

CIRCULAR DATED 24 AUGUST 2015

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

The SGX-ST only approves the listing and quotation of the Conversion Shares and the approval of the SGX-ST shall not be taken as an indication of the merits of the Bond Issue, the Company and/or its subsidiaries.

The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained or referred to in this Circular.

ISR
ISR CAPITAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200104762G)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (a) PROPOSED ISSUE OF 2.0% CONVERTIBLE REDEEMABLE BONDS DUE 2018 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$35,000,000**
- (b) PROPOSED ADOPTION OF THE ISR PERFORMANCE SHARE PLAN**

Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	6 September 2015 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	8 September 2015 at 2.00 p.m.
Place of Extraordinary General Meeting	:	20 Martin Road #10-01 Seng Kee Building Singapore 239070

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:

- “ACRA”* : The Accounting and Corporate Regulatory Authority of Singapore
- “Actual Floating Conversion Price”* : (a) In respect of Tranche 1, Tranche 2, Tranche 3 and Tranche 4, be 85% of the average of the VWAP per Share traded on any three (3) consecutive Trading Days determined in the sole and absolute discretion of the Bondholder and communicated to the Company during the 30 Trading Days, immediately preceding the Closing Date of the first sub-tranche of Tranche 1, Tranche 2, Tranche 3 and Tranche 4 respectively; and
- (b) in respect of Tranche 5, Tranche 6 and Tranche 7, be 100% of the average of the VWAP per Share traded on any three (3) consecutive Trading Days determined in the sole and absolute discretion of the Bondholder and communicated to the Company during the 30 Trading Days, immediately preceding the Closing Date of the first sub-tranche of Tranche 5, Tranche 6 and Tranche 7 respectively,
- subject to adjustment in the manner provided in the Conditions.
- “Adoption Date”* : The date on which the ISR Performance Share Plan is adopted by resolution of the Shareholders of the Company
- “Arranger’s Fee”* : The arranger’s fee payable by the Company of 5.0% of the principal amount of any Bonds subscribed
- “Articles of Association”* : The articles of association of the Company, as amended, modified or supplemented from time to time
- “Associate”* : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

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	(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“Auditors”</i>	: The auditors of the Company
<i>“Award”</i>	: A contingent award of Shares granted under rule 5 of the ISR Performance Share Plan, as set out in Appendix 3 to this Circular
<i>“Award Letter”</i>	: A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
<i>“Board”</i>	: The board of Directors of the Company
<i>“Bond Issue”</i>	: The proposed issuance by the Company to the Subscriber of the Bonds, in accordance with the terms and conditions of the Subscription Agreement
<i>“Bond Issue Price”</i>	: 100% of the principal amount of the Bonds issued
<i>“Bondholder”</i>	: A holder of Bonds, and “Bondholders” shall be construed accordingly
<i>“Bonds”</i>	: The 2.0% convertible redeemable bonds due 2018, with an aggregate principal amount of up to S\$35,000,000 to be issued pursuant to the Subscription Agreement, comprising seven (7) successive tranches of S\$5,000,000 each
<i>“CDP”</i>	: The Central Depository (Pte) Limited
<i>“Circular”</i>	: This circular to Shareholders dated 24 August 2015
<i>“Closing Date”</i>	: In respect of each sub-tranche of Bonds, the date on which such sub-tranche of the Bonds is subscribed for and issued
<i>“Committee”</i>	: The committee comprising Directors of the Company duly authorised and appointed by the Board of Directors pursuant to rule 10 of the ISR Performance Share Plan, as set out in Appendix 3 to this Circular to administer the ISR Performance Share Plan
<i>“Companies Act”</i>	: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time

DEFINITIONS

“Company”	:	ISR Capital Limited
“Conditions”	:	The terms and conditions of the Bonds, the principal terms of which can be found in Section 3.2 of this Circular
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“controlling interest”	:	The interest of the Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) (subject to the SGX-ST determining that such a person is not a Controlling Shareholder) or a person who in fact exercises control over the Company
“Conversion Period”	:	The period commencing on the date the Bond is issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the Bond is deposited for conversion, namely, Singapore) on the day falling one (1) week prior to the Maturity Date, save for any extension pursuant to a Termination Event
“Conversion Price”	:	The price at which each Share shall be issued upon conversion
“Conversion Right”	:	The right of a Bondholder to convert the Bonds
“Conversion Shares”	:	The new Shares to be allotted and issued upon conversion of the Bonds
“Director(s)”	:	The director(s) of the Company
“EPS”	:	Earnings per share
“EGM”	:	The extraordinary general meeting of the Company to be convened and held at 2.00 p.m. on 8 September 2015 at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070
“Exercise Notice”	:	An exercise notice to be given relating to the subscription of the Bonds
“Floor Conversion Price”	:	S\$0.003 per Share, subject to adjustment in the manner provided in Condition 8.14A of the Subscription Agreement, details of which are set out in Appendix 1 to this Circular
“FRS 102”	:	Financial Reporting Standard 102 <i>Share-based Payment</i>

