah Kong (Independent Non-Executive Director)
Lai Kwok Seng (Independent Non-Executive Director)

Registered Office

No. 8 Aljunied Ave 3
Oakwell Building
Singapore 389933

To: The Shareholders of
OEL (Holdings) Limited

Date: 3 August 2015

Dear Sir/Madam

1. INTRODUCTION

1.1 Purpose of Circular

The Directors are proposing to convene the EGM to be held on 19 August 2015 at 3.00 p.m. at No. 8 Aljunied Ave 3, Oakwell Building, Singapore 389933 to seek Shareholders' approval of:

- (a) the proposed issue of up to S\$40 million in aggregate principal amount of redeemable zero coupon convertible bonds issuable in (A) an initial tranche of S\$2 million and (B) 19 separate successive Tranches of Subsequent Bonds, each having a principal amount of S\$2 million (the "**Bonds**") to the Subscriber and/or its Affiliates, each Tranche due on the date falling five (5) years from the issue date of such Tranche (the "**Bond Issue**"); and
- (b) the proposed allotment and issue of New Shares to be issued on conversion of the Bonds (the "**Share Issue**").

The purpose of this Circular is to provide Shareholders with relevant information pertaining to, and to explain the rationale for the aforesaid transaction and to seek Shareholders' approval by way of Ordinary Resolutions at the EGM to be convened. The Notice of EGM is set out on pages 102 and 103 of this Circular.

1.2 Rule 806 of the Listing Rules

Rule 806(2) of the Listing Rules states that "A general mandate must limit the aggregate number of shares and convertible securities that may be issued according to the following limits: (a) If shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares excluding treasury shares; or (b) If shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares."

LETTER TO SHAREHOLDERS

Assuming all 20 Tranches of Bonds are issued and such Bonds are fully converted at the Minimum Conversion Price of S\$0.04 (assuming there is no adjustment to the Minimum Conversion Price), the maximum number of New Shares that may be issued by the Company will be 1,000,000,000 representing approximately 149.6% of the existing issued and paid-up share capital as at the Latest Practicable Date.

Since the maximum number of New Shares that may be issued by the Company exceeds the limit to the number of shares that may be issued under a general mandate under Rule 806(2), Shareholders' approval is required.

The Company will not be relying on the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 23 April 2015.

The Company has, on 24 July 2015, received the listing and quotation notice ("**LQN**") from the SGX-ST for the listing and quotation of the New Shares on the Catalist board of the SGX-ST. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Bond Issue, the New Shares, the Company, its subsidiaries and their securities. The Bonds will not be listed and quoted on the SGX-ST or any other exchange.

The Bond Issue is subject to, amongst others, the approval of the shareholders of the Company for the proposed diversification of the business scope of the Group to include the oil and gas business proposed to be acquired by the Company.

In this regard, the Company had on 23 June 2015 obtained the approval of the shareholders of the proposed diversification of the business scope of the Group to include mineral, oil and gas businesses.

1.3 SGX-ST Disclaimer

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

2. THE PROPOSED BOND ISSUE

2.1 Background

On 7 July 2015, the Directors of the Company announced that the Company has on 7 July 2015 entered into the Bond Subscription Agreement with the Subscriber under which the Company proposes to issue up to S\$40 million in aggregate principal amount of redeemable zero coupon convertible bonds to the Subscriber and/or its Affiliates in accordance with the terms and subject to the conditions of the Bond Subscription Agreement. The Bonds will be issued in 20 separate successive Tranches, each Tranche having an aggregate principal amount of S\$2 million which may be convertible into ordinary shares in the Company, consisting of: (a) an initial Tranche of S\$2 million ("**Initial Tranche**"), and (b) 19 separate successive Tranches, each Tranche having an aggregate principal amount of S\$2 million (each a "**Subsequent Tranche**" and collectively, "**Subsequent Tranches**"). Each of the Initial Tranche and the Subsequent Tranches shall be referred to as a "**Tranche**" and collectively the "**Tranches**".

In addition, the Bonds as well as the New Shares allotted and issued upon the conversion of the Bonds will not be placed to any of the persons set forth in Rule 812(1) of the Listing Rules.

LETTER TO SHAREHOLDERS

The Subscriber is an investment fund managed by Pacific Alliance Investment Management Limited (“**PAIML**”) and is part of PAG (formerly Pacific Alliance Group) Limited (“**PAG**”), the Asia alternative investment fund management group with funds under management across private equity, real estate and absolute return strategies with over US\$10 billion in funds under management. PAIML is an asset manager established in the Cayman Islands and registered with the Cayman Islands Monetary Authority.

The Subscriber has represented that none of the directors and substantial shareholders of the Subscriber, PAIML and/or PAG are related to the Company, its directors, its shareholders and/or their respective associates.

The Board is of the view that the Bond Issue is beneficial to the Group as it will allow the Group to strengthen its cash position and enable the Company to take advantage of any investment opportunities which may arise. Through the Bond Issue, the Subscriber offers the Company the opportunity to achieve this objective.

The Subscriber was identified and introduced to the Company by Harford Vantage Pte. Ltd. (“**HVPL**”) whose main shareholder is Mr John Lui Kit Wei. HVPL’s core activities include alternative fund arrangement, opportunistic fund investment and products and acting as an arranger for share placements and mergers and acquisitions. Pursuant to a mandate agreement entered into between the Company and HVPL on 5 January 2015, the Company shall pay HVPL a success fee of 3.5% in cash of the transacted value upon each Tranche of Bonds when the proceeds from each Tranche are raised. The above fees shall be payable by the Company or deducted at source and no part thereof shall be shared with the Subscriber. The Company is of the view that the success fee is within the industry range for similar issues.

HVPL has represented that none of the directors and substantial shareholders of HVPL are related to the Company, its directors, its shareholders and/or their respective associates.

Under Chapter 8 of the Listing Rules, any issue of convertible securities that cannot be covered under a general mandate must be specifically approved by shareholders in a general meeting. The Bond Issue is therefore subject to the approval of Shareholders. In compliance with Chapter 8 of the Listing Rules, among the purposes of this Circular is to provide you with the required information under the Listing Rules on the proposed Bond Issue and to seek your approval for the proposed Bond Issue and for the allotment and issue of the New Shares pursuant to any conversion of the Bonds, at the forthcoming EGM.

In compliance with Rule 829 and Rule 830 of the Listing Rules, the Company will:

- (i) announce any adjustment made to the Conversion Price and number of Bonds;
- (ii) announce the expiry of each Tranche and a notice of expiry will be sent to Bondholders at least one month before the expiration date; and
- (iii) obtain Shareholders’ approval for any material alteration to the terms of the Bonds after the Bond Issue to the advantage of the Bondholders, except where the alterations are made pursuant to the terms of the Bond Issue.

The resolutions to approve the aforesaid proposal is set out in the notice of EGM on pages 102 and 103 of this Circular.

LETTER TO SHAREHOLDERS

2.2 Principal Terms of the Bonds

The Bonds will be in registered form in denominations of S\$100,000 and integral multiples of S\$100,000 in excess thereof each and are convertible into new ordinary shares in the Company which when issued, will be fully paid, and will rank pari passu with the existing Shares. The issue price of the Bonds is 100% of the principal amount of such Bonds. There are no arrangements for the variation in the issue price of the Bonds and in the number of Tranches in the event of alterations to the share capital of the Company.

Under the Bond Subscription Agreement, except for the Initial Tranche of Bonds which the Company and the Subscriber have agreed to issue and subscribe for, either of the Company and the Subscriber may (but is not obliged to) initiate the subscription of a Tranche of Bonds. During the Subscriber Option Period (which is the period of one (1) year from the Initial Completion Date), if the Subscriber issues a Notice of Request to the Company, the Company is obliged (subject to the fulfillment of conditions) to issue up to five (5) Tranches of Bonds (inclusive of the Initial Tranche of Bonds). After the Subscriber Option Period, the Company may decline the Subscriber's request for subscription or issue of Subsequent Bonds.

The subscription and conversion of the Bonds will be in accordance with the terms of the Bond Subscription Agreement and subject to the terms and conditions of the Bonds ("**Terms and Conditions**") as set out in the Schedule 1 of the Bond Subscription Agreement. The Terms and Conditions can be found in Appendix 3 of this Circular.

2.2.1 Subscription of Initial Bonds

The obligations of the Subscriber to subscribe and/or procure subscriptions for the Initial Tranche of the Bonds ("**Initial Bonds**") and the obligations of the Issuer to issue the Initial Bonds to the Subscriber shall be conditional upon the following conditions having been fulfilled on or before the Initial Completion Date or (at the Subscriber's absolute discretion) waived, as the case may be:

- (a) Due Diligence: the completion, on or before the Initial Completion Date, of a legal and financial due diligence exercise on the Group Companies by the Subscriber (limited to such information and documents as the Group Companies are able to provide without breaching or infringing any applicable laws, statutes and/or the regulatory requirements of the SGX-ST and/or other relevant authorities), and the results of such due diligence exercise being satisfactory to the Subscriber in its absolute discretion;
- (b) Securities Lending Agreement: the Share Lender and the Subscriber having entered into the Securities Lending Agreement and such agreement remaining in full force and effect as of the Initial Completion Date (See Section 2.6 of this Circular for more detail on the Securities Lending Agreement);
- (c) No Change in Control: no change in control or any event which would result in a change in control of the Company or any of the other Group Companies has occurred provided always that the resultant reduction in the percentage of Shares held by the Share Lender and other substantial shareholders of the Company arising from the issuance of New Shares shall not be deemed to be an event of change in control of the Company or any of the other Group Companies (See Section 4 and Appendix 1 of this Circular for details about the change in shareholding as a result of the issuance and conversion of the bonds);

LETTER TO SHAREHOLDERS

- (d) Listing Approval: The Listing Approval being obtained on or prior to the date falling three (3) months from the date of the Bond Subscription Agreement (or such other date as the Company and the Subscriber may agree) and not having been revoked as of the Initial Completion Date and, where the Listing Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the Initial Completion Date, they are so fulfilled, and in the event any amendment is made to the conditions in the Listing Approval, such amendments being acceptable to the Subscriber;
- (e) Shareholders Approval: the Shareholders Approval being obtained from the Company's shareholders at two separate EGMs and not having been revoked as of the Initial Completion Date, and where the Shareholders Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the Initial Completion Date, they are so fulfilled, and in the event any amendment is made to the terms of the Shareholders Approval, such amendments being acceptable to the Subscriber;
- (f) All Other Approvals: all other necessary approval and consents (including any governmental, regulatory and/or corporate approvals and consents, for the transactions contemplated under the Bond Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber and/or its Affiliates of the Bonds, including any shareholders and/or board of directors' approval and other regulatory and/or corporate approvals and consents required for the Subscriber) having been obtained in form and substance satisfactory to the Subscriber in its sole and absolute discretion and remaining valid and subsisting as at the Initial Completion Date;
- (g) Minimum Completion Price: the closing price of the Shares on the Trading Day immediately preceding the Initial Completion Date being equal to or above the Minimum Completion Price;
- (h) Minimum Average Price: the daily volume weighted average price of the Shares during the ten (10) consecutive Trading Days immediately preceding the Initial Completion Date being equal to or above the Minimum Completion Price;
- (i) Offering Document: an offering document having been issued by the Company (if required law) and lodged with the Monetary Authority of Singapore and remaining valid and subsisting as at the Initial Completion Date;
- (j) No Injunctions: no injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the issue of the Initial Bonds shall be in effect as of the Initial Completion Date;

LETTER TO SHAREHOLDERS

- (k) No Breach by Issuer: up to and as of the Initial Completion Date: (1) all the warranties of the Company set forth in the Bond Subscription Agreement shall be true and correct at, and as if made on, the Initial Completion Date; (2) the Company shall have performed all of its undertakings or obligations under the Bond Subscription Agreement to be performed on or before the Initial Completion Date; and (3) there shall have been delivered to the Subscriber a certificate substantially in the form set out in the Bond Subscription Agreement, dated as of the Initial Completion Date, of a duly authorised officer of the Company, to such effect;
- (l) No Material Adverse Change or Event of Default: no Material Adverse Change or Issuer Event of Default (as such terms are defined in the Bond Subscription Agreement) occurs between the date of the Bond Subscription Agreement and the Initial Completion Date;
- (m) No Market Disruption: no event or series of events resulting in or representing a change, or prospective change, in the local, national, regional or international financial, political, military, industrial, economic, fiscal or market conditions (including conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting the United States and/or Singapore;
- (n) No Trading Halt, Suspension or De-listing: there has been no halt or suspension of trading in the Shares on the Catalist board of the SGX-ST for a period exceeding three (3) consecutive Trading Days at any time during the three (3) months preceding the Initial Completion Date, there has been no suspension of trading in the Shares on the Catalist board of the SGX-ST for any period pursuant to Rule 1303 of the Listing Rules, and the Shares have not been delisted from the Catalist board of the SGX-ST;
- (o) No Change in Legislation: no new law or regulation or any change or prospective change in the existing law or regulation (including, without prejudice to the generality of the foregoing, in respect of any laws or regulations relating to taxation or exchange controls), or any change in the interpretation of application thereof by any court or other competent authority in or affecting the United States, Singapore, Thailand and/or any other jurisdiction in which any Group Company has significant operations which may adversely affect the Transaction Documents or the transactions contemplated under them; and
- (p) Disclosure Letter: the form and contents of the Initial Disclosure Letter (as defined in the Bond Subscription Agreement) (if any) being satisfactory in form and substance to the Subscriber.

The Subscriber (and not the Issuer) has the benefit of the conditions precedent set out above. The Subscriber may at its sole and absolute discretion waive any breach or non-fulfilment of any such conditions precedent (other than the conditions set out in Paragraph 2.2.1(a), (d), (e), (f), (j)) for the purposes of the Initial Completion in respect of the Initial Bonds and any condition precedent so waived shall be deemed to have been fulfilled and satisfied for the purpose of the Initial Completion in respect of the Initial Bonds.

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2.2.2 Subscription of Subsequent Bonds

Further to the subscription for and the issue of the Initial Bonds, the Bond Subscription Agreement provides that the Subscriber may (but shall not be obligated to) by issuing a Notice of Request to the Company and the Company may (but shall not be obligated to) by issuing a Notice of Request to the Subscriber, request for a subscription of Subsequent Tranches, on the terms of the Bond Subscription Agreement and subject to the Terms and Conditions, Provided That, in respect of such Subsequent Tranche:

- (a) (unless mutually agreed to by the Company and the Subscriber) the request can only be made in respect of a single Tranche of Bonds at any time;
- (b) the request may not be made unless the closing price of the Shares on the Trading Day immediately preceding the date of the request in respect of such Subsequent Tranche of Subsequent Bonds is equal to or above the Minimum Completion Price;
- (c) the request may not be made unless the daily volume weighted average price of the Shares during the ten (10) consecutive Trading Days immediately preceding the date of the request in respect of such Subsequent Tranche of Subsequent Bonds is equal to or above the Minimum Completion Price;
- (d) the request may not be made if any of the Bonds issued prior to the request has been redeemed pursuant to Conditions 7.4, 7.5 or 7.6 of the Bonds;
- (e) no request may be issued by the Subscriber or the Company (as the case may be) after the Final Long-Stop Date;
- (f) (in the case of a request for subscription of Subsequent Bonds issued by the Company) in the event that the Subscriber wishes in its sole discretion to decline the Company's request for subscription, such rejection shall be communicated to the Company in writing within seven (7) Business Days from the date of receipt of the Notice of Request from the Company, failing which the Subscriber shall be deemed to have accepted the Company's aforesaid request;
- (g) (in the case of a request for issue of Subsequent Bonds by the Subscriber after the Subscriber Option Period) in the event that the Company wishes to decline the Subscriber's request for subscription, such rejection shall be communicated to the Subscriber in writing within three (3) Business Days after the date of the Notice of Request, failing which the Company shall be deemed to have accepted the Subscriber's aforesaid request;
- (h) unless otherwise agreed by the Company and the Subscriber, the issue of such Subsequent Bonds shall not occur until the Bonds issued to the Subscriber and/or its Affiliates (as the case may be) pursuant to the immediately preceding Tranche have been fully converted; and
- (i) The Subscriber shall not at the time of such request hold in aggregate New Shares which exceed ten (10) per cent of the issued share capital of the Company as at the date of such request, provided that this shall not apply in respect of any actions undertaken by the Company which may cause the Subscriber's aggregate shareholdings in the Company to exceed this threshold.

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The Subscriber shall not be obligated to subscribe for any Subsequent Bonds unless it has issued a request for such subscription and may decline the Company's request for subscription or issue of any Tranche of Subsequent Bonds. The Company may decline the Subscriber's request for subscription or issue of Subsequent Bonds following the expiry of the Subscriber Option Period.

In the event a request for Subscription of a Subsequent Tranche in accordance with the Subscription Agreement is accepted or deemed accepted, the obligations of the Subscriber to complete the subscription of the Subsequent Bonds shall be conditional upon the following conditions having been fulfilled on or before the applicable Subsequent Completion Date or (at the Subscriber's sole discretion) waived, as the case may be:

- (a) Securities Lending Agreement: the Securities Lending Agreement remaining in full force and effect as of the applicable Subsequent Completion Date (See Section 2.6 of this Circular for more detail on the Securities Lending Agreement);
- (b) No Change in Control: no change in control or any event which would result in a change in control of the Company or any of the other Group Companies has occurred PROVIDED ALWAYS that the resultant reduction in the percentage of Shares held by the Share Lender and other substantial shareholders of the Company arising from the issuance of New Shares shall not be deemed to be an event of change in control of the Company or any of the other Group Companies (See Section 4 and Appendix 1 of this Circular for details about the change in shareholding as a result of the issuance and conversion of the Bonds);
- (c) Listing Approval: the Listing Approval not having been revoked as of the applicable Subsequent Completion Date and, where the Listing Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the applicable Subsequent Completion Date, they are so fulfilled, and in the event any amendment is made to the conditions in the Listing Approval, such amendments being acceptable to the Subscriber;
- (d) Shareholders Approval: the Shareholders Approval being obtained from the Company's shareholders at two separate EGMs, and not having been revoked as of the applicable Subsequent Completion Date, and where the Shareholders Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the applicable Subsequent Completion Date, they are so fulfilled, and in the event any amendment is made to the terms of the Shareholders Approval, such amendments being acceptable to the Subscriber;
- (e) All Other Approvals: all other necessary approval and consents (including any governmental, regulatory and/or corporate approvals and consents for the transaction contemplated under the Bond Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber and/or its Affiliates of the Bonds, including any shareholders and/or board of directors' approval and other regulatory and/or corporate approvals and consents required for the Subscriber) having been obtained by the Company in form and substance satisfactory to the Subscriber in its sole and absolute discretion and remaining valid and subsisting as at the applicable Subsequent Completion Date;

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- (f) Offering Document: an Offering Document having been issued by the Company (if required by law) and lodged with the Monetary Authority of Singapore and remaining valid and subsisting as at the applicable Subsequent Completion Date;
- (g) No Injunctions: no injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the issue of the relevant Subsequent Bonds shall be in effect as of the applicable Subsequent Completion Date;
- (h) No Breach by Company: up to and as of the applicable Subsequent Completion Date: (1) all the Warranties of the Company set forth in the Bond Subscription Agreement shall be true and correct at, and as if made on, the applicable Subsequent Completion Date; (2) the Company shall have performed all of its undertakings or obligations under the Bond Subscription Agreement to be performed on or before the applicable Subsequent Completion Date; and (3) there shall have been delivered to the Subscriber a certificate substantially in the form set out in Schedule 4 of the Bond Subscription Agreement, dated as of the applicable Subsequent Completion Date, of a duly authorised officer of the Company, to such effect;
- (i) No Material Adverse Change or Event of Default: no Material Adverse Change or Issuer Event of Default occurs between the Completion Date of the immediately preceding Tranche and the applicable Subsequent Completion Date;
- (j) No Market Disruption: no event or series of events resulting in or representing a change, or prospective change, in the local, national, regional or international financial, political, military, industrial, economic, fiscal or market conditions (including conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting the United States and/or Singapore;
- (k) No Trading Halt, Suspension or De-listing: there has been no halt or suspension of trading in the Shares on the Catalist board of the SGX-ST for a period exceeding three (3) consecutive Trading Days at any time during the three (3) months preceding the applicable Subsequent Completion Date, there has been no suspension of trading in the Shares on the Catalist board of the SGX-ST for any period pursuant to Rule 1303 of the Listing Rules, and the Shares have not been de-listed from the Catalist board of the SGX-ST;
- (l) No Change in Legislation: no new law or regulation or any change or prospective change in the existing law or regulation (including, without prejudice to the generality of the foregoing, in respect of any laws or regulations relating to taxation or exchange controls), or any change in the interpretation of application thereof by any court or other competent authority in or affecting the United States, Singapore, Thailand and/or any other jurisdiction in which any Group Company has significant operations which may affect the Transaction Documents or the transactions contemplated under the Transaction Documents; and
- (m) Disclosure Letter: the form and contents of the applicable Subsequent Disclosure Letter (if any) being satisfactory in form and substance to the Subscriber.

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2.2.3 Rights of termination under the Bond Subscription Agreement

- (a) The Company shall be entitled to terminate the Bond Subscription Agreement in, among others, the following circumstances:
 - (i) if payment by the Subscriber in respect of any Completion is not fulfilled for any reason within 2 Business Days of the relevant completion date.
- (b) The Subscriber shall be entitled to terminate the Bond Subscription Agreement in, among others, the following circumstances:
 - (i) if the issue of the Initial Bonds is not completed within 12 months from the date of the Bond Subscription Agreement (the Initial Long-Stop Date);
 - (ii) if there is an Issuer Event of Default (as defined in the Bond Subscription Agreement); or
 - (iii) if there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any material respect, any of the Warranties and Representations of the Company contained in any of the Transaction Documents or any failure to perform in any material respect any of the Company's undertakings or obligations; or if there shall have occurred any material adverse change or any material change or development involving a prospective material change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls which would in any Subscriber's view be likely to prejudice materially the assets, business, legal position, financial condition, liabilities or prospects of the Company or the Group or results of operations of the Company or the Group.
- (c) Either party may terminate the Bond Subscription Agreement:
 - (i) if the other party declines its request to subscribe for Subsequent Bonds, and the reasons furnished by the other party for such rejection are not reasonably acceptable, Provided That if the reason furnished by the other party for such rejection is that the subscription of the Subsequent Bonds would contravene applicable laws and regulations but such laws and regulations would not preclude the other party from subscribing for Subsequent Bonds at a later date, such party shall not be permitted to exercise this termination right.
- (d) Unless otherwise agreed between the Company and the Subscriber, the Bond Subscription Agreement shall automatically terminate:
 - (i) on the date immediately following the Final Long-Stop Date; or
 - (ii) if the Subscriber has not subscribed for any Subscriber Option Tranche or any other Subsequent Tranche in any continuous period of twelve (12) months, or if any Bond is redeemed by the Issuer pursuant to the Terms and Conditions of the Bonds.

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There is no fee payable by the Company for the termination of the Bond Subscription Agreement. However, the Company or the Subscriber may become liable to the other party for costs, damages, compensation or otherwise upon termination of the Bond Subscription Agreement.

2.2.4 Exclusive Restrictions on the Company

During the period commencing on the date of the Bond Subscription Agreement and ending on the later of (i) the Initial Completion Date, and (ii) the date of conversion or redemption (as the case may be) of the last outstanding Bond issued under the fourth Subsequent Tranche (the “**Exclusivity Period**”), the Company must ensure that it, its Group Companies, its Affiliates and its Directors, senior management and financial advisers do not, except with the prior written consent of the Subscriber:

- (a) directly or indirectly solicit, encourage or entertain (including by way of providing information concerning the Group to any person) any approach, expression of interest, offer or proposal from;
- (b) enter into or continue with any discussions or negotiations with;
- (c) enter into any agreement, arrangement or understanding with; or
- (d) announce or communicate any intention to do any of the foregoing to or with, any person other than the Subscriber in connection with any Competing Proposal.

2.2.5 Covenants by the Company under the Bond Subscription Agreement

The Company further undertakes with the Subscriber that, during the period from the date of the Bond Subscription Agreement until the Initial Completion Date and for as long as any Bonds are outstanding and from the date of any Notice of Request until the relevant Subsequent Completion Date, it will, and will procure that each of the Group Companies will:

- (a) Compliance with Laws:
 - (i) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the Catalist board of the SGX-ST;
 - (ii) comply with all applicable requirements of the Securities and Futures Act and the Listing Rules in connection with the issue of the Bonds and the New Shares; and
 - (iii) comply with all applicable laws and regulations of Singapore and rules and regulations of the SGX-ST, and will procure that each of the Group Companies complies with all applicable laws and regulations;
- (b) Ordinary Course of Business: carry on its and their respective businesses in the ordinary course using sound commercial and management principles, and to the extent consistent therewith, use its and their best endeavours to preserve its and their relationships with its and their key customers, suppliers, lenders, management and regulators;

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- (c) No Trading Halt or Suspension: use its best endeavours to ensure that trading in the Shares on the SGX-ST is not halted or suspended (other than where voluntarily requested by the Issuer for the purpose of releasing material information in accordance with Rule 1302 of the Listing Rules), and if trading in the Shares on the SGX-ST is halted or suspended (other than where voluntarily requested by the Issuer for the purpose of releasing material information in accordance with Rule 1302 of the Listing Rules) despite such best endeavours, to ensure that the period of such trading halt or suspension (as the case may be) does not exceed three (3) consecutive Trading Days; and
- (d) Prohibited Actions: not carry on or do any of the matters set out in Schedule 5 of the Bond Subscription Agreement, unless otherwise agreed by the Subscriber in writing.

2.2.6 Key Terms and Conditions of the Bonds

A Bondholder delivering a certificate in respect of a Bond for conversion must pay to the Company any taxes and capital, stamp, issue and registration duties arising on conversion and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. As the Conversion Price and the number of New Shares to be issued upon conversion cannot be ascertained as at the Latest Practicable Date, it is not possible to determine the exact amount payable on the exercise of conversion of the Bonds.

A Bondholder shall have the right, at its sole discretion, to sell, transfer or assign the Bonds without the consent of the Company.

Subject to the above, a Bond may be transferred or exchanged by delivery of the certificate issued in respect of that Bond, together with the form of transfer in the form set out in Schedule 2 of the Bond Subscription Agreement, duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar.

In the event of liquidation of the Company, a Bondholder may exercise his right to redeem the Bond by giving notice to the Company.

2.3 Representations

Save as fully disclosed in the Initial Disclosure Letter, the Company represents and warrants to and undertakes with the Subscriber (and for the benefit of the Indemnified Persons) in respect of the Warranties set out in Appendix 4 of this Circular.

The Company represents and warrants to and undertakes with and for the benefit of the Subscriber and the Indemnified Persons that each of the Warranties and the undertakings as set out in the Bond Subscription Agreement and will subject to the exceptions adequately disclosed in the applicable Disclosure Letter, continue to be so true and accurate as at the date of the Bond Subscription Agreement and on each day hereafter up to and including each applicable Completion Date with reference to the circumstances then existing and shall not in any respect be extinguished or affected by any Completion.

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The Company represents and warrants to the Subscriber that, as at the date of the Subscription Agreement and for each day up to the expiry of the Exclusivity Period (as if repeated by reference to the circumstances existing as at each such date), it has not entered into any agreement, arrangement or understanding, and has ceased all discussions or negotiations with any other person, in relation to any Competing Proposal.

2.4 Assignment

The Company may not assign or transfer all or any part of its rights under the Bond Subscription Agreement or delegate its performance or novate all or any part of its obligations under the Bond Subscription Agreement without the prior written approval of the Subscriber, and any assignment, transfer or delegation which is made without such prior approval shall constitute a breach of the Bond Subscription Agreement.

The Subscriber may at any time assign or transfer all or any part of its rights under the Bond Subscription Agreement or delegate its performance or novate all or any part of their obligations under the Bond Subscription Agreement including without limitation the assignment or transfer of the Bonds and/or Shares it owns, to any of its Affiliates. Any such assignee, transferee and successor-in-title shall be treated as a party for all purposes of the Bond Subscription Agreement and shall be entitled to the full benefit of the Bond Subscription Agreement to the same extent as if it were an original party in respect of the rights assigned to it.

2.5 Summary of the Terms and Conditions

Set out hereunder is a summary of the Terms and Conditions of the issue of the Bonds. The full set of Terms and Conditions is reproduced in Appendix 3 to this Circular.

Proposed Issue	S\$40,000,000 in aggregate principal amount of redeemable zero coupon convertible bonds issuable by the Company to the Subscriber and/or its Affiliates in 1 Initial Tranche and 19 Subsequent Tranches of S\$2,000,000 each.
Initial Bonds	<p>Initial Bonds of S\$2,000,000 are to be subscribed for and issued by the Company on the Initial Completion Date subject to the fulfillment of all the conditions precedent set out in Section 2.2.1 of this Circular, or such other date as may be agreed in writing by the Company and the Subscriber.</p> <p>If any of the conditions precedent is not satisfied or waived by the Subscriber on or before the Initial Long-Stop Date, the Subscriber shall have the right to either fix a new date for the Initial Completion or terminate the Bond Subscription Agreement.</p>
Subsequent Bonds	Each party to the Bond Subscription Agreement may (but is not obliged to) issue a Notice of Request for the subscription for or issue of (as the case may be) the Subsequent Bonds.

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	<p>During the Subscriber Option Period, if the Subscriber issues a Notice of Request to the Company, the Company is obliged (subject to the fulfillment of conditions) to issue up to 4 Tranches of Subsequent Bonds, known as the Subscriber Option Tranches. After the Subscriber Option Period, the Company may decline the Subscriber's request for subscription or issue of Subsequent Bonds.</p> <p>In the event the Company issues a request to the Subscriber and the Subscriber declines the Company's request for the Subscriber to subscribe for such Subsequent Bonds covered by a Subsequent Tranche, and the reasons furnished by the Subscriber for such rejection are not reasonably acceptable to the Company, the Company may, by five (5) Business Days' written notice, terminate the Bond Subscription Agreement Provided That if the reason furnished by the Subscriber for such rejection is that the subscription of the Subsequent Bonds by the Subscriber on such Subsequent Completion Date would contravene applicable laws and regulations but such laws and regulations would not preclude the Subscriber from subscribing for Subsequent Bonds at a later date, the Company shall not be permitted to exercise this termination right.</p> <p>In the event that the Company declines the Subscriber's request to subscribe for Subsequent Bonds covered by a Subsequent Tranche, and the reasons furnished by the Company for such rejection are not reasonably acceptable to the Subscriber, the Subscriber may, by five (5) Business Days' written notice, terminate the Bond Subscription Agreement Provided That if the reason furnished by the Company for such rejection is that the subscription of the Subsequent Bonds by the Subscriber on such Subsequent Completion Date would contravene applicable laws and regulations but such laws and regulations would not preclude the Subscriber from subscribing for Subsequent Bonds at a later date, the Subscriber shall not be permitted to exercise this termination right. Subsequent Bonds of aggregate principal amount of S\$38,000,000 are to be subscribed for and issued by the Company within seven (7) Business Days after the date of the Notice of Request or such other date as may be agreed in writing by the Company and the Subscriber.</p> <p>The issue of and subscription for Subsequent Bonds is subject to the fulfillment of all the requirements and conditions precedent set out in Section 2.2.2 of this Circular. If any of the requirements and conditions precedent is not satisfied or waived by the Subscriber on or before the applicable Subsequent Completion Date, the Subscriber shall have the right to either fix a new date for the Subsequent Completion or terminate the Bond Subscription Agreement.</p>
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Method of Issue	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>The Bond Issue (and such conversion into New Shares) is made pursuant to the provisions of Section 277 of the Securities and Futures Act. Therefore, no Offer Information Statement will be lodged with the Monetary Authority of Singapore in connection with the issue of the Bonds and the New Shares.</p>
Form and Denomination	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>The Bonds are issued in registered form in the denomination of S\$100,000 and integral multiples of S\$100,000 in excess thereof. The Bond Certificates are serially numbered.</p>
Conversion Terms	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>(i) The Bonds may be converted, at the option of the Bondholder thereof, at any time on and after the date of issue of such Bonds up to the close of business on the date immediately preceding the Maturity Date (the “Conversion Period”);</p> <p>(ii) The number of New Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect at the Conversion Date (defined below). A Conversion Right may only be exercised in respect of one or more Bonds, subject to the minimum conversion amount set out below. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of New Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted; and</p> <p>(iii) Unless otherwise agreed by the Company, the minimum aggregate principal amount of Bonds to be converted in any single conversion of Bonds shall be S\$100,000.</p> <p>(iv) The Company will make an immediate announcement of any amendments to the above terms.</p>

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Conversion procedure	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>Conversion Notice:</p> <ul style="list-style-type: none"> (i) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense to the Company a Conversion Notice together with the relevant Bond Certificate and any amounts required to be paid by the Bondholder under the Terms and Conditions; and (ii) The conversion date in respect of a Bond (the “Conversion Date”) must fall at a time when the Conversion Right attaching to that Bond is expressed in the Terms and Conditions to be exercisable and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Bond Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Terms and Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents to such withdrawal.
Conversion Price	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>The Conversion Price will initially be equal to the lower of either:</p> <ul style="list-style-type: none"> (i) 125 per cent of the average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the 25 consecutive Trading Days ending on the Trading Day immediately preceding the date of issue of the Bond (“Fixed Conversion Price”); and (ii) 90 per cent of the lowest average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for any five consecutive Trading Day period in the 25 consecutive Trading Days immediately preceding the conversion date,

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	<p>Provided that if the lower of (i) and (ii) above is less than the Minimum Conversion Price of S\$0.04, the Conversion Price shall be the Minimum Conversion Price.</p> <p>(See Section 4 and Appendix 1 of this Circular for details about the change in shareholding as a result of the issuance and conversion of the Bonds at the Illustrative Conversion Price of S\$0.045 and the Minimum Conversion Price of S\$0.04 which are included for illustrative purposes. It should be noted that the actual Conversion Price at which the Bonds are converted may be higher or lower than the Illustrative Conversion Price of S\$0.045, but not lower than the Minimum Conversion Price.)</p>
Adjustments to the Fixed Conversion Price and the Minimum Conversion Price	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p><u>Adjustments to the Fixed Conversion Price</u></p> <p>Please refer to Conditions 4.3 and 4.6 of the Terms and Conditions, reproduced as Appendix 3 to this Circular. The Bond Subscription Agreement provides for adjustments to the Fixed Conversion Price in the following events:</p> <ul style="list-style-type: none"> (i) Consolidation, Subdivision or Reclassification: If and whenever there shall be an alteration to the number of the Shares as a result of consolidation, subdivision or reclassification; (ii) Capitalisation of profits or reserves: If and whenever the Company shall issue any Shares credited as fully paid to the holders of the Shares by way of capitalisation of profits or including Shares paid-up out of distributable profits or reserves, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend, being a dividend which the Shareholders concerned would or could otherwise have received which would not have constituted a Capital Distribution (as defined in the Terms and Conditions); or in the case of an issue of Shares by way of a scrip dividend; (iii) Capital Distribution: If and whenever the Company shall pay or make any Capital Distribution to the Shareholders;

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	<p>(iv) Rights Issues of Shares or Options over Shares: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at: (1) the Current Market Price (as defined in the Terms and Conditions) per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant; (2) (save where such issue or grant is at more than the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price;</p> <p>(v) Rights Issues of other securities: If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares);</p> <p>(vi) Issues at less than Current Market Price, Fixed Conversion Price or Minimum Conversion Price: If and whenever the Company shall issue (otherwise than as mentioned in (iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise as mentioned in (iv) above) options, warrants or other rights to subscribe for or purchase Shares in each case at a consideration per Share which is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price;</p>
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	<p>(vii) Other Issues at less than Current Market Price, Fixed Conversion Price or Minimum Conversion Price: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this subsection (vii), the issue by the Company or any Subsidiary (otherwise than as mentioned in (iv), (v) or (vi) above) or (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price;</p> <p>(viii) Modification of Rights of Conversion etc: Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the proposals of such modification; (2) (save where such modification results in the consideration per Share exceeding the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price;</p>
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	<p>(ix) Other offers to Shareholders: The issue, sale or distribution by or on behalf of the Company or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Fixed Conversion Price falls to be adjusted under (iv), (v), (vi) or (vii) above); and</p> <p>(x) Other Events: If the Company determines that an adjustment should be made to the Fixed Conversion Price (or Minimum Conversion Price) as a result of one or more events or circumstances not referred to hereunder in these sub-sections (i) to (x) (for avoidance of doubt, such events or circumstances includes situations where no dilution of the holdings of the existing Shareholders of the Company occurs or has occurred), the Company shall at its own expense request a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Company and approved in writing by the Bondholders, to determine as soon as practicable what adjustment (if any) to the Fixed Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Fixed Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to (i) to (x) above have already resulted or will result in an adjustment to the Fixed Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Fixed Conversion Price, such modification (if any) shall be made to the operation of the provisions referred to in (i) to (x) as may be advised by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Company and approved in writing by the Bondholder, to be in such bank's opinion appropriate to give the intended result.</p>
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LETTER TO SHAREHOLDERS

The events listed in items (i) to (ix) above are basically anti-dilutive adjustments to ensure that the Subscriber's rights under the Bond Subscription Agreement are not prejudiced by the events enumerated above. The other events in (x) above, however, includes situations where no dilution of the holdings of the existing Shareholders of the Company occurs or has occurred.

The adjustments to the Fixed Conversion Price is based on the formulae set out in Conditions 4.3.1 to 4.3.9. Where the formulae involves the use of Fair Market Value (as defined under Condition 4.4.6), the Fair Market Value is determined by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Company and approved in writing by the Bondholders. The determination will be made by the Licensed FA or leading bank using a method that it determines is appropriate based on the circumstances, whose decision shall be final and binding on the Company and the Subscriber.

If the Company determines that an adjustment should be made to the Fixed Conversion Price as a result of one or more events or circumstances not referred to in Conditions 4.3.1 to 4.3.9, the Company shall request a Licensed FA or leading bank in Singapore or Hong Kong (acting as an expert) selected by the Company and approved in writing by the Bondholders to determine what adjustment (if any) to the Fixed Conversion Price is fair and reasonable.

As contemplated by Condition 4.4.12, multiple adjustments may be made if more than one of the events or circumstances described occur.

Adjustment to the Minimum Conversion Price

If any of the events described in items (i) to (ix) above occurs after the date of the Bond Subscription Agreement, the Minimum Conversion Price shall be adjusted in accordance with Conditions 4.3 to 4.4 of the Terms and Conditions. Additionally, if the Fixed Conversion Price is adjusted pursuant to any of the provisions in items (i) to (ix) above, the Minimum Conversion Price shall be correspondingly adjusted so as to ensure that the economic value of the Bonds and the rights thereunder to the Bondholders shall be the same after such adjustment to the Fixed Conversion Price as it was immediately prior to such adjustment. The adjustment to the Minimum Conversion Price shall take effect at the same time as the date on which the corresponding adjustment to the Fixed Conversion Price takes effect.