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<i>“FY”</i>	:	The financial year ended or ending 31 December
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Group Executive”</i>	:	Any employee of the Group (including any Group Executive Director and Group Non-Executive Director who meets the relevant age and rank criteria and who shall be regarded as a Group Executive for the purposes of the ISR Performance Share Plan) selected by the Committee to participate in the ISR Performance Share Plan in accordance with rule 4.1 of the ISR Performance Share Plan, as set out in Appendix 2 to this Circular
<i>“Group Executive Director”</i>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
<i>“Group Non-Executive Director”</i>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who is not a Group Executive Director, including independent directors
<i>“Interest Payment Date”</i>	:	30 June and 31 December in each year
<i>“ISR Performance Share Plan”</i>	:	The ISR Performance Share Plan, as the same may be modified or altered from time to time
<i>“Latest Practicable Date”</i>	:	The latest practicable date prior to the printing of this Circular, being 13 August 2015
<i>“Listing Manual”</i>	:	The Mainboard Rules of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Lowest Floating Conversion Price”</i>	:	In respect of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6 and Tranche 7, any of the Actual Floating Conversion Prices of the preceding tranche(s) selected by the Bondholder in its discretion and communicated to the Company
<i>“Maturity Date”</i>	:	Three (3) years from the Closing Date of the first sub-tranche of Tranche 1 or such further period as notified by the Subscriber to the Company upon the occurrence of a Termination Event
<i>“Memorandum”</i>	:	The Memorandum of Association of the Company, as amended, modified or supplemented from time to time
<i>“NAV”</i>	:	Net asset value

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- “Net Proceeds”* : The estimated net proceeds of approximately S\$33.12 million from the Bond Issue, assuming full subscription and expenses of approximately S\$1.88 million
- “New Shares”* : The new Shares which may be allotted and issued from time to time pursuant to the ISR Performance Share Plan
- “Notice of EGM”* : The notice of the EGM which is set out on page N-1 of this Circular
- “NTA”* : Net tangible assets
- “Option Period”* : Means, in respect of:
- (a) Tranche 3, the period commencing from and including the Tranche 2 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 2 to and including the fifth (5th) business day thereafter;
 - (b) Tranche 4, the period commencing from and including the Tranche 3 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 3 to and including the fifth (5th) business day thereafter;
 - (c) Tranche 5, the period commencing from and including the Tranche 4 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 4 to and including the fifth (5th) business day thereafter;
 - (d) Tranche 6, the period commencing from and including the Tranche 5 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 5 to and including the fifth (5th) business day thereafter; and
 - (e) Tranche 7, the period commencing from and including the Tranche 6 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 6 to and including the fifth (5th) business day thereafter.
- “Original Subscription Agreement”* : The subscription agreement dated 18 November 2014 entered into between the Company, the Subscriber and VCAM in relation to the issue of the Bonds
- “Participant”* : Any eligible person selected by the Committee to participate in the ISR Performance Share Plan in accordance with the Rules of the ISR Performance Share Plan

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- “Redeemable Conversion Bonds”* : Any Tranche 3, Tranche 4, Tranche 5, Tranche 6 or Tranche 7 which the Bondholder exercises its Conversion Right and because the Conversion Price applicable to such exercise is less than or equal to 65% of the average closing price per Share for the 30 consecutive trading days immediately preceding the Closing Date for any Bond(s), the Company elects, by giving Redemption Notice, to redeem such Redeemable Conversion Bond(s) instead
- “Redemption Amount”* :
$$\text{Redemption Amount} = N \times \left\{ P + \left[8\% \times \left(P \times \frac{D}{365} \right) \right] + I \right\}$$
- where:
- “**N**” = the amount of Redeemable Conversion Bonds presented to the Company for conversion.
- “**P**” = the aggregate principal amount of that Redeemable Conversion Bond.
- “**D**” = the amount of days that has elapsed since the Closing Date for that Redeemable Conversion Bond.
- “**I**” = all unpaid interest accrued on that Redeemable Conversion Bond.
- “Redemption Notice”* : A notice to be sent via facsimile by 5.30 pm (Singapore time) on the business day following the relevant conversion date (which notice shall be irrevocable), to redeem such Redeemable Conversion Bond(s)
- “Register of Members”* : The register of members of the Company
- “Release”* : In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with rule 7 of the ISR Performance Share Plan, as set out in Appendix 3 to this Circular and, to the extent that any Shares which are the subject of the Award are not released pursuant to rule 7 of the ISR Performance Share Plan, as set out in Appendix 3 to this Circular, the Award in relation to those Shares shall lapse accordingly, and “**Released**” shall be construed accordingly
- “Rules”* : The rules of the ISR Performance Share Plan, as the same may be modified or altered from time to time
- “Securities Account”* : A securities account maintained by a Depositor with CDP but does not include a securities sub-account
- “SFA”* : The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
- “SGX-ST”* : Singapore Exchange Securities Trading Limited