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	<p>The provisions of items (i) to (ix) above shall apply mutatis mutandis to any adjustment to the Minimum Conversion Price.</p> <p>The Company will make an immediate announcement of any amendments to the Fixed Conversion Price or Minimum Conversion Price.</p>
Status of the Bonds and the New Shares	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations, other than subordinated obligations and priorities created by law.</p> <p>There are no provisions in the Bond Subscription Agreement or in the Terms and Conditions providing a holder of the Bonds with any right to participate in any distributions made by the Company to its Shareholders and/or offers of securities by the Company to its Shareholders.</p> <p>The New Shares shall rank pari passu in all respects with all other then existing Shares, except that such New Shares shall not be entitled to any rights the record date for which precedes the registration date of the New Shares, and will be admitted to listing on the SGX-ST.</p>
Transfer of the Bonds	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>The Subscriber or Bondholder shall have the right, at its sole discretion, to sell, transfer or assign the Subsequent Bonds without the consent of the Company. The Subscriber or Bondholder shall, prior to any sale, transfer or assign, consult the Company.</p> <p>Subject to the Terms and Conditions, a Bond may be transferred or exchanged by delivery of the certificate issued in respect of that Bond, together with the form of transfer in the form set out in Schedule 2 of the Bond Subscription Agreement, duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar. No transfer of title to a Bond will be valid unless and until entered on the Register.</p>

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Redemption	<p>This applies to both Initial Bonds and Subsequent Bonds.</p> <p>Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at 100% of its principal amount on the Maturity Date.</p> <p>Redemption at the Option of the Bondholders</p> <p>The Company will, at the option of the Bondholder, redeem all or any of that Bondholder's Bonds on at any time after the date falling one (1) year from the respective dates of issue of such Bonds, as may be notified by that Bondholder (the "Put Option Date"), at the principal amount of such Bonds.</p> <p>Redemption upon Event of Default</p> <p>The Company shall also redeem the Bonds by paying the applicable redemption amount to the Bondholders forthwith upon its receipt of a default notice issued by the Bondholders pursuant to the occurrence of an event of default entitling the Bondholder to give notice for such redemption. The events amounting to an event of default entitling the Bondholder to give notice for such redemption are set out in Condition 9 of Appendix 3 of this Circular.</p> <p>Redemption in the event of Change in Control</p> <p>The Bondholder has the option to redeem the Bonds under Condition 7.5 in the event of a "Change of Control" (as defined in Condition 7.5.4) and under Condition 7.6 where the Shares of the Company cease to be listed or admitted to trading on the SGX-ST or halted or suspended for a period exceeding 3 consecutive Trading Days.</p> <p>Redemption for taxation reasons</p> <p>Under Condition 7.3.1, the Company has the option to redeem the Bonds if (i) the Company has or will become obliged to pay additional taxes as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Agreement, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it. Save as set out above, the Company has no right to redeem the Bonds prior to the Maturity Date.</p>
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LETTER TO SHAREHOLDERS

	All Bonds issued, if outstanding, constitute unsecured obligations of the Company. As such, if redemption of the Bonds is requested by the Bondholders when entitled to under any of the redemption events set out above, and such a redemption request is not met Bondholders are entitled to pursue all such remedies under law including the winding up of the Company (subject to complying with all legal requirements under insolvency laws).
Listing	This applies to both Initial Bonds and Subsequent Bonds. The Bonds will not be listed on any stock exchange.
Governing Law	This applies to both Initial Bonds and Subsequent Bonds. Singapore Law.
Jurisdiction	This applies to both Initial Bonds and Subsequent Bonds. Non-exclusive jurisdiction of the Singapore courts.

2.6 Summary of the Securities Lending Agreement

In connection with the Bond Issue, the Subscriber has entered into a securities lending deed dated 7 July 2015 (the “**Securities Lending Agreement**”) with Jeffrey Hing Yih Peir, the controlling shareholder of the Company (the “**Share Lender**”). Under the terms of the Securities Lending Agreement, the Share Lender has agreed to lend the Subscriber up to 33,000,000 Shares (the “**Loan Securities**”) (constituting approximately 16.71% of the Share Lender’s entire shareholding interest in the Company and approximately 4.9% of the existing share capital of the Company) in order to facilitate the Bond Issue (“**Share Loan**”). As at the date of the Securities Lending Agreement, the Share Lender has an aggregate interest (direct and deemed) in 197,545,000 Shares in aggregate, representing 29.56% of the existing issued share capital of the Company. The number of Shares to be lent by the Share Lender shall be determined at the discretion of the Subscriber and shall be subject to the number of the Loan Securities. The Share Loan will not result in a change of control of the Company since (i) the Share Lender will still remain as the single largest controlling shareholder of the Company even without counting the number of Loan Securities; and (ii) it is a term of the Securities Lending Agreement that the Subscriber shall exercise the voting rights attached to the Loan Securities in accordance with the instruction of the Share Lender.

Pursuant to the Securities Lending Agreement, for any Loan Securities borrowed, the Subscriber shall, on the date not more than five (5) Business Days following the earlier of (i) the date on which the last Tranche is fully redeemed and/or converted, or (ii) if no Bonds are outstanding, the termination date of the Bond Subscription Agreement or such other date as may be agreed between the Share Lender and the Subscriber (“**Redelivery Date**”), re-deliver Shares of an identical type, description and amount to the Loan Securities borrowed and if applicable, includes any certificates and other documents of or evidencing title thereto and transfer thereto (“**Equivalent Securities**”).

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The Share Loan may be terminated by the Subscriber at any time by giving notice in writing to the Share Lender. In the event that the Securities Lending Agreement is terminated, the Subscriber shall within five (5) Business Days deliver the Equivalent Securities to the Share Lender by causing the Equivalent Securities to be credited to the Share Lender's securities account as instructed by the Share Lender or any other method of delivery as may be agreed upon by the Subscriber and the Share Lender.

No financial benefit, whether directly or indirectly, will be derived by the Share Lender from the Share Loan.

3. USE OF PROCEEDS FROM THE PROPOSED BOND ISSUE

The Group intends to use the proceeds from the Proposed Bond Issue for, expansion of the Group's business through investments, mergers and acquisitions, joint ventures and/or strategic alliances and general working capital purpose.

As mentioned in the Company's announcement dated 30 June 2015, the Company has entered into a sale and purchase agreement ("**SPA**") with Shao Tian Peng (邵天朋) (the "**Vendor**") in relation to the acquisition of Allied Resources, Hengli and Qian An (collectively, "**Target Group**"), through the acquisition ("**Proposed Acquisition**") of such number of shares representing of 51% of the entire issued share capital of Allied Resources. Allied Resources holds all of the issued equity in Hengli, which in turn holds 50% of the equity interest in Qian An. Both Allied Resources and Hengli are investment holding companies while Qian An is principally engaged in the exploitation, development and production of oil and natural gas from two oilfields in Jilin, China. If the Proposed Acquisition proceeds (subject to the fulfillment or waiver (as applicable) of the conditions precedent under the SPA), part of the proceeds from the Proposed Bond Issue will be applied towards the Proposed Acquisition.

It is the intention of the Company to issue at least the Initial Bonds and the Subsequent Bonds comprising the four (4) Subscriber Option Tranches. Subject to the terms of the Bond Subscription Agreement, the Company will raise gross proceeds of S\$10 million assuming that the Initial Tranche and the four (4) Subscriber Option Tranches are fully subscribed. However, the issue and subscription of each Tranche is subject to the fulfilment of the conditions precedent. There is therefore no assurance that the S\$10 million or any part thereof will be raised.

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Use of Proceeds assuming that only the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches are subscribed for and further assuming Company proceeds with the Proposed Acquisition

Based on the proceeds raised from the issue of the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches and assuming that the Company proceeds with the Proposed Acquisition, the Directors expect the allocation to be as follows:

Use of Proceeds	Amount S\$	Allocation %
The Proposed Acquisition	8,600,000	86.0
Estimated expenses pertaining to the Proposed Acquisition	1,000,000	10.0
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Working Capital	Nil	Nil
Estimated expenses pertaining to the Bond Issue	400,000	4.0
5 Tranches Total	10,000,000	100.0

Use of Proceeds assuming that only the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches are subscribed for, and further assuming Company does not proceed with the Proposed Acquisition

Based on the proceeds raised from the issue of the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches and assuming that the Company does not proceed with the Proposed Acquisition, the Directors expect the allocation to be as follows:

Use of Proceeds	Amount S\$	Allocation %
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Working Capital to be utilised in the following manner:	9,600,000	96.0
(1) Operating and administrative expenses of the Group	1,300,000	13.0
(2) Estimated expenses pertaining to the Proposed Acquisition	1,000,000	10.0
(3) Future acquisitions and investments	7,300,000	73.0
Estimated expenses pertaining to the Bond Issue	400,000	4.0
5 Tranches Total	10,000,000	100.0

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Use of Proceeds assuming full subscription of all the Bonds and further assuming Company proceeds with the Proposed Acquisition

The estimated net proceeds from the issuance of the Bonds, assuming full subscription of all the Bonds, is approximately S\$38.6 million (after deducting for estimated fees and expenses of approximately S\$1.4 million). Based on existing circumstances, the Directors estimate the allocation of the proceeds raised (assuming the Company proceeds with the Proposed Acquisition and full subscription of all the Bonds) to be as follows:

Use of Proceeds	Amount S\$	Allocation %
The Proposed Acquisition	12,000,000	30.0
Estimated expenses pertaining to the Proposed Acquisition	1,000,000	2.5
Working Capital	1,300,000	3.2
Expansion of the Group's business through other investments, mergers and acquisitions, joint ventures and/or strategic alliances	24,270,000	60.7
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Estimated expenses pertaining to the Bond Issue	1,430,000	3.6
20 Tranches Total	40,000,000	100.0

Use of Proceeds assuming full subscription of all the Bonds and further assuming Company does not proceed with the Proposed Acquisition

The estimated net proceeds from the issuance of the Bonds, assuming full subscription of all the Bonds, is approximately S\$38.6 million (after deducting for estimated fees and expenses of approximately S\$1.4 million). Based on existing circumstances, the Directors estimate the allocation of the proceeds raised (assuming the Company does not proceed with the Proposed Acquisition and full subscription of all the Bonds) to be as follows:

Use of Proceeds	Amount S\$	Allocation %
Working Capital to be utilised in the following manner:	2,300,000	5.8
(1) Operating and administrative expenses of the Group	1,300,000	3.3
(2) Estimated expenses pertaining to the Proposed Acquisition	1,000,000	2.5
Expansion of the Group's business through investments, mergers and acquisitions, joint ventures and/or strategic alliances	36,270,000	90.6
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Estimated expenses pertaining to the Bond Issue	1,430,000	3.6
20 Tranches Total	40,000,000	100.0

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Pending the deployment of the net proceeds from the Bond Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Directors are of the opinion that after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company is undertaking the Bond Issue to strengthen its financial position.

The Directors are of the opinion that after taking into consideration the present bank facilities and net proceeds from the Bond Issue, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements on the utilisation of the proceeds of the Bond Issue, as and when the funds from the Bond Issue are disbursed or utilised.

4. SHAREHOLDING EFFECTS OF THE PROPOSED BOND ISSUE

Under the Terms and Conditions in respect of the Conversion of the Bonds, the Conversion Price is fixed initially at the lower of:

- (i) 125% of the average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the 25 consecutive Trading Days ending on the Trading Day immediately preceding the date of issue of the Bond ("**Fixed Conversion Price**"); and
- (ii) 90% of the lowest average of the closing prices quoted by the SGX-ST for one Share for any five (5) consecutive Trading Day period in the 25 consecutive Trading Days immediately preceding the Conversion Date,

but will be subject to adjustment in the manner provided for in the Terms and Conditions relating to adjustments of the Conversion Price, Provided that if the lower of (i) and (ii) above is less than the Minimum Conversion Price (as adjusted from time to time in accordance with the Terms and Conditions), the initial Conversion Price shall be the Minimum Conversion Price (as adjusted from time to time in accordance with the Terms and Conditions).

The Minimum Conversion Price was arrived at by mutual agreement between the Company and the Subscriber.

The Company wishes to emphasize to Shareholders that the Minimum Conversion Price of S\$0.04 is a "**floor**" price below which conversion based on the Conversion Price formula cannot take place.

The Minimum Conversion Price is, therefore, not to be confused with the Conversion Price at which Bonds are actually converted. By the terms of the Bond Subscription Agreement, the Subscriber will convert Bonds based on the formula prescribed as set out above.

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As at the Latest Practicable Date, the Conversion Price cannot be ascertained as it will be based on future closing prices as quoted by the SGX-ST. In addition, the Fixed Conversion Price and Minimum Conversion Price for all Tranches will be subject to conversion price adjustments in accordance with the formula set out in Condition 4.3 and Condition 4.6 of Appendix 3 of this Circular. Therefore, it is not possible at the Latest Practicable Date to determine the aggregate number of New Shares that will be issued when the Subscriber converts in full the Initial Bonds or all 20 Tranches of Bonds. Further, as there is no obligation on either Party's part to request for a Subsequent Tranche and given that either Party may decline a request for a Subsequent Tranche to be issued, other than the Initial Bonds, it is also not possible at the Latest Practicable Date to determine the aggregate number of New Shares that will be issued after Conversion of the Initial Bonds or of any Subsequent Bonds.

In view of the structure of the Bond Issue which only allows for the issue of Subsequent Bonds if all preceding Bonds have been converted into new Ordinary Shares and/or redeemed and the Subscriber having given a warranty that it shall not at the time of request for subscription of a Subsequent Tranche hold in aggregate such number of New Shares which exceed 10% of the issued share capital of the Company, any dilutive impact on the shareholdings of the Company is only meaningful when analysed in the context of the actual number of New Shares held by the Subscriber at any given time relative to the shareholdings of the other Shareholders.

NOTWITHSTANDING, SHAREHOLDERS SHOULD TAKE NOTE OF THE POTENTIAL DILUTION TO THEIR SHAREHOLDINGS RESULTANT UPON CONVERSION OF EACH TRANCHE OF THE BONDS AND THE FACT THAT SUCH DILUTION CANNOT BE FULLY ASCERTAINED AS AT THE LATEST PRACTICABLE DATE.

However, solely for purposes of illustration, we have set out in Appendix 1 the shareholding effects of the proposed Bond Issue based on the following scenarios: (a) on the assumption that the Initial Bonds are issued and converted at the Illustrative Conversion Price of S\$0.045 (being the Conversion Price for illustration purposes, computed by assuming the Conversion Date is at the Latest Practicable Date); (b) on the assumption that the Initial Bonds are issued and converted at the Minimum Conversion Price (being S\$0.04), (c) on the assumption that all 20 Tranches of Bonds were issued and converted at the Illustrative Conversion Price and (d) on the assumption that all 20 Tranches of Bonds were issued and converted at the Minimum Conversion Price.

Summarising the illustrations set forth under Appendix 1:–

- (a) if the Initial Tranche is issued and converted at the Minimum Conversion Price (and assuming that there have been no adjustments to the Minimum Conversion Price of S\$0.04), the number of New Shares that will be issued upon such Conversion is 50,000,000, representing approximately 7.5% and 7.0% of the existing (as at the Latest Practicable Date) and enlarged share capital of the Company, respectively;
- (b) if the Initial Tranche is issued and converted at the Illustrative Conversion Price of S\$0.045, the number of New Shares that will be issued upon such Conversion is 44,444,444, representing approximately 6.7% and 6.2% of the existing (as at the Latest Practicable Date) and enlarged share capital of the Company, respectively;
- (c) if all 20 Tranches of Bonds with an aggregate principal amount of S\$40,000,000 are issued and converted at the Illustrative Conversion Price of S\$0.045, the total number

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of New Shares that will be issued upon such Conversion is 888,888,889, representing approximately 133.0% and 57.1% of the existing (as at the Latest Practicable Date) and enlarged share capital of the Company, respectively; and

- (d) if all 20 Tranches of Bonds are issued and such Bonds are fully converted at the Minimum Conversion Price of S\$0.04 (and assuming there have been no adjustment to the Minimum Conversion Price), the maximum number of new Shares that may be issued by the Company upon such Conversion will be 1,000,000,000, representing approximately 149.6% and 59.9% of the existing (as at the Latest Practicable Date) and enlarged share capital of the Company, respectively.

The Company wishes to emphasize that the shareholding effect discussed above, as well as in Appendix 1 of this Circular, is based on the assumption that the Conversion Price at which the Initial Tranche or all 20 Tranches of Bonds (as the case may be) are converted is the Illustrative Conversion Price of S\$0.045 or the Minimum Conversion Price of S\$0.04, and is included herein solely for illustrative purposes. The actual Conversion Price at which the Bonds are converted may be higher or lower than the Illustrative Conversion Price of S\$0.045, but not lower than the Minimum Conversion Price.

Rule 803 of the Listing Rules requires the approval of shareholders in general meeting to be obtained if an issuer proposes to issue shares which transfer a controlling interest in the issuer. A controlling interest is defined inter alia as an interest carrying 15% or more of the voting shares in a company. Depending on the actual Conversion Price at which Conversion takes place, the Conversion of the Bonds may lead to a change in controlling interest of the Company. The Company will first seek specific shareholders' approval in the event that the issue of New Shares would result in a change in controlling interest of the Company.

As mentioned, it is provided in the Bond Subscription Agreement that the Subscriber shall not at the time of request for subscription of a Subsequent Tranche hold in aggregate such number of New Shares which exceed 10% of the issued share capital of the Company as at the date of such request, provided that this shall not apply in respect of any actions undertaken by the Company which may cause the Subscriber's aggregate shareholdings in the Company to exceed this threshold.

THE SUBSCRIBER WILL NOT BE APPOINTING ANY DIRECTORS TO THE BOARD AND THERE WILL BE NO CHANGE TO THE COMPOSITION OF THE BOARD AS A RESULT OF THE BOND ISSUE.

The Company is in compliance with Rule 832(1) of the Listing Rules.

5. FINANCIAL EFFECTS OF THE PROPOSED BOND ISSUE

It is not possible at the Latest Practicable Date to determine precisely the financial effects of the proposed Bond Issue on the Company and the Group until the Bonds have been fully converted or otherwise redeemed. However, for purposes of illustration, we have set out in Appendix 2 of this Circular the financial effects of the proposed Bond Issue on the share capital, NTA and NTA per Share and Gearing of the Company and the Group in two separate scenarios, namely:

- (i) issue of the Initial Bonds and the Initial Bonds are fully converted on the day of their issue; and
- (ii) full issue and conversion of the Bonds of all 20 Tranches of Bonds within 12 months.

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For the purpose of this illustration, we have assumed the Conversion Price to be S\$0.045, being the Illustrative Conversion Price (being the Conversion Price, for illustration purposes, computed by assuming the Conversion takes place at the Latest Practicable Date). Furthermore, we have accounted for the issuance of Bonds at cost without taking into account any potential adjustments that may arise in determining the present value of the Bonds and the fair value of the option to convert the Bonds into ordinary shares of the Company.

For the avoidance of doubt, nothing in this Circular may be treated as a representation by the Company as to the trading price of our Shares on the SGX-ST during the term of the Bonds or for any other period of time.

Assuming, solely for purposes of illustration, that the conversion of the Initial Bonds and all 20 Tranches of Bonds takes place at the Illustrative Conversion Price of S\$0.045, and based on the existing share number as at the Latest Practicable Date of 668,266,667 Shares:

- (i) the new Shares which will be issued pursuant to a full conversion of the Initial Bonds will represent a maximum of approximately 6.7% and 6.2% of the Company's existing and enlarged issued and paid-up share capital respectively; and
- (ii) the new Shares which will be issued pursuant to a full conversion of all 20 Tranches of Bonds will represent a maximum of approximately 133.0% and 57.1% of the Company's existing and enlarged issued and paid-up share capital respectively.

The issued and fully paid-up share capital of the Company as at the Latest Practicable Date is S\$38,530,000 as at the Latest Practicable Date comprising 668,266,667 Shares.

ASSUMING ALL 20 TRANCHES OF BONDS ARE ISSUED AND SUCH BONDS ARE FULLY CONVERTED AT THE MINIMUM CONVERSION PRICE OF S\$0.04 (ASSUMING THERE IS NO ADJUSTMENT TO THE MINIMUM CONVERSION PRICE), THE MAXIMUM NUMBER OF NEW SHARES THAT MAY BE ISSUED BY THE COMPANY WILL BE 1,000,000,000 REPRESENTING APPROXIMATELY 149.6% OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL AS AT THE LATEST PRACTICABLE DATE.

The Company is of the opinion that it is not possible to quantify in any meaningful way the effect of the proposed Bond Issue on the earnings of the Company and the Group until the net proceeds of the proposed Bond Issue have been fully deployed.

The net effect on the earnings and earnings per Share of the Company and the Group will depend on the income earned from such deployment of the proceeds.

The Company will make periodic, timely and relevant announcements on the financial effects of the proposed Bond Issue (in respect of each Tranche of the Bonds) on the EPS and NTA per Share for the most recently completed financial year upon the issuance of the New Shares under each Tranche.

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6. ACCOUNTING TREATMENT FOR THE CONVERTIBLE BONDS ISSUE

For the purpose of showing the financial effects of the issue of the Bonds by the Company in this Circular, the Bonds will be in the accounts of the Company as current liabilities for amounts equal to the principal amounts of such outstanding Bonds. Costs arising from or incidental to the issue of the Bonds are charged to the profit and loss statement on an accrued basis.

If and when the Company issues the Bonds, the accounting treatment of the issue of the Bonds will be in accordance with generally accepted accounting principles of Singapore, which will reflect the impact, if any, of Financial Reporting Standard 39, Financial Instruments: Recognition and Measurement, which may require the present value of the Bonds and the fair value of the option to convert the Bonds into Shares to be determined and accounted for. The present value of the Bonds and the fair value of the option have not been taken into account for the purpose of this Circular.