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- “Shareholders”* : Registered holders of Shares, except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
- “Shares”* : Ordinary shares in the capital of the Company
- “Subscriber”* : Premier Equity Fund
- “Subscription Agreement”* : The Original Subscription Agreement, as amended by the supplemental agreement dated 22 January 2015
- “Subsidiary”* : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
- “substantial shareholder”* : A Shareholder who has an interest in not less than 5% of the issued Shares
- “Termination Event”* : Any one of the following events:
- (a) the Subscriber becomes aware of any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties or any failure to perform any of the Company’s undertakings or obligations in the Subscription Agreement; or
 - (b) there is any change in the condition, financial or otherwise, or in the earnings, business or operations, or in or affecting the properties, of the Company or any of its subsidiaries and which materially and adversely affects the Company or the Company and its subsidiaries, taken as a whole; or
 - (c) the imposition of new legal or regulatory restrictions: (i) that are not in force; (ii) which have not been publicly announced as at the date of the Subscription Agreement, and (iii) which materially and adversely affect the Company or the Company and its subsidiaries, taken as a whole;
 - (d) an event of default occurs in respect of any notes, debentures, bonds (including the Bonds) or other similar securities of the Company or any subsidiary issued and outstanding; or

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- (e) a suspension, designation as a designated stock, or material limitation of, trading of any shares of the Company by the SGX-ST for five (5) consecutive market days; or
- (f) an Event of Default as defined in the Conditions has occurred.
- “Trading Days”* : A day on which the Shares are traded on the SGX-ST
- “Tranche 1”* : The first tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
- “Tranche 1 Conversion Date”* : In respect of each sub-tranche of Tranche 1, the date on which the sub-tranche was fully converted
- “Tranche 2”* : The second tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
- “Tranche 2 Conversion Date”* : In respect of each sub-tranche of Tranche 2, the date on which the sub-tranche was fully converted
- “Tranche 3”* : The third tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
- “Tranche 3 Conversion Date”* : In respect of each sub-tranche of Tranche 3, the date on which the sub-tranche was fully converted
- “Tranche 4”* : The fourth tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
- “Tranche 4 Conversion Date”* : In respect of each sub-tranche of Tranche 4, the date on which the sub-tranche was fully converted
- “Tranche 5”* : The fifth tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
- “Tranche 5 Conversion Date”* : In respect of each sub-tranche of Tranche 5, the date on which the sub-tranche was fully converted
- “Tranche 6”* : The sixth tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each

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“Tranche 6 Conversion Date”	:	In respect of each sub-tranche of Tranche 6, the date on which the sub-tranche was fully converted
“Tranche 7”	:	The seventh and final tranche of Bonds of an aggregate principal amount of S\$5,000,000, comprising five (5) equal sub-tranches of S\$1,000,000 each
“Tranche 7 Conversion Date”	:	In respect of each sub-tranche of Tranche 7, the date on which the sub-tranche was fully converted
“Treasury Shares”	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
“VCAM”	:	Value Capital Asset Management Private Limited
“Vest”	:	The absolute entitlement to all or some of the Shares which are the subject of an Award and “Vesting” and “Vested” shall be construed accordingly
“VWAP”	:	Volume weighted average price
“S\$” and “cents”	:	Dollars and cents respectively of the currency of Singapore
“%”	:	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 shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference 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, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day shall be a reference to Singapore time unless otherwise stated.

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

LETTER TO SHAREHOLDERS

ISR CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200104762G)

Board of Directors:

Datuk Md Wira Dani Bin Abdul Daim (Non-Executive Chairman
and Non-Executive Director)
Ms Quah Su-Yin (Chief Executive Officer and Executive Director)
Mr Kwok Wei Woon (Lead Independent Director)
Dato' Seri Krishna Kumar Sivasubramaniam (Independent Director)

Registered Office:

20 Martin Road
#10-01 Seng Kee Building
Singapore 239070

24 August 2015

To: The Shareholders of the Company

1. INTRODUCTION

1.1 Background

On 18 November 2014, the Company announced its entry into a subscription agreement with Premier Equity Fund (the "**Subscriber**") and Value Capital Asset Management Private Limited ("**VCAM**") dated 18 November 2014 in relation to the issue of the Bonds (the "**Original Subscription Agreement**"). The Company further announced on 22 January 2015 that it entered into a supplemental agreement with the Subscriber and VCAM dated 22 January 2015 to amend the terms of the Original Subscription Agreement to, *inter alia*, introduce the Floor Conversion Price.