If and when the Bonds are converted to New Shares, the principal amounts of Bonds converted will be added to the Company's Shareholders' funds.

7. OFFERING DOCUMENT

The Bond Issue (and such conversion into New Shares) is made pursuant to the provisions of Section 277 of the Securities and Futures Act. Therefore, no Offer Information Statement will be lodged with the Monetary Authority of Singapore in connection with the issue of the Bonds and the New Shares.

8. THE PROPOSED SHARE ISSUE

8.1 Rule 806 of the Listing Rules

As stated in paragraph 1.2 of this Circular, assuming all 20 Tranches of Bonds are issued and such Bonds are fully converted at the Minimum Conversion Price of S\$0.04 (assuming there is no adjustment to the Minimum Conversion Price), the maximum number of New Shares that may be issued by the Company will be 1,000,000,000 representing approximately 149.6% of the existing issued and paid-up share capital as at the Latest Practicable Date.

Since the maximum number of New Shares that may be issued by the Company exceeds the limit to the number of shares that may be issued under a general mandate under Rule 806(2), Shareholders' approval is required.

The Company will not be relying on the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 23 April 2015.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Company based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

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	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Low Beng Tin	4,769,754	0.71	28,000,000 ⁽¹⁾	4.19
Jeffrey Hing Yih Peir	195,000	0.03	197,350,000 ⁽²⁾	29.53
Bernard Tay Ah Kong	—	—	—	—
Renny Yeo Ah Kiang	1,765,000	0.26	—	—
Lai Kwok Seng	—	—	—	—
Substantial Shareholders				
Jeffrey Hing Yih Peir	195,000	0.03	197,350,000 ⁽²⁾	29.53

Notes:

- (1) Low Beng Tin has a beneficial interest in 28,000,000 Shares registered in the name of Bank of Singapore Nominees Pte Ltd.
- (2) Jeffrey Hing Yih Peir has a beneficial interest in 197,350,000 Shares registered in the name of Phillip Securities Pte. Ltd.
- (3) The shareholding percentages have been calculated based on the total of 668,266,667 Shares in the issued share capital of the Company as at the Latest Practicable Date. The Company does not hold any treasury shares.

Save as disclosed, none of the Directors nor (in so far as the Directors are aware) any Substantial Shareholders of the Company has any interest, direct or indirect, in the Bond Issue, save through their respective shareholdings in the Company (if any). None of the Directors nor (in so far as the Directors are aware) nor Substantial Shareholders or their respective associates, have any connection (including business relationships) with the Subscriber and/or its affiliates, associates, directors or substantial shareholders.

10. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Bond Issue is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution set out in the Notice of EGM.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 102 and 103 of this Circular, will be held on 19 August 2015 at 3.00 p.m. at No. 8 Aljunied Ave 3 Oakwell Building, Singapore 389933 for the purpose of considering and if, thought fit, passing, with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at No. 8 Aljunied Ave 3 Oakwell Building, Singapore 389933 not less than 48 hours before the time

LETTER TO SHAREHOLDERS

fixed for the holding of the EGM. The completion and return of the Proxy Form by such Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy should he subsequently wish to do so.

A Depositor will not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears of the Depository Register at least 48 hours before the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Bond 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 Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at No.8 Aljunied Ave 3 Oakwell Building, Singapore 389933 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) Announcement dated 7 July 2015 on the Bond Issue;
- (b) Bond Subscription Agreement;
- (c) Securities Lending Agreement; and
- (d) Latest annual report of the Company.

Yours faithfully

For and on behalf of

The Board of Directors
OEL (Holdings) Limited

Low Beng Tin
Chairman and Managing Director

3 August 2015

APPENDIX 1

EFFECT OF THE BONDS ON THE SHAREHOLDING OF THE COMPANY

1. Shareholdings before conversion of the Bonds

Total number of shares as at the Latest Practicable Date = 668,266,667

Substantial Shareholders and Directors	No. of Shares held	As a percentage in the existing issued share capital
Low Beng Tin	32,769,754	4.90%
Jeffrey Hing Yih Peir	197,545,000	29.56%
Bernard Tay Ah Kong	—	—
Renny Yeo Ah Kiang	1,765,000	0.26%
Lai Kwok Seng	—	—
Total	232,079,754	34.72%
Others	436,186,913	65.28%
Total no. of Shares	668,266,667	100.00%

2. Effect on shareholding of the Company if the Initial Bonds are fully issued to and converted on the day of issue by the Subscriber, assuming (solely for purposes of illustration) that the Conversion Price is the Illustrative Conversion Price of S\$0.045

The following table shows the effect upon conversion of the Initial Bonds

Total number of shares after conversion of the Initial Bonds = 712,711,111 Shares

Substantial Shareholders and Directors	No. of Shares held	As a percentage in the existing issued share capital ⁽¹⁾	As a percentage in the enlarged issue share capital of the Company ⁽²⁾
Low Beng Tin	32,769,754	4.90%	4.60%
Jeffrey Hing Yih Peir	197,545,000	29.56%	27.72%
Bernard Tay Ah Kong	—	—	—
Renny Yeo Ah Kiang	1,765,000	0.26%	0.25%
Lai Kwok Seng	—	—	—
Pacific Alliance Asia Opportunity Fund L.P. and/or others	44,444,444	6.65%	6.23%
Total no. of Shares	276,524,198	41.37%	38.80%
Others	436,186,913	65.28%	61.20%
Total no. of Shares	712,711,111	106.65%	100.00%

(1) Based on the issued share capital of the Company comprising 668,266,667 ordinary shares, as at the Latest Practicable Date.

(2) Based on the enlarged issued share capital of the Company comprising 712,711,111 ordinary shares, assuming the Initial Bonds are fully issued to and converted on the day of issue by the Subscriber and the Conversion Price is the Illustrative Conversion Price of S\$0.045.

APPENDIX 1

EFFECT OF THE BONDS ON THE SHAREHOLDING OF THE COMPANY

3. Effect on shareholding of the Company if the Initial Bonds are fully issued to and converted on the day of issue by the Subscriber, assuming (solely for purposes of illustration) that the Conversion Price is the Minimum Conversion Price (and further assuming that there have been no adjustments to the Minimum Conversion Price of S\$0.04)

The following table shows the effect upon conversion of the Initial Bonds

Total number of shares after conversion of the Initial Bonds = 718,266,667 Shares

Substantial Shareholders and Directors	No. of Shares held	As a percentage in the existing issued share capital ⁽¹⁾	As a percentage in the enlarged issue share capital of the Company ⁽²⁾
Low Beng Tin	32,769,754	4.90%	4.56%
Jeffrey Hing Yih Peir	197,545,000	29.56%	27.50%
Bernard Tay Ah Kong	—	—	—
Renny Yeo Ah Kiang	1,765,000	0.26%	0.25%
Lai Kwok Seng	—	—	—
Pacific Alliance Asia Opportunity Fund L.P. and/or others	50,000,000	7.48%	6.96%
Total no. of Shares	282,079,754	42.20%	39.27%
Others	436,186,913	65.28%	60.73%
Total no. of Shares	718,266,667	107.48%	100.00%

(1) Based on the issued share capital of the Company comprising 668,266,667 ordinary shares, as at the Latest Practicable Date.

(2) Based on the enlarged issued share capital of the Company comprising 718,266,667 ordinary shares, assuming the Initial Bonds are fully issued to and converted on the day of issue by the Subscriber and the Conversion Price is the Minimum Conversion Price of S\$0.04.

APPENDIX 1

EFFECT OF THE BONDS ON THE SHAREHOLDING OF THE COMPANY

4. Effect on shareholding of the Company if all 20 Tranches of Bonds are fully issued to and converted on the day of the issue by the Subscriber, assuming (solely for purposes of illustration) that the Conversion Price is the Illustrative Conversion Price of S\$0.045

The following table shows the effect upon conversion of all 20 Tranches of Bonds

Total number of shares after conversion of all 20 Tranches of Bonds = 1,557,155,556 Shares

Substantial Shareholders and Directors	No. of Shares held	As a percentage in the existing issued share capital ⁽¹⁾	As a percentage in the enlarged issue share capital of the Company ⁽²⁾
Low Beng Tin	32,769,754	4.90%	2.11%
Jeffrey Hing Yih Peir	197,545,000	29.56%	12.69%
Bernard Tay Ah Kong	—	—	—
Renny Yeo Ah Kiang	1,765,000	0.27%	0.11%
Lai Kwok Seng	—	—	—
Pacific Alliance Asia Opportunity Fund L.P. and/or others*	888,888,889	133.01%	57.08%
Total no. of Shares	1,120,968,643	167.74%	71.99%
Others	436,186,913	65.27%	28.01%
Total no. of Shares	1,557,155,556	233.01%	100.00%

- (1) Based on the issued share capital of the Company comprising 668,266,667 ordinary shares, as at the Latest Practicable Date.
- (2) Based on the enlarged issued share capital of the Company comprising 1,557,155,556 ordinary shares, assuming all 20 Tranches of Bonds are fully issued to and converted on the day of issue by the Subscriber and the Conversion Price is the Illustrative Conversion Price of S\$0.045.
- (3) Under the terms of the Bond Subscription Agreement, the issue of any Tranche of Subsequent Bonds is conditional upon all preceding Bonds have been converted into new Shares. The Subscriber has further provided a warranty that it shall not at the time of request for subscription of a Subsequent Tranche hold in aggregate such number of New Shares which exceed 10% of the issued share capital of the Company.

APPENDIX 1

EFFECT OF THE BONDS ON THE SHAREHOLDING OF THE COMPANY

5. Effect on the shareholding of the Company if all 20 Tranches of Bonds are fully issued to and converted on the day of the issue by the Subscriber, assuming (solely for purposes of illustration) that the Conversion Price is the Minimum Conversion Price (and further assuming that there have been no adjustments to the Minimum Conversion Price of S\$0.04)

The following table shows the effect upon conversion of all 20 Tranches of Bonds

Total number of shares after conversion of all 20 Tranches of Bonds = 1,668,266,667 Shares

Substantial Shareholders and Directors	No. of Shares held	As a percentage in the existing issued share capital ⁽¹⁾	As a percentage in the enlarged issue share capital of the Company ⁽²⁾
Low Beng Tin	32,769,754	4.90%	1.96%
Jeffrey Hing Yih Peir	197,545,000	29.56%	11.84%
Bernard Tay Ah Kong	—	—	—
Renny Yeo Ah Kiang	1,765,000	0.26%	0.11%
Lai Kwok Seng	—	—	—
Pacific Alliance Asia Opportunity Fund L.P. and/or others*	1,000,000,000	149.64%	59.94%
Total no. of Shares	1,232,079,754	184.36%	73.85%
Others	436,186,913	65.28%	26.15%
Total no. of Shares	1,668,266,667	249.64%	100.00%

- (1) Based on the issued share capital of the Company comprising 668,266,667 ordinary shares, as at the Latest Practicable Date.
- (2) Based on the enlarged issued share capital of the Company comprising 1,668,266,667 ordinary shares, assuming all 20 Tranches of Bonds are fully issued to and converted on the day of issue by the Subscriber and the Conversion Price is the Minimum Conversion Price of S\$0.04.
- (3) Under the terms of the Bond Subscription Agreement, the issue of any Tranche of Subsequent Bonds is conditional upon all preceding Bonds having been converted into new Shares. The Subscriber has further provided a warranty that it shall not at the time of request for subscription of a Subsequent Tranche hold in aggregate such number of New Shares which exceed 10% of the issued share capital of the Company.

APPENDIX 2 ILLUSTRATION OF THE FINANCIAL EFFECTS OF THE BOND ISSUE

(I) INITIAL BONDS OF S\$2 MILLION

ASSUMPTIONS:-

(A) CONVERSION PRICE AT S\$0.045 (THE “ILLUSTRATIVE CONVERSION PRICE”)

(B) INITIAL BONDS ARE FULLY CONVERTED ON THE DAY OF THEIR ISSUE

(C) ISSUE EXPENSES AMOUNT TO S\$100,000; AND

(D) BASE SCENARIO (INCLUDING SHARE NUMBERS) AS AT 31 DECEMBER 2014

TABLE A

Share Capital	Group & Company	
	No. of Shares	\$
Issued and paid-up capital as at 31 December 2014	668,266,667	38,530,000
Number of new Shares arising from the full conversion of Initial Bonds	44,444,444	2,000,000
Enlarged share capital after conversion of Initial Bonds	712,711,111	40,530,000
New Shares issued upon conversion of Initial Bonds as a percentage of the existing issued and paid-up share capital	6.7%	5.2%
New Shares issued upon conversion of Initial Bonds as a percentage of the enlarged issued and paid-up share capital	6.2%	4.9%

Before the Issue of Initial Bonds	Group	Company
NTA as at 31 December 2014 (in S\$)	20,428,000	19,315,000
No. of Shares before issue of Initial Bonds	668,266,667	668,266,667
Adjusted NTA per share before issue of Initial Bonds (in cents)	3.06	2.89
After issue of Initial Bonds but before Conversion of Initial Bonds		
Adjusted NTA after the issue of Initial Bonds but before conversion of Initial Bonds (in S\$)	20,328,000	19,215,000
Adjusted NTA per share after the issue of Initial Bonds but before conversion of Initial Bonds (in cents)	3.04	2.88
After issue and conversion of Initial Bonds		
Funds from Bond Issue	2,000,000	2,000,000
Estimated issue expenses arising from the issuing of Initial Bonds (in S\$)	100,000	100,000
Net contribution to NTA	1,900,000	1,900,000
Adjusted NTA after conversion of Initial Bonds (in S\$)	22,328,000	21,215,000
Adjusted NTA per share after conversion of Initial Bonds (in cents)	3.13	2.98

APPENDIX 2

ILLUSTRATION OF THE FINANCIAL EFFECTS OF THE BOND ISSUE

Gearing (S\$)		
Based on Total Net Borrowings as at 31 December 2014	639,000	639,000
Increase in Total Net Borrowings resulting from the issue of the Initial Bonds	2,000,000	2,000,000
Adjusted Total Net Borrowings after issue of the Initial Bonds	2,639,000	2,639,000
Decrease in Total Net Borrowings resulting from the conversion of the Initial Bonds	2,000,000	2,000,000
Adjusted Total Net Borrowings after the conversion of the Initial Bonds	639,000	639,000
Adjusted Shareholders' equity after the issue but before conversion of Initial Bonds	20,328,000	19,215,000
Adjustment to Shareholders' equity after conversion of Initial Bonds	2,000,000	2,000,000
Adjusted shareholders' equity after conversion of Initial Bonds	22,328,000	21,215,000
Gearing (times)		
As at 31 December 2014	0.03	0.03
After the conversion of the Initial Bonds	0.03	0.03

(II) TRANCHE 1 TO TRANCHE 20 BONDS OF S\$2 MILLION PER TRANCHE

ASSUMPTIONS:–

- (A) CONVERSION PRICE AT S\$0.045 (THE “ILLUSTRATIVE CONVERSION PRICE”);
- (B) FULL ISSUE AND CONVERSION OF THE BONDS OF ALL 20 TRANCHES OF BONDS AT THE END OF 12 MONTHS;
- (C) ISSUE EXPENSES AMOUNT TO S\$1,430,000; AND
- (D) BASE SCENARIO (INCLUDING SHARE NUMBERS) AS AT 31 DECEMBER 2014

TABLE B

Share Capital	Group & Company	
	No. of Shares	\$
Issued and paid-up capital as at 31 December 2014	668,266,667	38,530,000
Number of new Shares arising from the full conversion of the Bonds of the 20 Tranches	888,888,889	40,000,000
Enlarged share capital after conversion of the 20 Tranches	1,557,155,556	78,530,000
New Shares issued upon conversion of the 20 Tranches as a percentage of the existing issued and paid-up share capital	133.0%	103.8%
New Shares issued upon conversion of the 20 Tranches as a percentage of the enlarged issued and paid-up share capital	57.1%	50.9%

APPENDIX 2

ILLUSTRATION OF THE FINANCIAL EFFECTS OF THE BOND ISSUE

Before the Issue of the Bonds of all 20 Tranches	Group	Company
NTA as at 31 December 2014 (in S\$)	20,428,000	19,315,000
No. of Shares before issue of the 20 Tranches	668,266,667	668,266,667
NTA per share before issue of the 20 Tranches (in cents)	3.06	2.89
After issue of the 20 Tranches but before Conversion of all 20 Tranches		
Adjusted NTA after the issue of the 20 Tranches but before conversion (in S\$)	18,998,000	17,885,000
Adjusted NTA per share after the issue of the 20 Tranches but before conversion (in cents)	2.84	2.68
After issue and conversion of the 20 Tranches		
Funds from Bond Issue (in S\$)	40,000,000	40,000,000
Estimated issue expenses arising from the issue of the 20 Tranches (in S\$)	1,430,000	1,430,000
Net contribution to NTA (in S\$)	38,570,000	38,570,000
Adjusted NTA after conversion of the Bonds of the 20 Tranches (in S\$)	58,998,000	57,885,000
Adjusted NTA per share after conversion of the 20 Tranches of Bonds (in cents)	3.79	3.72
Gearing (S\$)		
Based on Total Net Borrowings as at 31 December 2014	639,000	639,000
Increase in Total Net Borrowings resulting from the issue of the 20 Tranches	40,000,000	40,000,000
Adjusted Total Net Borrowings after issue of the 20 Tranches	40,639,000	40,639,000
Decrease in Total Net Borrowings resulting from the conversion of the 20 Tranches	40,000,000	40,000,000
Adjusted Total Net Borrowings after the conversion of the Bonds of the 20 Tranches	639,000	639,000
Adjusted Shareholders' equity after the issue but before the conversion of the 20 Tranches	18,998,000	17,885,000
Adjustment to Shareholders' equity after conversion of the 20 Tranches	40,000,000	40,000,000
Adjusted Shareholders' equity after conversion of the 20 Tranches	58,998,000	57,885,000
Gearing (times)		
As at 31 December 2014	0.03	0.03
After the conversion of the Bonds of the 20 Tranches	0.01	0.01

APPENDIX 3 TERMS AND CONDITIONS OF THE BONDS

The following other than the words in italics is the text of the terms and conditions of the Bonds which will be attached to each of the definitive certificates evidencing the Bonds:

The issue of up to S\$40,000,000 in aggregate principal amount of redeemable zero coupon convertible bonds (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with **Condition 16** and consolidated and forming a single series therewith) by OEL (Holdings) Limited (the “**Issuer**”), is made pursuant to a Bond Subscription Agreement dated 7 July 2015 (as the same may from time to time be amended, modified or supplemented) (the “**Agreement**”) between the Issuer and Pacific Alliance Asia Opportunity Fund L.P. (the “**Subscriber**”), and was authorised by a resolution of the board of Directors of the Issuer passed on 3 July 2015. Unless otherwise defined, terms used in these terms and conditions (these “**Conditions**”) have the meaning specified in the Agreement. Copies of the Agreement are available for inspection at the registered office of the Issuer being at the date of this Bond at No. 8 Aljunied Ave 3, Oakwell Building, Singapore 389933.

1. Status

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

2. Form, denomination and title

2.1 Form and denomination

The Bonds are issued in registered form in the denomination of S\$100,000 and integral multiples of S\$100,000 in excess thereof. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered aggregate holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the share registrar of the Issuer or such other person as may be agreed between the Issuer and the Bondholders in writing (the “**Registrar**”).

2.2 Title

Title to the Bonds passes only by transfer and registration in the register of Bondholders as described in **Condition 3**. The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a Bond is registered in the Register.

APPENDIX 3 TERMS AND CONDITIONS OF THE BONDS

3. Transfers of Bonds; Issue of Certificates

3.1 Register

The Issuer will cause to be kept at the specified office of the Registrar a register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds (the “**Register**”).

3.2 No Transfer Restrictions

A Bondholder shall have the right, at its sole discretion, to sell, transfer or assign the Bonds without the consent of the Issuer. Any transferee of a Bond will be bound by the Conditions.

3.3 Transfers

Subject to **Conditions 3.2** and **3.6**, a Bond may be transferred or exchanged by delivery of the Certificate issued in respect of that Bond, together with the form of transfer in the form set out in **Schedule 2**, duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar. No transfer of title to a Bond will be valid unless and until entered on the Register.

3.4 Delivery of New Certificates

3.4.1 Each new Certificate to be issued upon a transfer or exchange of Bonds will, within seven (7) Business Days of receipt by the Registrar of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar.

3.4.2 Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, exchanged or converted, a new Certificate in respect of the Bonds not so transferred, exchanged or converted will, within seven (7) Business Days of delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Bonds not so transferred, exchanged or converted (but free of charge to the holder) to the address of such holder appearing on the Register.

3.5 Formalities free of charge

Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer or the Registrar (as the case may be) but upon (i) payment (or the giving of such indemnity as the Issuer or the Registrar (as the case may be) may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer or the Registrar (as the case may be) being satisfied that the regulations concerning transfer of Bonds have been complied with.

APPENDIX 3 TERMS AND CONDITIONS OF THE BONDS

3.6 Closed periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven (7) days ending on (and including) the date for redemption pursuant to **Condition 7.1**; (ii) after a Conversion Notice (as defined in **Condition 4.2**) has been delivered with respect to such a Bond; (iii) after a Put Option Notice (as defined in **Condition 7.4**) has been deposited in respect of such a Bond; (iv) after a Relevant Event Put Exercise Notice (as defined in **Condition 7.5**) has been deposited in respect of such a Bond; or (v) after a Purchase Notice (as defined in **Condition 7.6**) has been deposited in respect of such a Bond, each such period being a “**Closed Period**”.

3.7 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds as set out in this **Condition 3**. The regulations may be changed by the Issuer, with the prior written approval of the Bondholders whose approval shall not be unreasonably withheld. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon request.

4. Conversion

4.1 Conversion Right

4.1.1 *Conversion Period:* Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the “**Conversion Right**”. Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after the date of issue of such Bond up to, and including, the close of business on the date immediately preceding the Maturity Date (as defined in **Condition 7.1**) (but, except as provided in **Condition 4.1.5**, in no event thereafter) (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date (as defined in **Condition 4.2**) in respect of a Bond would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in **Condition 4.2**) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and, subject to **Condition 4.1.5**, shall be deemed to have expired if, as a result of any postponement pursuant to this Condition, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore law.

APPENDIX 3

TERMS AND CONDITIONS OF THE BONDS

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price (as hereinafter defined) in effect at the Conversion Date. A Conversion Right may only be exercised in respect of one or more Bonds, subject to the minimum conversion amount set out in **Condition 4.1.2**. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

4.1.2 *Minimum Conversion Amount:* Unless otherwise agreed by the Issuer, the minimum aggregate principal amount of Bonds to be converted in any single conversion of Bonds shall be S\$100,000. The Issuer may reject any Conversion Notice (as defined in **Condition 4.2**) which relates to a request for Conversion of Bonds of an aggregate principal amount of less than S\$100,000.

4.1.3 *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the date of the Agreement which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in Singapore Dollars by means of a Singapore Dollar cheque drawn on a bank in Singapore) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in **Condition 4.1.1**, as corresponds to any fraction of a Share not issued if such sum exceeds S\$10.

4.1.4 *Conversion Price:* The price at which Shares will be issued upon conversion of a Bond, as adjusted from time to time (the “**Conversion Price**”) will initially be equal to the lower of:

- (a) 125 per cent of the average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the 25 consecutive Trading Days ending on the Trading Day immediately preceding the date of issue of this Bond (“**Fixed Conversion Price**”); and
- (b) 90 per cent of the lowest average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for any five consecutive Trading Day period in the 25 consecutive Trading Days immediately preceding the Conversion Date,

but will be subject to adjustment in the manner provided in **Condition 4.3**, Provided That if the lower of (a) and (b) above is less than the Minimum Conversion Price (as adjusted from time to time in accordance with **Condition 4.6**), the initial Conversion Price shall be the Minimum Conversion Price (as adjusted from time to time in accordance with **Condition 4.6**).

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4.1.5 *Revival and/or survival after Default:* Notwithstanding the provisions of **Condition 4.1.1**, if: (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof; (b) any Bond has become due and payable prior to the Maturity Date (as defined in **Condition 7.1**) by reason of the occurrence of any of the events referred to in **Condition 9**; (c) any Bond is not redeemed on the Put Option Date (as defined in **Condition 7.4**); or (d) any Bond is not redeemed on the Maturity Date in accordance with **Condition 7.1**, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Bondholders and notice of such receipt has been duly given to the Issuer and, notwithstanding the provisions of **Condition 4.1.1**, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Bondholder before such Conversion Date or that the Conversion Period may have expired before such Conversion Date. In the event where the full amount of moneys payable in respect of such Bond (the “**Relevant Amount**”) shall have been received by the Bondholder, and conversion of such Bond is subsequently effected by the Issuer pursuant to this **Condition 4.1.5**, the Relevant Amount shall be returned to the Issuer by such Bondholder thereafter.

4.1.6 *Meaning of “Shares”:* As used in these Conditions, the expression “**Shares**” means ordinary shares of the Issuer (which include ordinary shares of the Issuer listed on the SGX-ST) or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

4.2 Conversion procedure

4.2.1 *Conversion notice:*

- (a) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense to the Issuer a notice of conversion (a “**Conversion Notice**”) substantially in the form attached as Appendix A hereto, together with the relevant Certificate and any amounts required to be paid by the Bondholder under **Condition 4.2.2**. The Issuer agrees that the Conversion Notice will be effective if sent by facsimile or electronic mail to the Issuer together with a copy of the Certificate, with the originals of the Conversion Notice and Certificate to follow by courier. Any notice sent by facsimile is deemed served at the time indicated on the transmission report produced by the sender’s facsimile indicating that the facsimile was sent in its entirety to the addressee’s facsimile. Any notice sent by electronic mail is deemed served at the time the electronic mail containing the notice left the sender’s electronic mail system, unless the sender receives notification that the electronic mail containing the notice was not received by the recipient.

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- (b) The conversion date in respect of a Bond (the “**Conversion Date**”) must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of **Condition 4.1.5**) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal. “**Stock Exchange Business Day**” means any day (other than a Saturday or Sunday) on which the SGX-ST is open for securities trading.

4.2.2 *Stamp Duty & Registration Fees etc.:* A Bondholder delivering a Certificate in respect of a Bond for conversion must pay to the Issuer any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp or issue or registration duties payable in Singapore in respect of the allotment and issue of Shares (including any amounts payable in relation to the allotment and registration of the Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and the depositing of the share certificate issued in favour of the Depository for that purpose with the Depository) and listing of the Shares on the Catalist board of the SGX-ST on conversion, which shall be borne by the Issuer) and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion.

4.2.3 *Registration:*

- (a) As soon as practicable, and in any event not later than two (2) Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate deposited as required by **Condition 4.2.1**, procure (at its own cost) that the relevant number of Shares are allotted to and registered in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Shares are listed on the Catalist board of the SGX-ST and that the share certificate issued in favour of the Depository for that purpose is deposited with the Depository and that such Shares are credited to the aforesaid securities account.

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- (b) If the Conversion Date in relation to any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to **Condition 4.3**, but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and became effective immediately after the relevant record date.
- (c) The person or persons designated in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members or (if the Shares are quoted on the Catalist board of the SGX-ST) the date he is or they are registered in the Depository's register of account holders as having such Shares credited into his or their account or sub-account (as the case may be) with the Depository (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (d) If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this **Condition 4** prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Bondholder or his designee an amount (the "**Equivalent Amount**") in Singapore Dollars equal to the Fair Market Value (as defined in **Condition 4.4.6**) of any such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven (7) days thereafter. The Equivalent Amount shall be paid by means of a Singapore Dollar cheque drawn on a bank in Singapore and sent to the address specified in the relevant Conversion Notice.

4.2.4 *Public Announcement:* The Issuer shall release a public announcement notifying the SGX-ST and its investors of any Conversion not later than one (1) Business Day after the day the share certificate(s) in respect of relevant New Shares are deposited with the Depository for credit to the securities account designated for the purpose in the Conversion Notice.

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4.3 Adjustments to Fixed Conversion Price

The Fixed Conversion Price will be subject to adjustment in the following events:

- 4.3.1** *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of the Shares as a result of consolidation, subdivision or reclassification, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A : is the aggregate number of Shares immediately before such alteration; and
- B : is the aggregate number of Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- 4.3.2** *Capitalisation of profits or reserves:*

- (i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Capital Distribution (as defined in **Condition 4.4.2**), the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A : is the aggregate number of Shares immediately before such alteration; and
- B : is the number of Shares immediately after such alteration.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where: (1) the aggregate Current Market Price (as defined in **Condition 4.4.4**) of such Shares; (2) (save where the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution exceeds the aggregate Current Market Price of such Shares) the product of the then prevailing Fixed Conversion Price and the number of Shares

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issued by way of such Scrip Dividend; or (3) the product of the then prevailing Minimum Conversion Price and the number of Shares issued by way of such Scrip Dividend, exceeds the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of Shares immediately before such alteration;
- B : is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the highest of: (A) the aggregate Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend, (B) the product of the then prevailing Fixed Conversion Price and the number of such Shares issued by way of Scrip Dividend, and (C) the product of the then prevailing Minimum Conversion Price and the number of such Shares issued by way of Scrip Dividend; and
- C : is the aggregate number of Shares issued by way of such Scrip Dividend.

OR by making such other adjustment as a leading bank in Singapore or Hong Kong or a financial advisory firm holding a valid financial adviser's licence under the Financial Advisers Act (Chapter 110 of Singapore) (a "**Licensed FA**") (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, shall certify to the Bondholders is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

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- 4.3.3** *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (save where the Fixed Conversion Price falls to be adjusted under **Condition 4.3.2** above), the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A - B}{A}$$

where:

- A : is the lowest of: (A) the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced, (B) the then prevailing Fixed Conversion Price (if such prevailing Fixed Conversion Price exceeds the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one Share), and (C) the Minimum Conversion Price (if such prevailing Minimum Conversion Price exceeds the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one Share); and
- B : is the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made.

Where the Capital Distribution is by means of distribution of a cash dividend, only such portion of cash dividend or distribution which exceeds the amounts referred to in **Condition 4.4.2(i)** (the “**excess portion**”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in the determination of the Fair Market Value of the portion of the Capital Distribution attributable to one Share.

- 4.3.4** *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at: (1) the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant; (2) (save where such issue or grant is at more than the Current Market

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Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of Shares immediately before such announcement;
- B : is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at the highest of: (A) such Current Market Price per Share, (B) the then prevailing Fixed Conversion Price, and (C) the then prevailing Minimum Conversion Price; and
- C : is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- 4.3.5** *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A - B}{A}$$

where:

- A : is the lowest of: (A) the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced, (B) the then prevailing Fixed Conversion Price (if such prevailing Fixed Conversion Price exceeds the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share), and (C) the Minimum Conversion Price (if such prevailing Minimum Conversion Price exceeds the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one Share); and

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B : is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

4.3.6 *Issues at less than Current Market Price, Fixed Conversion Price or Minimum Conversion Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in **Condition 4.3.4**) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise as mentioned in **Condition 4.3.4**) options, warrants or other rights to subscribe for or purchase Shares in each case at a consideration per Share which is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{C}$$

where:

A : is the aggregate number of Shares immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B : is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at the highest of: (A) such Current Market Price per Share, (B) the then prevailing Fixed Conversion Price, and (C) the then prevailing Minimum Conversion Price; and

C : is the aggregate number of Shares immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

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4.3.7 *Other Issues at less than Current Market Price, Fixed Conversion Price or Minimum Conversion Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this **Condition 4.3.7**, the issue by the Issuer or any Subsidiary (otherwise than as mentioned in **Conditions 4.3.4, 4.3.5 or 4.3.6** above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price.

In such an event, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of Shares immediately before such alteration;
- B : is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would have obtained had such conversion or exchange or exercise of the right of subscription been effected at the highest of: (A) the Current Market Price per Share at the time of such alteration, (B) the then prevailing Fixed Conversion Price, and (C) the then prevailing Minimum Conversion Price; and
- C : is the maximum number of Shares to be issued had such conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto been effected at the initial conversion or exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

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- 4.3.8** *Modification of Rights of Conversion etc:* Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in **Condition 4.3.7** (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than: (1) the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification; (2) (save where such modification results in the consideration per Share exceeding the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification) the then prevailing Fixed Conversion Price; or (3) the then prevailing Minimum Conversion Price.

In such an event, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of Shares immediately before such alteration;
- B : is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities (in each case so modified) would have obtained had such conversion or exchange or exercise (in each case so modified) been effected at the highest of: (A) the Current Market Price per Share at the time of such alteration, (B) the then prevailing Fixed Conversion Price, and (C) the then prevailing Minimum Conversion Price; and
- C : is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate, but giving credit in such manner as a Licensed FA or a leading bank in Singapore or Hong Kong selected by the Issuer and approved in writing by the Bondholders (acting as an expert) considers appropriate (if at all) for any previous adjustment under this **Condition 4.3.8** or **Condition 4.3.7**.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

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- 4.3.9** *Other Offers to Shareholders:* The issue, sale or distribution by or on behalf of the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60.0 per cent of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Fixed Conversion Price falls to be adjusted under **Conditions 4.3.4, 4.3.5, 4.3.6 or 4.3.7**).

In such an event, the Fixed Conversion Price shall be adjusted by multiplying the Fixed Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A - B}{A}$$

where:

- A : is the lowest of: (A) the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced, (B) the then prevailing Fixed Conversion Price, and (C) the then prevailing Minimum Conversion Price; and
- B : is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

- 4.3.10** *Other Events:* If the Issuer determines that an adjustment should be made to the Fixed Conversion Price as a result of one or more events or circumstances not referred to in this **Condition 4.3** (for avoidance of doubt, such events or circumstances include situations where no dilution of the holdings of the existing shareholders of the Issuer occurs or has occurred), the Issuer shall at its own expense request a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to determine as soon as practicable what adjustment (if any) to the Fixed Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Fixed Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to this **Condition 4.3** have already resulted or will result in an adjustment to the Fixed Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Fixed Conversion Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 4.3** as may be advised by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in such bank's opinion appropriate to give the intended result.

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4.3.11 Calculation of Consideration Receivable: For the purpose of any calculation of the consideration receivable pursuant to **Conditions 4.3.6, 4.3.7 and 4.3.8:**

- (i) *Issue of Shares for Cash:* the aggregate consideration receivable in respect of Shares issued for cash shall be the amount of such cash, provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith.
- (ii) *Issue of Shares for Consideration in whole or in part other than Cash:* the aggregate consideration other than cash shall be decreased to be the fair value thereof as determined by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, or if pursuant to the law of Singapore such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof.
- (iii) *Issue of Shares on Conversion or Exercise of Securities:* (1) the aggregate consideration receivable in respect of the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Issuer for any such securities, and (2) the aggregate consideration receivable in respect of the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Issuer for such securities which is attributed by the Issuer to such rights of subscription or, if no part of such consideration is so attributed or the Bondholders so require by written notice to the Issuer, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities, plus in the case of each of (1) and (2) above, the additional consideration (if any) to be received by the Issuer upon (and assuming) the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such cases to be determined subject to the proviso in **Condition 4.3.11(i)**), and (3) the consideration per Share receivable by the Issuer on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into Singapore Dollars if such consideration is expressed in a currency other than Singapore Dollars at such rate of exchange as may be determined in good faith by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be the spot rate prevailing at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate.

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4.4 For the purposes of these Conditions:

4.4.1 “**Average Closing Price**” means the arithmetic average of the closing market price quoted by the SGX-ST for each Trading Day during the Relevant Period.

4.4.2 “**Capital Distribution**” means: (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid by way of capitalisation of reserves)); and (ii) any cash dividend or distribution of any kind by the Issuer for any financial period (whenever paid and however described) unless:

- (i) (and to the extent that) in the case of a cash dividend, it does not, on a per Share basis, when taken together with the aggregate of any other cash dividends previously made or paid in respect of the same financial year exceed five (5) per cent of the Average Closing Price of one Share during the Relevant Period;
- (ii) (and to the extent that) in the case of a distribution *in specie* only, it does not, when taken together with the aggregate of the Fair Market Value of any other Dividends previously made or paid in respect of all periods ending after 31 December 2014, exceed the aggregate of the consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to Shareholders for all periods ending after 31 December 2014, after deducting minority interests and preference dividends (if any) but (1) deducting any amounts in respect of any asset previously credited to the Issuer’s reserves (in respect of any period or date up to and including 31 December 2014) pursuant to any revaluation of such asset, where amounts arising on the disposal of such asset have contributed to such profits and (2) deducting any exceptional and extraordinary items, (and for the avoidance of doubt after excluding any amount arising as a result of any reduction in share capital or capital redemption reserve, but including any profit transferred from any reserve), in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Issuer and its Subsidiaries; or
- (iii) it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer) where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed the average closing market price of the Shares as quoted by the SGX-ST, either (1) for the five (5) market days on which transactions in the Shares were recorded preceding the day of the purchase, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement (excluding, for the avoidance of doubt, general authority for such purchases given by a Shareholders’ meeting of the Issuer, or any notice convening such meeting) and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

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In making any such calculation under this **Condition 4.4.2**, such adjustments (if any) shall be made as a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, may consider appropriate to reflect (1) any consolidation or subdivision of the Shares, (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (3) the modification of any rights to Dividends (as defined below) of Shares.

4.4.3 “**Closing Price**” for the Shares for any Trading Day shall be the average closing market price quoted by the SGX-ST for the last ten (10) Trading Days before such Trading Day.

4.4.4 “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the Closing Prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the twenty (20) consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said twenty (20) Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said twenty (20) Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share;

and provided further that:

- (a) if such Closing Prices are not available on each of the twenty (20) Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two (2) such Closing Prices); and
- (b) if only one or no such Closing Price is available in the Relevant Period, then the Current Market Price shall be determined in good faith by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert) appointed by the Issuer and approved by the Bondholders in writing.

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- 4.4.5** “**Dividend**” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid up) provided that:
- (i) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a Dividend of (a) the cash Dividend so announced or (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made) if the Current Market Price of such Shares or the Fair Market Value of other property or assets is greater than the cash Dividend so announced; and
 - (ii) any issue of Shares falling within **Condition 4.3.2** shall be disregarded.
- 4.4.6** “**Fair Market Value**” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, acting as experts; provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.
- 4.4.7** “**Relevant Period**” means the period beginning on the thirtieth (30th) Trading Day prior to the record day for the first dividend or distribution, and ending on the Trading Day immediately preceding the record date for the latest dividend or distribution, which when aggregated with any intervening dividends or distributions, causes an adjustment to the Fixed Conversion Price to be made pursuant to **Condition 4.3**.
- 4.4.8** “**Trading Day**” means a day when the SGX-ST is open for dealing business, provided that if no Closing Price is reported in respect of the relevant Shares on the SGX-ST for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

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- 4.4.9** On any adjustment, the relevant Fixed Conversion Price, if not an integral multiple of a tenth of one Singapore cent, shall be rounded down to the nearest tenth of one Singapore cent. No adjustment shall be made to the Fixed Conversion Price where such adjustment (rounded down if applicable) would be less than one (1) per cent of the Fixed Conversion Price then in effect.
- 4.4.10** Any adjustment not required to be made, and any amount by which the Fixed Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 17** as soon as practicable after the determination thereof.
- 4.4.11** The Fixed Conversion Price may not be reduced so that, on conversion of Bonds, Shares would be issued in a manner and at a value not permitted by applicable law.
- 4.4.12** Where more than one event which gives or may give rise to an adjustment to the Fixed Conversion Price occurs within such a short period of time that in the opinion of a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by a Licensed FA or a leading bank in Singapore or Hong Kong (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in such bank's opinion appropriate in order to give such intended result.
- 4.4.13** No adjustment involving an increase in the Fixed Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 4.3.1** or to correct an error.
- 4.4.14** If the Issuer fails to select a Licensed FA or a leading bank when required for the purposes of **Condition 4.3**, the Bondholders may select such Licensed FA or bank.

4.5 Notice of change in Fixed Conversion Price and/or Minimum Conversion Price

The Issuer shall give notice to the SGX-ST and the Bondholders in accordance with **Condition 17** of any change in the Fixed Conversion Price and/or the Minimum Conversion Price (as the case may be). Any such notice relating to a change in the Fixed Conversion Price and/or the Minimum Conversion Price shall set forth the event giving rise to the adjustment, the Fixed Conversion Price and/or the Minimum Conversion Price (as the case may be) prior to such adjustment, the adjusted Fixed Conversion Price and/or the Minimum conversion Price (as the case may be) and the effective date of such adjustment.

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4.6 Adjustment to the Minimum Conversion Price

If any of the events described in **Condition 4.3** occurs after the date of the Agreement, the Minimum Conversion Price shall be adjusted in accordance with **Conditions 4.3 to 4.4**. Additionally, if the Fixed Conversion Price is adjusted pursuant to any of the provisions under **Condition 4.3**, the Minimum Conversion Price shall be correspondingly adjusted so as to ensure that the economic value of the Bonds and the rights thereunder to the Bondholders shall be the same after such adjustment to the Fixed Conversion Price as it was immediately prior to such adjustment. The adjustment to the Minimum Conversion Price shall take effect at the same time as the date on which the corresponding adjustment to the Fixed Conversion Price takes effect. The provisions of **Conditions 4.3 to 4.5** shall apply *mutatis mutandis* to any adjustment to the Minimum Conversion Price. For the purpose of this **Condition 4.6** only, references in **Conditions 4.3 to 4.5** to “Fixed Conversion Price” (save for references to the Fixed Conversion Price in **Conditions 4.3.1 to 4.3.8** for the purpose of determining whether an adjustment ought to be made) shall be treated as references to the Minimum Conversion Price.

5. Undertakings

5.1 Save as disclosed in the Disclosure Letter issued prior to or on the date of issue of this Bond and save with the prior written approval of the Bondholders, the Issuer hereby irrevocably undertakes that so long as any Bond remains outstanding or until the Agreement is terminated (whichever is later), it shall:

5.1.1 *Availability of Shares:* make available, free from pre-emptive or other similar rights, such number of Shares as would be required to be issued on conversion of all the Bonds from time to time remaining outstanding and to satisfy in full all other rights of conversion into or exchange or subscription for Shares and will ensure that all Shares delivered on conversion of Bonds will be duly and validly issued as fully-paid Provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by applicable law;

5.1.2 *Listing of Shares:*

(a) (i) maintain a listing on the Catalist board of the SGX-ST for all the issued Shares for the time being; (ii) obtain and ensure that the Listing Approval shall be valid and in full force and effect at all times; and (iii) ensure there shall at all times be a valid Listing Approval constituting approval for the listing of all the Shares issued on exercise of the Conversion Rights on the Catalist board of the SGX-ST immediately following such Conversion; or

(b) pay the expenses of the issue of, and all expenses of obtaining the listing for, Shares arising on conversion of the Bonds;

5.1.3 *No Suspension or De-listing:* it shall not make any application nor take any step to de-list any of the Shares which are listed on the Catalist board of the SGX-ST or take any step which would possibly lead to the suspension of the trading and quotation of such Shares on the Catalist board of the SGX-ST;

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- 5.1.4** *Lodge Offering Document:* ensure that an Offering Document (if required by law) is lodged with the Monetary Authority of Singapore prior to the lapse of the validity period of any Offering Document then lodged with the Monetary Authority of Singapore, such that there shall at all times during which any Bonds are outstanding be a valid Offering Document lodged with the Monetary Authority of Singapore;
- 5.1.5** *Expenses:* pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;
- 5.1.6** *Limited Issue of Shares:* not issue or pay up any securities, by way of capitalisation of profits or reserves unless, in any such case, it gives rise to (or would give rise to) an adjustment of the Fixed Conversion Price or the Minimum Conversion Price;
- 5.1.7** *Limited Modification of Rights:* not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of ordinary share capital carrying any rights which are more favourable than the rights attaching to Shares but so that nothing in this **Condition 5.1.7** shall prevent (i) the issue, offer or grant of Shares or other securities to employees (including directors) of the Issuer or any of other Group Companies, or the Issuer's holding company or subsidiaries of such holding company, by virtue of their office or employment pursuant to an employees' share scheme or plan that was approved and put in place prior to the date of the Agreement; (ii) a consolidation or subdivision of the Shares or the conversion of any Shares into stock or vice versa; (iii) a modification to the rights attaching to the Shares which is not, in the opinion of two (2) Licensed FAs or leading banks in Singapore or Hong Kong, prejudicial to the interests of the Bondholders; (iv) any issue of ordinary share capital which results (or would, if the adjustment would be one (1) per cent or more of the Fixed Conversion Price or the Minimum Conversion Price then in effect, otherwise result) in an adjustment of the Fixed Conversion Price or the Minimum Conversion Price; or (v) any issue of ordinary share capital or modification of rights attaching to the Shares where prior thereto the Issuer shall have instructed a firm of accountants or a Licensed FA or a leading bank in Singapore or Hong Kong (acting as experts) in each case selected by it and approved in writing by the Bondholders to determine what (if any) adjustments should be made to the Fixed Conversion Price and Minimum Conversion Price as being fair and reasonable to take account thereof and, if so, the new Fixed Conversion Price and Minimum Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which such adjustment shall take effect (and so that such adjustment shall be made and shall take effect accordingly);

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- 5.1.8** *Limited Grant of Rights:* procure that no securities (whether issued by the Issuer or any of the other Group Companies) issued without rights to convert into or exchange or subscribe for Shares shall subsequently be granted such rights at a consideration per Share which is less than the Current Market Price per Share at close of business on the Trading Day last preceding the date of the announcement of the proposed inclusion of such rights unless the same gives rise (or would, if the adjustment would be one (1) per cent or more of the Fixed Conversion Price or the Minimum Conversion Price then in effect, give rise) (except where such an adjustment is exempted under these Conditions) to an adjustment of the Fixed Conversion Price or the Minimum Conversion Price and that at no time shall there be in issue Shares of differing par or nominal values. For the avoidance of doubt, nothing in this **Condition 5.1.8** shall prevent the issue of any equity share capital by the Issuer pursuant to an employees' share scheme or plan that was approved and put in place prior to the date of the Agreement;
- 5.1.9** *Notice:* simultaneously with the announcement of the terms of any issue pursuant to **Condition 4.3.6** or **4.3.7** and the announcement of any proposed modification pursuant to **Condition 4.3.8** give notice to the Bondholders in accordance with **Condition 17** (such notice to be signed by an authorised officer of the Issuer) advising them of the date on which the relevant adjustment of the Fixed Conversion Price and/or Minimum Conversion Price (as the case may be) is likely to become effective and of the effect of exercising their rights of conversion before then;
- 5.1.10** *Director's or Authorised Officers' Certificate:* if an event happens as a result of which the Fixed Conversion Price or the Minimum Conversion Price may be adjusted pursuant to these Conditions, subject to **Condition 4.4.12**, as soon as practicable send the Bondholders a certificate signed by two (2) Directors or other duly authorised officers of the Issuer, setting out particulars of the event, whether an adjustment to the Fixed Conversion Price and/or Minimum Conversion Price (as the case may be) falls to be made and, if so, the adjusted Fixed Conversion Price and/or Minimum Conversion Price (as the case may be) and the date on which such adjustment takes effect, whether an amount falls to be carried forward pursuant to **Condition 4.4.10** and if so the amount to be carried forward and in any case setting out such other information as any Bondholder may reasonably require;

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- 5.1.11** *Extend Offer:* if an offer is made to all (or as nearly as may be practicable all) Shareholders, other than the offeror and/or any associate or associates of the offeror to acquire all or a majority of the issued ordinary share capital of the Issuer, or if any person proposes a scheme with regard to such acquisition, and if such offer comes to the knowledge of the Issuer, give notice in writing of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) stating that details concerning such offer or scheme may be obtained from the specified offices of the Registrar and, where such an offer or scheme has been recommended by the board of Directors of the Issuer or where such an offer has become or been declared unconditional in all respects, use its best endeavours (to the extent permitted under applicable law) to procure that a like offer or scheme is extended to the Bondholders and the holders of any Shares issued during the period of the offer or scheme arising out of the Conversion Rights;
- 5.1.12** *No Reduction of Issued Share Capital:* not reduce its issued share capital or any uncalled liability in respect thereof, except pursuant to the terms of issue of the relevant share capital, or by means of a purchase or redemption of the share capital which is permitted under Singapore law;
- 5.1.13** *Closing of Register:* unless so required by applicable law or regulation or in order to establish a dividend, distribution or other rights attaching to the Shares, not close its register of Shareholders or take any other action which prevents the transfer of the Shares generally and ensure that the Bonds may be converted legally and any Shares issued on conversion may (subject to these Conditions and/or any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Issuer) at all times while the register is closed or such other action is effective, nor take any action which prevents the conversion of the Bonds or the issue of Shares in respect of such conversion;
- 5.1.14** *Consents:* if it is a party to any transaction referred to in **Condition 10** in which the Issuer is not the continuing entity, obtain all Consents which may be necessary or appropriate under the laws of Singapore to enable the continuing entity to give effect to the Conversion Right;
- 5.1.15** *Compliance with Laws and Conditions:*
- (a) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the Catalist board of the SGX-ST;
 - (b) comply with all applicable laws and regulations of Singapore and rules and regulations of the SGX-ST, and will procure that each of the Group Companies complies with all applicable laws and regulations; and
 - (c) perform the Conditions which shall be binding on the Issuer and the relevant Bondholders;

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5.1.16 *Maintain Listing and No Trading Halt or Suspension:*

- (a) maintain the listing of the Shares and the validity of the Listing Approval for the New Shares on the Catalist board of the SGX-ST; and
- (b) ensure that trading in the Shares on the Catalist board of the SGX-ST is not halted or suspended (other than for the purpose of releasing material information in accordance with Rule 1302 of the Listing Rules), provided that if trading in the Shares on the Catalist board of the SGX-ST is halted or suspended (other than for the purpose of releasing material information in accordance with Rule 1302 of the Catalist Rules) despite such best endeavours, to ensure that the period of such trading halt or suspension (as the case may be) does not exceed three (3) consecutive Trading Days;

5.1.17 *Notice of Change in Laws:* as soon as practicable, upon becoming aware of any changes in the laws or regulations of Singapore (including the Catalist Rules) affecting the conversion of the Bonds give notice to the Bondholders (in accordance with **Condition 17**) of such changes;

5.1.18 *Closed Periods:* ensure that Closed Periods will be limited to such periods specified in these Conditions;

5.1.19 *Authorisations:* ensure that each other Group Company will promptly obtain, comply with and do all that is necessary to maintain in full force and effect (and supply certified copies to the Bondholders of) any Consent required under any applicable law or regulation to:

- (a) enable it to perform its obligations under these Conditions and the Agreement;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in the relevant jurisdictions of these Conditions and the Agreement; and
- (c) enable it to carry on its business as it is being conducted from time to time if failure to obtain, comply with or maintain any such Consent might reasonably be expected to have a Material Adverse Effect;

5.1.20 *Environmental Laws and Licences:*

- (a) comply with all applicable Environmental Laws to which it may be subject;
- (b) obtain all Environmental Licences required in connection with its business; and
- (c) comply with the terms of those Environmental Licences;

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5.1.21 *Taxes:*

- (a) (and shall ensure that each other Group Company will) pay all Taxes required to be paid by it within the time period allowed for payment without incurring any penalties for non payment;
- (b) **Condition 5.1.21(a)** above does not apply to any Taxes:
 - (i) being contested by the relevant Group Company in good faith and in accordance with the relevant procedures;
 - (ii) which have been disclosed in its financial statements and for which adequate reserves are being maintained in accordance with the Singapore Financial Reporting Standards; and
 - (iii) where payment can be lawfully withheld and will not result in the imposition of any penalty; and
- (c) not and shall procure that all Group Companies shall not change their respective residences for Tax purposes;

5.1.22 *Capitalisation:* ensure that, at all times after the date of the Agreement it has sufficient equity to be and remain in compliance with all capitalisation rules applicable to it;

5.1.23 *Change of business:* ensure that no substantial change is made to the general nature of the business of the Issuer or the Group taken as a whole (including but not limited to the undertaking of any transaction that results in a change of risk profile of the Issuer or the Group) from that carried on by the Group at the date of these Conditions;

5.1.24 *Assets:* shall (and shall ensure that each other Group Company) maintain in good working order and condition (ordinary wear and tear excepted) all its assets necessary for the conduct of its business as conducted from time to time;

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

5.1.26 *Disposals:* not (and shall ensure that no other Group Company will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any asset, unless otherwise agreed in writing by all the Bondholders;

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5.1.27 *Arm's length terms:* not (and shall ensure that no other Group Company will) enter into any contract or arrangement with or for the benefit of any other person (including any disposal to that person) other than in the ordinary course of business, for full market value and on arm's length terms, unless otherwise agreed in writing by all the Bondholders;

5.1.28 *Insurance:*

- (a) shall (and shall ensure that each other Group Company will) maintain insurances on and in relation to its business and assets with reputable independent underwriters or insurance companies:
 - (i) against those risks, and to the extent, usually insured against by prudent companies located in the same or a similar location and carrying on a similar business; and
 - (ii) against those risks, and to the extent, required by applicable law or by contract.
- (b) without limiting **Condition 5.1.28(a)** above, shall (and shall ensure that each other Group Company will):
 - (i) maintain insurance on all of its assets of an insurable nature against loss or damage by fire, terrorism and other risks normally insured against by persons carrying on a similar business in a sum or sums at least equal to their replacement value (meaning the total cost of entirely rebuilding, reinstating or replacing those assets if completely destroyed, together with architects', surveyors' and other professional fees); and
 - (ii) maintain insurance against business interruption, loss of profits, product liability, professional indemnity, employer's liability, pollution, third party liability and public liability at levels no lower than those customary for companies of a similar size in a similar industry, increasing consistently with increasing business levels.
- (c) shall (and shall ensure that each other Group Company will) promptly pay premiums and do all things necessary to maintain insurances required of it by **Condition 5.1.28(a)** above;

5.1.29 *Hedging:* not (and shall ensure that no other Group Company will) enter (or agree to enter) into any currency, commodity or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap, swaption or other similar agreement or derivative instrument;

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- 5.1.30** *Financial assistance:* ensure that all payments between members of the Group, all guarantees issued by the Group Companies and any Encumbrance created by any Group Company, are made or created in compliance with any applicable law or regulation in any relevant jurisdiction concerning financial assistance by a company for the acquisition of or subscription for shares or concerning the protection of shareholders' capital;
- 5.1.31** *Convertibles:* procure that none of the Group Companies shall allot, or grant any Convertible Securities or agree to make such an allotment or to grant any Convertible Securities; and
- 5.1.32** *No Liquidation:* procure that none of the Group Companies shall (a) resolve that it be wound up, (b) have any liquidator, provisional liquidator, judicial manager or provisional judicial manager or other similar officer appointed with respect to that Group Company, (c) have an order by a court of competent jurisdiction for the winding up of any Group Company, (d) enter into any composition for the benefits of its creditors generally or (e) have a receiver or a receiver and manager appointed in relation to the whole, or a substantial part, of the property of any Group Company.

5.2 Information Undertakings

- 5.2.1** *Annual, semi-annual financial and quarterly statements:* The Issuer shall supply to the Bondholders sufficient copies as soon as the same become available,
- (i) but in any event within sixty (60) days after the end of each of its financial years:
 - (a) its audited non-consolidated financial statements for that financial year; and
 - (b) each of the audited consolidated financial statements of the Group for that financial year.
 - (ii) but in any event within forty-five (45) days after the end of each of its financial half years:
 - (a) its non-consolidated financial statements for that financial half year; and
 - (b) each of the consolidated financial statements of the Group for that financial half year.

The obligations of the Issuer pursuant to **Condition 5.2.1** shall be subject to any applicable requirements of the SGX-ST, provided that if on or prior to the date of the Agreement, the Issuer has prepared financial statements at a frequency, or containing information in excess of the requirements of the SGX-ST, the Issuer shall continue to do so subject to compliance with the rules of SGX-ST.

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5.2.2 *Requirements as to financial statements:*

- (a) Each set of financial statements delivered by the Issuer pursuant to **Condition 5.2** shall be certified by two (2) directors of the relevant company as fairly representing its (or, as the case may be, its consolidated) financial condition and operations as at the end of and for the period in relation to which those financial statements were drawn up.
- (b) The Issuer shall procure that each set of financial statements delivered pursuant to **Condition 5.2** is prepared using the Singapore Financial Reporting Standards.

5.3 Information

5.3.1 *Miscellaneous:* The Issuer shall supply to the Bondholders (in sufficient copies for all the Bondholders, if the Bondholders so request):

- (a) at the same time as they are dispatched, copies of all documents dispatched by the Issuer to its shareholders, in their capacity as shareholders generally (or any class of them) or its creditors generally (or any class of them); and
- (b) promptly, such further information regarding the financial condition, business, operations and prospects of any Group Company as any Bondholder may reasonably request.

5.3.2 *Notification of Default:* The Issuer shall notify the Bondholders of any breach or Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence. Promptly upon a request by any Bondholder, the Issuer shall supply to such Bondholder a certificate signed by two (2) of its directors on its behalf certifying that no breach or Event of Default is continuing (or if a breach or Event of Default is continuing, specifying the breach or Event of Default and the steps, if any, being taken to remedy it).

5.3.3 *Inspection of books and records:* The Issuer shall (and the Issuer shall ensure that each member of the Group will):

- (a) keep books and records which accurately reflect in all material respects all of its business, affairs and transactions; and
- (b) permit any Bondholder or any of its representatives, at reasonable times and intervals and upon reasonable notice, to visit any of its offices, to inspect any of its books and records and to discuss its financial matters with its officers and auditors. The cost and expense of each such visit shall be borne by the Bondholder.

The Issuer hereby authorises its auditors to discuss any of the Group's financial matters with any Bondholder or any of its representatives, whether or not any representative of the Issuer is present, and to inspect, and photocopy extracts from, any of its books and records.

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5.4 Shareholding Structure

The Issuer shall promptly notify the Bondholders if there is any change in its Substantial Shareholders.

6. Payments

6.1 Principal Amount

Payment of the principal amount due in respect of any Bond will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of the Registrar.

6.2 Registered accounts

For the purposes of this Condition, a Bondholder's registered account means the bank account maintained by or on behalf of it with a bank in Singapore or elsewhere, details of which appear on the Register at the close of business on the second (2nd) Business Day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

6.3 Fiscal laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of **Condition 8**. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

6.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Registrar.

6.5 Default interest and delay in payment

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of six (6) per cent. per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year.

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Bondholders will not be entitled to any interest or other payment for any delay in receiving the amount due within five (5) Business Days after the due date if the due date is not a Business Day, if the Bondholder does not surrender its Certificate (if required to do so) within a period of three (3) Business Days after being notified of such requirement or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, “**Business Day**” means a day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in New York and Singapore and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

6.6 Partial Payment

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

7. Redemption, Purchase and Cancellation

7.1 Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in these Conditions, the Issuer will redeem each Bond at 100.0 per cent of its principal amount on the date falling five (5) years after the date of issue of such Bond (the “**Maturity Date**”). The Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this **Condition 7** (but without prejudice to **Condition 9**).

7.2 Maturity Notice and Announcement

The Issuer shall, at least one (1) month before the Maturity Date, send a notice of expiry to each Bondholder, and shall make such announcement of such expiry as may be required under any applicable laws, regulations or rules of the SGX-ST.

7.3 Redemption for taxation reasons

7.3.1 At any time the Issuer may, having given not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at their principal amount plus interest accrued at the rate of six (6) per cent. per annum from the date of issue of such Bonds up till the date of expiry of the aforesaid notice (“**Tax Redemption Date**”), if (i) the Issuer satisfies the Bondholders immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 8** as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Agreement, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a

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payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Bondholders (a) a certificate signed by two (2) directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (b) an opinion of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 8** and the Bondholders shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.

7.3.2 Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds at their principal amount plus interest accrued at the rate of six (6) per cent. per annum from the date of issue of such Bonds up till the date of expiry of the aforesaid notice.

7.3.3 If the Issuer gives a notice of redemption pursuant to this **Condition 7.3**, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of **Condition 8** shall not apply in respect of any payment of principal to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to **Condition 8** and payment of all amounts shall be made subject to the deduction or withholding of the Taxation required to be withheld or deducted by any Governmental Authority having power to tax. For the avoidance of doubt, any additional amounts which had been payable in respect of the Bond as a result of the laws or regulations of the relevant Governmental Authority, will continue to be payable to such Bondholders. To exercise such right, the holder of the relevant Bond must complete, sign and deliver to the Issuer and/or the Registrar a duly completed and signed tax election notice (the "**Bondholder's Tax Election Notice**"), in the form for the time being current, together with the Certificate evidencing the Bonds on or before the day falling ten (10) days prior to the Tax Redemption Date.

7.4 Redemption at the option of the Bondholders

The Issuer will, at the option of the holder of any Bond, redeem all or any of that holder's Bonds on at any time after the date falling one (1) year from the respective dates of issue of such Bonds, as may be notified by that holder (the "**Put Option Date**"), at the principal amount of such Bonds. To exercise such right, the holder of the relevant Bond must deliver to the Registrar a duly completed and signed notice (the "**Put Option Notice**") together with the Certificate evidencing the Bonds to be redeemed not later than five (5) days prior to the Put Option Date. The Issuer agrees that the Put Option Notice will be effective if sent by facsimile or electronic mail to the Issuer together with a copy of the Certificate, with the originals of the Put Option Notice and Certificate to follow by courier. Any notice sent by facsimile is deemed served at the time indicated on the transmission report produced by the sender's facsimile indicating that the facsimile was sent in its entirety to the addressee's facsimile. Any notice sent by electronic mail is deemed served at the time the

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electronic mail containing the notice left the sender's electronic mail system, unless the sender receives notification that the electronic mail containing the notice was not received by the recipient.

The Put Option Notice must specify (a) the number of Bonds to be redeemed; and (b) the relevant Put Option Date.

A Put Option Notice, once delivered, shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal, and the Issuer shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid on the Put Option Date.

7.5 Redemption in the event of Change of Control

7.5.1 Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Bonds on the Relevant Event Put Date (as defined herein) at their principal amount. To exercise such right, the holder of the relevant Bond shall deliver to the Registrar a duly completed and signed notice of redemption (specifying the number of Bonds to be redeemed) ("**Relevant Event Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than thirty (30) days following the earlier of (i) it becoming aware of a Relevant Event, or (ii) the date upon which notice thereof is given to Bondholders by the Issuer in accordance with **Condition 17**. The "**Relevant Event Put Date**" shall be the fourteenth (14th) day after the expiry of such period of thirty (30) days as referred to above. The Issuer agrees that the Relevant Event Put Exercise Notice will be effective if sent by facsimile or electronic mail to the Issuer together with a copy of the Certificate, with the originals of the Relevant Event Put Exercise Notice and Certificate to follow by courier. Any notice sent by facsimile is deemed served at the time indicated on the transmission report produced by the sender's facsimile indicating that the facsimile was sent in its entirety to the addressee's facsimile. Any notice sent by electronic mail is deemed served at the time the electronic mail containing the notice left the sender's electronic mail system, unless the sender receives notification that the electronic mail containing the notice was not received by the recipient.

7.5.2 A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Relevant Event Put Exercise Notices delivered as aforesaid on the Relevant Event Put Date.

7.5.3 Not later than seven (7) days after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event shall be delivered to Bondholders (in accordance with **Condition 17**) and the SGX-ST stating:

- (a) the Relevant Event Put Date;
- (b) the date of such Relevant Event and, briefly, the events causing such Relevant Event;
- (c) the date by which the Relevant Event Put Exercise Notice must be given;

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- (d) the redemption amount and the method by which such amount will be paid;
- (e) briefly, the Conversion Right and the then current Conversion Price;
- (f) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and
- (g) that a Relevant Event Put Exercise Notice, once validly given, may not be withdrawn.

7.5.4 For the purposes of this **Condition 7**:

- (a) “**Control**” means the control of more than twenty (20) per cent of the voting rights of the issued share capital of the Issuer or the legally enforceable right to appoint and/or remove all or the majority of the members of the Issuer’s board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
- (b) a “**Change of Control**” occurs when:
 - (i) any person or persons acting together acquires Control of the Issuer if such person or persons does not or do not have, and would not be deemed to have, Control of the Issuer on the date of the Agreement (the person or persons acting together who does or do have such Control as at such date, the “**Controlling Shareholder**”);
 - (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in another person or persons (other than the Controlling Shareholder) acquiring Control over the Issuer or the successor entity; or
 - (iii) one or more other persons (other than the Controlling Shareholder) acquires the legal or beneficial ownership of all or substantially all of the Issuer’s total issued and outstanding Capital Stock;
- (c) “**Capital Stock**” means, with respect to any person, any and all shares, ownership interests, participation or other equivalents (however designated), including all ordinary shares and all preferred shares which carry voting rights, of such person;
- (d) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of Directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries; and
- (e) a “**Relevant Event**” occurs when there has been a Change of Control in the Issuer.

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7.6 Delisting Put Right

- 7.6.1** In the event the Shares cease to be listed or admitted to trading on the Catalist board of the SGX-ST or trading in the Shares on the Catalist board of the SGX-ST is halted or suspended for a period exceeding three (3) consecutive Trading Days (each a “**Delisting**”) each Bondholder shall have the right (the “**Delisting Put Right**”), at such Bondholder’s option, to require the Issuer to redeem all (but not less than all) of such Bondholder’s Bonds on the twentieth (20th) Business Day after notice referred to under **Condition 7.6.2** below has been given to Bondholders regarding the Delisting or, if such notice is not given, the twentieth (20th) Business Day after the Delisting (the “**Delisting Put Date**”) at their principal amount (the “**Delisting Put Price**”).
- 7.6.2** Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to Bondholders (in accordance with **Condition 17**) and the SGX-ST stating:
- (a) the Delisting Put Date;
 - (b) the date of such Delisting and, briefly, the events causing such Delisting;
 - (c) the date by which the Purchase Notice (as defined below) must be given;
 - (d) the Delisting Put Price and the method by which such amount will be paid;
 - (e) briefly, the Conversion Right and the then current Conversion Price;
 - (f) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Put Right or Conversion Right; and
 - (g) that a Purchase Notice, once validly given, may not be withdrawn.
- 7.6.3** To exercise its rights to require the Issuer to redeem its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a “**Purchase Notice**”), in the then current form obtainable from the Issuer or the Registrar, to the Registrar on any Business Day prior to the close of business at the location of the Registrar on such day and which day is not less than ten (10) Business Days prior to the Delisting Put Date.
- 7.6.4** A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which are the subject of the Purchase Notices delivered as aforesaid on the Delisting Put Date.

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7.7 Redemption following exercise of a put option

Upon the exercise of any option specified in **Condition 7.4, 7.5 or 7.6**, payment of the applicable redemption amount shall be conditional upon delivery of the Bondholder's Certificate (together with any necessary endorsements) to the Registrar on any Business Day together with the delivery of any other document(s) required by these Conditions, and will be made promptly following the later of the date set for redemption and the time of delivery of such Certificate. If the Issuer holds on the Put Date (as defined below) money sufficient to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions of these Conditions upon exercise of such right and pays such redemption monies to the relevant Bondholders, then, whether or not such Certificate is delivered to the Registrar, on and after such Put Date, (i) such Bond will cease to be outstanding; (ii) such Bond will be deemed paid; and (iii) all other rights of the Bondholder shall terminate (other than the right to receive the applicable redemption monies and any interest accruing thereon). "**Put Date**" shall mean the Relevant Event Put Date, the Put Option Date or the Delisting Put Date, as applicable.

7.8 Redemption upon Event of Default

The Issuer shall redeem the Bonds by paying the applicable redemption amount to the Bondholders forthwith upon its receipt of a default notice issued by the Bondholders pursuant to **Condition 9** below.

7.9 Cancellation

All Bonds which are redeemed or converted in accordance with these Conditions will be cancelled forthwith upon such redemption or conversion (as the case may be), whether or not the Certificates representing such Bonds have been delivered to the Issuer pursuant to such redemption or conversion (as the case may be). Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

7.10 Redemption notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with **Condition 17**, and specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares (as quoted on the SGX-ST) as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

7.11 Conversion upon failure to redeem

Notwithstanding anything in these Conditions, in the event that the Issuer is unable to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions of these Conditions upon either:

7.11.1 the exercise of any option specified in **Conditions 7.4, 7.5 or 7.6**; or

7.11.2 an Event of Default specified in **Condition 9**,

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each Bondholder shall have the right to convert such amount of Bonds that it holds into New Shares at a conversion price equivalent to the Current Market Price of one Share on the last Trading Day preceding the Put Date (in respect of **Condition 7.11.1**) or the Event of Default Notice Date (in respect of **Condition 7.11.2**).

8. Taxation

8.1 All payments of principal and interest made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of any Governmental Authority ("**Taxes**"), unless deduction or withholding of such Taxes is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

8.1.1 to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Bond by reason of his having some connection with Singapore otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Governmental Authority which such holder is legally capable and competent of making but fails to do so; or

8.1.2 (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than thirty (30) days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of thirty (30) days.

8.2 For the purposes of this **Condition 8 and Condition 11**, "**relevant date**" means the date on which such payment first becomes due.

8.3 References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Agreement.

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9. Events of default

9.1 A holder of Bonds may give notice to the Issuer (the date of such notice, the “**Event of Default Notice Date**”) that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus accrued interest (subject as provided below and without prejudice to the right of such Bondholder to exercise the Conversion Right in respect of its Bonds in accordance with **Condition 4**) if any of the following events (each an “**Event of Default**”) has occurred:

- 9.1.1 a default is made in the payment of any principal due in respect of the Bonds within three (3) Business Days after the same shall become due and payable in accordance with these Conditions;
- 9.1.2 a default is made in the payment of any interest or other sums due in respect of the Bonds within three (3) Business Days after the same shall become due and payable in accordance with these Conditions;
- 9.1.3 failure by the Issuer to deliver and/or register the Shares within one (1) Business Day after such Shares are required to be delivered and/or registered pursuant to these Conditions following conversion of a Bond;
- 9.1.4 the Issuer does not perform or comply with or commits or threatens to commit any breach of one or more of its other obligations or undertakings in these Conditions or under the Agreement which default is (in the opinion of the Bondholder) incapable of remedy or, if in the opinion of the Bondholders capable of remedy, is not in the opinion of the Bondholder remedied within ten (10) Business Days after written notice of such default shall have been given to the Issuer by the Bondholder;
- 9.1.5 any requirement of **Condition 5** is not satisfied;
- 9.1.6 any constitutional document of any Group Company is terminated, or is amended in any way, or any Consent or waiver is given in respect of any such document, which might be material and adverse to the interests of the Bondholders under the Conditions;
- 9.1.7 any representation or warranty made or given by the Issuer in the Agreement or these Conditions or any certificate or statement delivered or made thereunder now or at any later date, is incorrect or untrue or misleading, or ceases to be correct or true, in any respect considered by the Bondholder to be material or is not complied with;
- 9.1.8 any necessary approvals and Consents (including any governmental, regulatory and/or corporate approvals and consents) for the issue redemption or conversion of the Bonds being revoked and/or withdrawn or any waiver, resolution, Consent or approval granted or required in connection with the transactions contemplated under the Agreement or these Conditions or any other document, the execution and delivery of which is contemplated therein expires, is not obtained or is suspended, terminated, revoked or withdrawn (in whole or in part), modified, restricted or otherwise fails to remain in full force and effect in any way unacceptable to the Bondholder;

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- 9.1.9** if there shall have come to the notice of the Bondholder any Issuer Event of Default (as defined in the Agreement);
- 9.1.10** the Issuer or any other Group Company is (or is, or would be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts when they fall due, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts when they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of the other Group Companies;
- 9.1.11** (i) any other present or future indebtedness of the Issuer or any of the other Group Companies for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to their stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) or such event that with the passage of time or the giving of notice would constitute an event of default; (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (iii) the Issuer or any of the other Group Companies fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;
- 9.1.12** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of the other Group Companies, and is not discharged or stayed within ten (10) Business Days;
- 9.1.13** an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of the other Group Companies, or the Issuer or any of the other Group Companies ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) not involving insolvency or (ii) which does not adversely affect the ability of the Issuer to perform or observe its obligations under the Bonds or the Agreement;
- 9.1.14** an encumbrancer takes possession or an administrative or other receiver or an administrator, liquidator, provisional liquidator or officer of the Court is appointed of the whole or any substantial part of the property, assets or revenues of the Issuer or any of the other Group Companies (as the case may be) and is not discharged within ten (10) Business Days;

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- 9.1.15** any present or future security on or over the assets of the Issuer or any of the other Group Companies in favour of any person becomes enforceable, and any step (including the taking of possession or the appointment of a receiver, manager or similar officer) is taken to enforce that security;
- 9.1.16** the Issuer or any of the other Group Companies shall transfer or otherwise dispose of all or substantially all of its assets to any person, firm or corporation, otherwise than in the case of a reconstruction whether by way of scheme of arrangement or otherwise for which the prior approval of the Bondholders has been obtained;
- 9.1.17** the auditors of any Group Company qualify their report on any audited consolidated financial statement of the Group or any audited financial statement of the Issuer;
- 9.1.18** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Agreement;
- 9.1.19** any legal, administrative, arbitration or mediation proceedings, suits or actions of any kind whatsoever (whether criminal or civil) shall be instituted by or against the Issuer or any of the other Group Companies which, in the opinion of the Bondholders, will affect the ability of the Issuer to repay the amounts payable to any Bondholder, or otherwise affect the ability of the Issuer to perform its obligations under the Agreement or these Conditions;
- 9.1.20** trading in the Shares on the Catalist board of the SGX-ST is halted or suspended for a period exceeding three (3) consecutive Trading Days, or trading in the Shares on the Catalist board of the SGX-ST is suspended for any period pursuant to Rule 1303 of the Catalist Rules;
- 9.1.21** the Shares are de-listed from the Official List of the Catalist board of the SGX-ST;
- 9.1.22** the Issuer or any of the other Group Companies shall cease or suspend or threaten to cease to carry on or suspend its business, whether voluntarily or involuntarily;
- 9.1.23** there shall occur or threaten to occur a Material Adverse Change or any material change or development involving a prospective material change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls which would in the Bondholders' view be likely to prejudice materially the assets, business, legal position, financial condition, liabilities or prospects of the Issuer or the Group or results of operations of the Issuer or the Group;

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- 9.1.24** if there shall occur any change in control or any event which would result in a change in control of the Issuer or any of the other Group Companies (the resultant reduction in the percentage of Shares held by the Share Lender and other substantial shareholders of the Issuer arising from the issuance of New Shares shall not be deemed to be an event of change in control of the Issuer or any of the other Group Companies);
- 9.1.25** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any of the shares, or all or any material part of the assets of the Issuer or any of the other Group Companies, or all or any of the shares or all or any material part of the assets of the Issuer or any of the other Group Companies are seized, compulsorily acquired, expropriated or nationalised; or
- 9.1.26** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.
- 9.2** Notwithstanding receipt of any payment after the acceleration of the Bonds, a Bondholder may exercise its Conversion Right by depositing a Conversion Notice with the Registrar during the period from and including the date of a default notice with respect to an event specified in **Condition 9.1.3** (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the thirtieth (30th) Business Day after such default notice. The Conversion Date shall be the Business Day immediately following the date of the Conversion Notice. The Issuer agrees that the Conversion Notice will be effective if sent by facsimile or electronic mail to the Issuer together with a copy of the Certificate, with the originals of the Conversion Notice and Certificate to follow by courier. Any notice sent by facsimile is deemed served at the time indicated on the transmission report produced by the sender's facsimile indicating that the facsimile was sent in its entirety to the addressee's facsimile. Any notice sent by electronic mail is deemed served at the time the electronic mail containing the notice left the sender's electronic mail system, unless the sender receives notification that the electronic mail containing the notice was not received by the recipient.
- If any converting Bondholder deposits a Conversion Notice pursuant to this **Condition 9** on the Business Day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the Business Day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this **Condition 9**.
- If the Conversion Right attached to any Bond is exercised pursuant to this **Condition 9**, the Issuer will deliver Shares (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have one (1) Business Day before it is required to register the converting Bondholder (or its designee) in the Issuer's register of members as the owner of the number of Shares to be delivered pursuant to this Condition or (if possible) to allot and issue such number of Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and an additional one (1) Business Day from such registration date to make payment in accordance with the following paragraph.

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If the Conversion Right attached to any Bond is exercised pursuant to this **Condition 9**, the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount in Singapore Dollars (the “**Default Cure Amount**”), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholders’ Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this **Condition 9**, the amount of such payment shall be deducted from the Default Cure Amount.

The “**Share Price**” means the Closing Price of the Shares as quoted by the SGX-ST on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the SGX-ST or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Bondholder at the expense of the Issuer for such purpose.

10. Consolidation, amalgamation or merger

Save as and only to the extent disclosed to the Bondholders in the relevant Disclosure Letter and accepted by the Bondholders, the Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a “**Merger**”), unless:

- (a) (i) the corporation formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a deed, all obligations of the Issuer under these Conditions and the Agreement and the performance of every covenant and agreement applicable to it contained therein;
 - (ii) immediately after giving effect to any such Merger, no default or Event of Default and no event which, after notice or lapse of time, or both, may become an Event of Default, shall have occurred or be continuing or would result therefrom and two (2) directors of the corporation formed by such Merger or the person that acquired such properties and assets shall have provided a certificate to the Bondholders confirming the same; and
 - (iii) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any Taxation payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal, premium and interest on the Bonds; or
- (b) such Merger is carried out with the prior consent of all the Bondholders.

11. Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the relevant date (as defined in **Condition 8.2**) in respect thereof.

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12. Enforcement

At any time after the Bonds have become due and repayable after the declaration of an Event of Default, any of the Bondholders may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds held by such Bondholders and to enforce the provisions of the Agreement.

13. Modification, Waiver and Substitution

13.1 None of the following shall be carried out without the express written consent of all the Bondholders:

13.1.1 any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer whether or not such rights arise under these Conditions;

13.1.2 any exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other entity (other than as a result of the exercise of any Conversion Right in accordance with these Conditions);

13.1.3 any modification of these Conditions or the Bonds; or

13.1.4 the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under these Conditions.

14. Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Bondholders (whether or not addressed to the Bondholders) in accordance with or for the purposes of these Conditions or the Agreement may be relied upon by the Bondholders as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Bondholders and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

15. Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such reasonable costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16. Further issues

Save as contemplated under the Agreement, the Issuer may not, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all material respects and so that such further issue shall be consolidated and form a single series with the Bonds.

APPENDIX 3 TERMS AND CONDITIONS OF THE BONDS

17. Notices

- 17.1** All notices to Bondholders shall be validly given if delivered by hand to them at their respective addresses in the Register maintained by the Registrar and, if the rules of the SGX-ST so require, published in a leading newspaper having general circulation in Singapore (which is expected to be the Business Times). Such notices shall be deemed to have been given on the later of the date of such publications. Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh (7th) day after being so mailed, as the case may be.
- 17.2** All notices, demands or other communications required or permitted to be given or made by a Bondholder under these Conditions shall be in writing and delivered personally or sent by registered post or by facsimile addressed to the intended recipient thereof or by electronic mail at their address or facsimile number or electronic mail address set out below or in **Condition 18** (or to such other address or facsimile number or electronic mail address as any Party may from time to time notify the others):

To the Issuer:

OEL (Holdings) Limited

Address : Oakwell Building, No. 8 Aljunied Avenue 3, Singapore 389933
Facsimile No. : +(65) 6742 3000
Attention : Mr B.T. Low
Email Address : btlow@oakwell.com.sg
Telephone : +(65) 6742 8000

Any notice sent pursuant to this **Condition 17.2** shall be deemed to have been duly served (if given by electronic mail) at the time the electronic mail containing the notice left the sender's electronic mail system, unless the sender receives notification that the electronic mail containing the notice was not received by the recipient, or (if given or made by facsimile) immediately, or (if given or made by registered post) seven (7) days after posting or after it has been sent by first class courier and in proving the same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted by certified or registered mail or sent by courier.

18. Agents

The name of the Registrar and its specified offices is set out below:

Tricor Barbinder Share Registration Services

Address : 80 Robinson Road #02-00 Singapore 068898
Facsimile No. : +(65) 6236 3405
Attention : Ms Tan Jack Leng/Ms Audrey Leong
Email Address : jack.leng.tan@sg.tricorglobal.com/
audrey.leong@sg.tricorglobal.com
Telephone : +(65) 6236 4343/+(65) 6236 5613 (DID)

APPENDIX 3 TERMS AND CONDITIONS OF THE BONDS

The Issuer reserves the right, at any time to vary or terminate the appointment of the Registrar and to appoint a replacement Registrar. The Issuer will at all times maintain a Registrar in Singapore. Notice of any such termination or appointment, of any changes in the specified office of the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with **Condition 17** and in any event not less than forty-five (45) days' notice will be given.

19. Indemnification

19.1 The Bondholders may rely on any certificate prepared by the Directors of the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to the Conditions, whether or not addressed to the Bondholders and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to so do where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under the Conditions; any such certificate or report shall be conclusive and binding on the Issuer and the Bondholders.

19.2 The Issuer shall, within three (3) Business Days of demand, indemnify each Bondholder against any cost, loss or liability incurred by that Bondholder as a result of:

19.2.1 the occurrence of any events listed in **Condition 9.1**; or

19.2.2 a Bond (or part of a Bond) not being redeemed in accordance with a notice of redemption given by a Bondholder.

20. Contracts (Rights of Third Parties) Act

Unless expressly provided for to the contrary in any Bond or these Conditions, the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) shall not under any circumstances apply to any Bond or these Conditions and any person who is not the Issuer or the Bondholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any Bond or these Conditions.

21. Governing law

The Bonds and the Agreement are governed by, and shall be construed in accordance with, the laws of Singapore. In relation to any claim, legal action or proceeding arising out of or in connection with the Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Singapore.

APPENDIX 4 WARRANTIES AND REPRESENTATIONS

The Issuer represents, warrants and undertakes with the Subscriber and each Bondholder that on the date hereof and as at each Completion Date (as applicable) that:

1. (i) each of the Issuer and the other Group Companies is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation, is not in liquidation or receivership and has full power and authority to own its properties and to conduct its business; and (ii) the Issuer has full power and authority to enter into and perform its obligations under the Bonds and the Agreement, and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
2. as at the date of the Agreement, the Issuer has an issued and paid-up share capital S\$38,530,000, consisting of 668,266,667 Shares;
3. the Agreement has been duly authorised, executed and delivered by the Issuer and constitutes, valid and legally binding obligations of the Issuer;
4. the issue of the Bonds has been duly authorised by the Issuer and, when duly executed, authenticated, issued and delivered, the Bonds will constitute valid and legally binding obligations of the Issuer;
5. the New Shares, when issued and delivered in the manner contemplated by the Terms and Conditions and the Agreement, will be duly authorised by the Issuer and will be duly and validly issued and fully-paid, will conform in all material respects to the description thereof to be contained in the Offering Document and will rank *pari passu* with the other Shares then outstanding;
6. there are no outstanding securities issued by the Issuer convertible into or exchangeable for Shares, or warrants, rights or options to purchase Shares from the Issuer, nor are there other or similar arrangements approved by the board of Directors of the Issuer or the general meeting of shareholders of the Issuer providing for the issue or purchase of Shares or the subscription for Shares;
7. the issue of the New Shares will not be subject to any pre-emptive or similar rights;
8. as of the applicable Completion Date, no Shares are subject to issuance pursuant to presently existing options or agreements;
9. all of the currently issued Shares have been, and it will use its best endeavours to ensure that all of the New Shares will be, when issued, duly listed and admitted for trading on the Catalist board of the SGX-ST;
10. where the Bonds are converted in accordance with the Terms and Conditions, the New Shares will, when issued and delivered in accordance with the Terms and Conditions, be freely transferable, free and clear of all liens, Encumbrances, security interests or rights of third parties and will not be subject to calls for further funds;
11. the Issuer has performed and complied and is in compliance with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the Official List of the Catalist board of the SGX-ST;

APPENDIX 4 WARRANTIES AND REPRESENTATIONS

12. the Issuer has complied, is in compliance and will comply with all applicable requirements of the SFA and the Catalist Rules and all other laws in connection with the issue of the Bonds and the New Shares;
13. no Consent, clearance, approval, authorisation, order, registration or qualification of or with any court, governmental agency or regulatory body having jurisdiction over the Issuer is required and no other action or thing is required to be taken, fulfilled or done for the issue or offer of the Bonds or the consummation of the other transactions contemplated by the Agreement, except for those which have been, or will on or prior to the Initial Completion Date be, obtained and are, or will on the applicable Completion Date be, in full force and effect and will not subject to any Conditions which are required to be satisfied prior to the applicable Completion Date and have not been satisfied;
14. the execution and delivery of the Agreement and the Bonds, the issue, offer and delivery of the Bonds, the consummation of the transactions contemplated in the Transaction Documents and compliance with the terms hereof do not: (a) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the Memorandum and Articles of Association of the Issuer, or any indenture, trust deed, mortgage or other agreement or instrument to which the Issuer or any of the other Group Companies is a party or by which it or any of their properties are bound; or (b) infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Issuer or any of the other Group Companies or any of their material properties or assets or infringe the rules of any stock exchange on which securities of the Issuer are listed;
15. the Bonds (when issued) will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and with all other present and future unconditional, unsecured and unsubordinated obligations of the Issuer other than those preferred by statute or applicable law;
16. each Offering Document (if required by law) will contain, as at the date of its issue, all information that is required by the relevant requirements of the SFA and will in all respects comply with applicable laws and regulations;
17. without limiting the foregoing, each Offering Document will not contain any statements that are misleading or deceptive or omit any matter required to be disclosed under the SFA and other applicable laws;
18. each of the Group Companies has complied and is in compliance with all applicable laws and regulations;
19. the financial statements of the Group taken as a whole for the past three (3) completed financial years announced by the Issuer in accordance with the Catalist Rules were prepared in accordance with Singapore Financial Reporting Standards and pursuant to the relevant laws of Singapore consistently applied and present a true and fair view of the financial position of the Group taken as a whole as at those dates, (a) the unaudited financial statements of the Group taken as a whole for such interim period as announced by the Issuer in accordance with the Catalist Rules were prepared in accordance with the same accounting standards, accounting policies and methods of computation as that applied for the audited

APPENDIX 4

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financial statements for the immediately preceding completed financial year and (b) comply in all respects with the relevant requirements of the SFA, and since the immediately preceding completed financial year, there has been no Material Adverse Change;

20. the Issuer has a capitalisation as will be set forth in the Offering Document under the heading “Capitalisation”; and all the issued shares of capital stock or other equity interests of each Subsidiary held by the Issuer have been duly and validly authorised and issued, are fully paid, free and clear of any lien, charge, Encumbrance, security interest, restriction on voting or transfer or any other claim of any third party;
21. each of the Group Companies is conducting, and has conducted its business in compliance with applicable laws and regulations;
22. the Issuer and the other Group Companies have such title to, or (if such title is not held by the Issuer or the other Group Companies) the right to use, all properties and all assets necessary to conduct the business now operated by them in each case (other than in the ordinary course of business, which includes property development, securitisation, financing and refinancing and the creation of security interests on assets in connection therewith) free from liens, Encumbrances and title defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them;
23. the Issuer and the other Group Companies possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit;
24. there are no police, governmental or regulatory investigations nor any pending actions, suits or proceedings against or affecting the Issuer or any of the other Group Companies or any of their respective directors or senior management, or would materially and adversely affect the ability of the Issuer to perform its obligations under the Agreement, or which are otherwise material in the context of the issue of the Bonds and no such investigation, actions, suits or proceedings are threatened;
25. none of the Group Companies has received any notice or other communication (official or otherwise) from any court, tribunal, arbitrator, governmental authority or regulatory body with respect to an alleged, actual or potential violation and/or failure to comply with any applicable law or regulation, or requiring it to take or omit any action;
26. each of the Issuer and the other Group Companies has in place all material policies of insurance sufficient and customary for the conduct of their businesses as currently operated and for compliance with all requirements of law, such policies are in full force and effect, and all premiums with respect thereto which are due and payable have been paid, and no notice of cancellation or termination has been received with respect to any such policy, and the Issuer and the other Group Companies have complied in all material respects with the terms and conditions of such policies;

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27. no Group Company is in default under any document or agreement binding on it or its assets nor has anything occurred which is or would with the giving of notice and/or lapse of time, directly or indirectly (including by reason of any cross-default provisions), constitute an event of default or similar event (whatever called) under any such document or agreement and none of the indebtedness (actual, accrued, contingent, referred or otherwise) of any Group Company is or becomes repayable or capable of being declared repayable immediately or earlier than the stated repayment date. No event has occurred which would constitute (after the issue of the Bonds) an event of default under the Bonds or which with the giving of notice and/or the lapse of time would (after the issue of the Bonds) constitute such an event of default;
28. since the immediately preceding completed financial year, (a) the business of the Group has been conducted in the ordinary course of business in accordance with sound commercial principles and management and (b) with respect to the Issuer and the Group, taken as a whole, there has been no Material Adverse Change. Neither the Issuer nor any of the other Group Companies has taken any steps to seek protection pursuant to any bankruptcy law nor does the Issuer have any knowledge or reason to believe that its creditors have initiated or intend to initiate involuntary bankruptcy proceedings against the Issuer or any of the other Group Companies;
29. no Group Company is involved in any union labour dispute nor is any such dispute threatened. The Issuer believes that its relations, and those of the other Group Companies, with its or their employees (as the case may be) are good;
30. each Group Company (if relevant) owns or possesses adequate rights or licences to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licences, Consents, approvals, governmental authorisations, trade secrets and other intellectual property rights necessary to conduct its business as now conducted. None of the Group Company's material trademarks, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licences, Consents, approvals, governmental authorisations, trade secrets or other intellectual property rights have expired or terminated, or are expected to expire or terminate in the near future and if so expected to expire or terminate in the near future, are incapable of renewal. The Issuer does not have any knowledge of any infringement by any Group Company of trademarks, trade name rights, patents, patent rights, copyrights, inventions, licences, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and there is no claim, action or proceeding being made or brought against or, to the Issuer's knowledge, being threatened against, any Group Company regarding trademarks, trade names, patents, patent rights, inventions, copyrights, licences, service names, service marks, service mark registrations, trade secrets or other infringements; and the Issuer is unaware of any facts or circumstances which might give rise to any of the foregoing. The Issuer has taken reasonable security measures to protect the secrecy, confidentiality and value of all of each Group Company's (if relevant) intellectual property rights;
31. no Group Company has contravened any provision of its constitution, the SFA, the Catalist Rules or any other applicable law or regulation;
32. each Group Company: (a) is in compliance with any and all applicable Environmental Laws in all material respects; (b) has received all Consents required of it under applicable

APPENDIX 4 WARRANTIES AND REPRESENTATIONS

Environmental Laws to conduct its respective businesses; and (c) is in compliance with all terms and conditions of any such Consent in all material respects. There are no material costs or liabilities (actual, accrued, contingent, deferred or otherwise) required for compliance with Environmental Laws (including, without limitation, any expenses required for clean-up or closure of properties) and there are no potential liabilities to third parties arising from Environmental Laws;

33. (a) there is no notice, demand, claim, action, suit, inquiry, hearing, proceedings, notice of violation or investigations of a civil, criminal or administrative nature before any court or governmental or other regulatory or administrative agency, commission or authority against or involving any product, substance or material (collectively, a **"Product"**), or class of claims or law suits involving the same or similar Product manufactured, produced, distributed or sold by or on behalf of any Group Company, or any alleged failure to warn, or from any breach of implied warranties or representations in relation to any defect of Product; (b) there has not been any Occurrence (as defined below); and (c) there has not been, nor is there under consideration or investigation by any Group Company, any Product recall, rework, retrofit or post-sale warning conducted by or on behalf of any Group Company concerning any products manufactured, produced, distributed or sold by or on behalf of any Group Company which materially and adversely affects such Group Company's businesses or any Product recall conducted by or on behalf of any entity as a result of any alleged defect in any Product supplied by any Group Company;

For purposes of this paragraph (33), the term **"Occurrence"** shall mean any accident, happening or event which takes place at any time before the Completion Date which is caused or allegedly caused by any alleged hazard or alleged defect in manufacture, design, materials or workmanship including, without limitation, any alleged failure to warn or any breach of express or implied warranties or representations with respect to, or any such accident, happening or event otherwise involving a Product (including any parts or components) manufactured, produced, distributed or sold by or on behalf of any Group Company which is likely to result in a claim or loss;

34. each Group Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (a) transactions are executed in accordance with management's general or specific authorisations or delegations; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with the International Financial Reporting Standards and to maintain asset accountability; (c) access to assets is permitted only in accordance with management's general or specific authorisations or delegations; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any difference;
35. all material contracts entered into by the Group are valid, binding and enforceable and in full force and effect and there is not any existing breach or other event or matter which would constitute a breach on the part of any Group Company under such agreements. No Group Company has received any notice that any of such material contracts will be terminated or will not be renewed for any reason whatever. No Group Company is subject to any charter, corporate or other legal restriction, or any judgement, decree, order, rule or regulation which has or is expected in the future to have a Material Adverse Effect. No Group Company is a party to any contract or agreement the performance of which is expected to have a Material Adverse Effect;

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36. each Group Company has made or filed all tax returns, reports and declarations required by any jurisdiction to which it is subject and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Issuer know of no basis for any such claim, other than amounts that are genuinely disputed by a Group Company, and adequate provision has been made in the audited financial statements of the Issuer and the Group (the “**Financial Statements**”) for the immediately preceding completed financial year and will be made for all subsequent periods for all tax liable to be assessed on the relevant Group Company in respect of any profits, gains or income, all outstanding or unresolved disputes with the tax authorities in any jurisdiction which may result in additional tax liability and all distributions made to shareholders, in accordance with applicable and generally accepted accounting principles and standards in each such jurisdiction. Full provision for deferred tax, and appropriate recognition for future tax benefits, have been made in the Financial Statements in accordance with applicable generally accepted accounting principles and standards as of the date to which such Financial Statements are drawn and will be so made for all subsequent periods;
37. the Group is in compliance with its obligations under the “Interested Persons Transactions” requirements as set out in the Catalist Rules and no Group Company nor any director, officer, agent, employee or other person acting on behalf of any Group Company has, in the course of his or her actions for, or on behalf of, the Issuer or any of the other Group Companies, used or authorised the use of any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to any political activity, made direct or indirect unlawful payment to any foreign or domestic Government Official or employee from corporate funds. or made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment to any person or entity;
38. no event has occurred or circumstance arisen which, had the Bonds already been issued, could reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under “Events of Default” in the Terms and Conditions of the Bonds;
39. none of the Issuer, any Group Company nor any director, officer, agent, employee or other person acting on behalf of the Issuer or any Group Company has, in the course of his or her actions for, or on behalf of, the Issuer or any Group Company, used or authorised the use of any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to any political activity, made direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, or made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment to any person or entity;
40. all information: (a) provided in all public announcements or disclosures made to the SGX-ST and in the accounts of the Issuer contained in its annual reports issued prior to the date of the Agreement; (b) set out in and/or accompanying the Listing Application and all other information furnished to the SGX-ST; and (c) supplied or disclosed or confirmed in writing to the Subscriber by the Issuer is true and accurate in all material respects and not misleading in any material respect;

APPENDIX 4

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41. all material information relating to the Group which, in the opinion of the Directors of the Issuer, is required to be disclosed by the Issuer pursuant to the Catalist Rules and all applicable law and regulations has been publicly disclosed;
42. the Issuer has not entered into any contractual arrangement relating to the offer, sale, distribution or delivery of any bonds or Shares or other securities of the Issuer other than the Agreement; and
43. the Issuer has provided the Subscriber with all material information requested by the Subscriber or its advisers in the context of the transactions contemplated in the Agreement and no information provided to the Subscriber or its advisers is misleading, contains any untrue statement of a material fact or, to the Issuer's best knowledge after making all reasonable enquiries, omits to state a material fact necessary in order to make such information, in the light of the circumstances under which such information was provided or confirmed, not misleading.

NOTICE OF EXTRAORDINARY GENERAL MEETING

OEL (Holdings) Limited

(Company Registration No.: 198403368H)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **OEL (Holdings) Limited** (the “**Company**”) will be held at No.8 Aljunied Ave 3 Oakwell Building, Singapore 389933 on 19 August 2015 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the Circular dated 3 August 2015 to the shareholders of the Company.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1:

THE PROPOSED ISSUE OF UP TO S\$40 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF REDEEMABLE ZERO COUPON CONVERTIBLE BONDS ISSUABLE IN (I) AN INITIAL TRANCHE OF S\$2 MILLION; AND (II) 19 SEPARATE SUCCESSIVE TRANCHEs OF SUBSEQUENT BONDS, EACH HAVING A PRINCIPAL AMOUNT OF S\$2 MILLION (COLLECTIVELY, THE “BONDS”) TO PACIFIC ALLIANCE ASIA OPPORTUNITY FUND L.P. (THE “SUBSCRIBER”) AND/OR ITS AFFILIATES, EACH TRANCHE DUE ON THE DATE FALLING FIVE (5) YEARS FROM THE ISSUE DATE OF SUCH BOND (THE “BOND ISSUE”); AND

ORDINARY RESOLUTION 2:

THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 1,000,000,000 NEW SHARES TO BE ISSUED ON CONVERSION OF THE BONDS (THE “SHARE ISSUE”)

THAT approval be and is hereby given to the Directors:

- (a) to create and issue to the Subscriber and/or its Affiliates redeemable zero coupon convertible bonds with an aggregate principal amount of S\$40,000,000 issuable in (A) an Initial Tranche of S\$2,000,000 and (B) 19 separate successive Tranches of Subsequent Bonds, each having a principal amount of S\$2,000,000 (“**Bonds**”), each Tranche due on the date falling five (5) years from the issue date of such Bond, to be convertible at the option of the holder thereof into new ordinary shares of the Company (“**New Shares**”) at a conversion price (“**Conversion Price**”) determined in accordance with the Terms and Conditions of the Bond Subscription Agreement, and subject to such adjustments as the Terms and Conditions of the Bond Subscription Agreement shall stipulate.
- (b) to allot and issue such number of New Shares as may be required or permitted to be allotted or issued on the conversion of the Bonds, to the holders of the Bonds on the conversion thereof, subject to and otherwise in accordance with the Terms and Conditions of the Bond Subscription Agreement, whereby such New Shares shall rank pari passu in all respects with the then existing shares of the Company except for any dividend, rights, allotment or other distributions the record date for which is before the relevant conversion date of the Bonds; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) that the Directors and each of them be and are hereby authorised to complete and to do any and all such acts and things (including making such amendments to the terms and conditions of the Bond Subscription Agreement and executing all such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the Bond Subscription Agreement and this Resolution.

BY ORDER OF THE BOARD

Gwendolin Lee Soo Fern
Company Secretary
Singapore
Date: 3 August 2015

Notes:

- 1 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 2 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at No.8 Aljunied Ave 3 Oakwell Building, Singapore 389933 not less than forty eight (48) hours before the time appointed for the meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

OEL (Holdings) Limited

(the "Company")

(Company Registration Number: 198403368H)

(Incorporated in the Republic of Singapore)

IMPORTANT:

- 1 For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
- 2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Extraordinary General Meeting

I/We _____ (Name)

of _____ (Address)

being a *member/members of the Company hereby appoint

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No of Shares	(%)
Address			

*and/or

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No of Shares	(%)
Address			

or failing *him/her/they, the Chairman of the Extraordinary General Meeting (the "EGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, and if necessary, to demand a poll at the EGM of the Company to be held at No.8 Aljunied Ave 3 Oakwell Building, Singapore 389933 on 19 August 2015 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution(s) to be proposed at the Extraordinary General Meeting as indicated hereunder WITH AN "x" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

* Please delete accordingly

No.	Resolutions relating to:	To be used on a show of hands		To be used in the event of a poll	
		For ¹	Against ¹	No. of Votes For ²	No. of Votes Against ²
1.	To approve the Bond Issue				
2.	To approve the Share Issue				

Notes:

- 1 Please indicate your vote "For" or "Against" with an "x" within the box provided.
- 2 If you wish to exercise all your votes "For" or "Against", please indicate with an "x" within the box provided. Alternatively, please indicate the number of votes as appropriate.

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 3 August 2015 (including supplements and modifications thereto).

Dated this _____ day of _____ 2015.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

- 1 Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at No.8 Aljunied Ave 3 Oakwell Building, Singapore 389933 not less than forty eight (48) hours before the time appointed for the EGM.
- 4 Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 7 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
- 8 The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
- 9 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at forty eight (48) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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