Pursuant to the Subscription Agreement, the Company proposes to issue to the Subscriber 2.0% convertible redeemable bonds due 2018 with an aggregate principal amount of up to S\$35,000,000, comprising seven (7) tranches of S\$5,000,000 each.

1.2 Extraordinary General Meeting

The Board is proposing to convene an extraordinary general meeting to seek Shareholders' approval in respect of the Bond Issue and the proposed adoption of the ISR Performance Share Plan, the rules of which are set out in Appendix 3 to this Circular.

The purpose of this Circular is to provide Shareholders with information relating to, and the reasons for the Resolutions, and to seek Shareholders' approval for the same at the extraordinary general meeting to be held at 2.00 p.m. on 8 September 2015 at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070. The notice of the EGM is set out on page N-1 of this Circular.

2. INFORMATION ON THE SUBSCRIBER AND VCAM

VCAM is a fund management company incorporated in Singapore on 17 April 2006 and registered with the Monetary Authority of Singapore as a registered fund management company under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations. The directors of VCAM are Mr Chye Kok Hoe, Mr Lee Jim Chong and Mr Poon Seng Fatt. Mr Poon Seng Fatt is also the sole shareholder of VCAM.

LETTER TO SHAREHOLDERS

The Subscriber is a fund incorporated as a company in the Cayman Islands on 6 May 2014, with its ultimate beneficial owners being accredited and institutional investors. VCAM has been appointed and acts as the investment manager for the Subscriber. The Subscriber is an open-ended fund with no specific term.

Ms Quah Su-Yin, the Chief Executive Officer and Executive Director of the Company, identified VCAM (and the funds it manages) as a potential investor in the Company. Mr Poon Seng Fatt, the owner and a director of VCAM, is a business contact of Ms Quah Su-Yin's from her previous work experience in debt financing. The Subscriber, under VCAM's management, invests in public listed companies and has a track record in debt securities.

VCAM and the Subscriber have no business dealings with the Company other than the Bond Issue. The Subscriber does not fall within any of the prohibited categories as set out in Rule 812 of the Listing Manual to whom the Company is prohibited from issuing the Bonds.

3. THE PROPOSED BOND ISSUE

3.1 Overview

3.1.1 Mechanics of Issuance

The Bonds consist of seven (7) separate tranches issued in sequence. Each tranche will be issued in five (5) successive sub-tranches of S\$1,000,000 each. The sub-tranches will be issued successively after the previous sub-tranche is fully converted. As a result, only one (1) sub-tranche may be in issue at any time.

Please refer to Appendix 2 for more information on the order in which each tranche and sub-tranche shall be issued.

3.1.2 Conversion Price

The Bondholder may choose to convert the Bonds based on the Actual Floating Conversion Price or the Lowest Floating Conversion Price as set out in Section 3.2 below, provided that the Conversion Price chosen by the Bondholder is not less than S\$0.003 per Share.

The Actual Floating Conversion Price for each of Tranche 1, Tranche 2, Tranche 3 and Tranche 4 will be based on the following formula:

$$\mathbf{85\% \times Selected VWAP}$$

The Actual Floating Conversion Price for each of Tranche 5, Tranche 6 and Tranche 7 will be based on the following formula:

$$\mathbf{100\% \times Selected VWAP}$$

The "**Selected VWAP**" is the average VWAP per Share for any three (3) consecutive Trading Days, during the 30 trading day period before the first Closing Date of that particular tranche. The first Closing Date refers to the issue date of the first sub-tranche of that particular Tranche. The three (3) consecutive Trading Days will be selected by the Subscriber at its discretion.

LETTER TO SHAREHOLDERS

The Subscriber will also have the option to choose the Conversion Price for any one of the preceding tranches of Bonds as the Lowest Floating Conversion Price. This means that the Subscriber has the option of applying the Actual Floating Conversion Price for any one tranche for any tranche issued after it.

To illustrate, in the event the Conversion Price for Tranche 1 is S\$0.12, the Conversion Price for Tranche 2 (based on the Actual Floating Conversion Price) is S\$0.11 and the Conversion Price for Tranche 3 (based on the Actual Floating Conversion Price) is S\$0.13, the Subscriber may choose S\$0.11 as the Conversion Price for Tranche 3, being the Lowest Floating Conversion Price.

3.1.3 Redemption

In the event the Conversion Price selected by the Subscriber is 65% or less than the average closing price per Share for the 30 consecutive Trading Days before the Closing Date for any of the Bond(s), the Company may choose to redeem such Bond(s) in cash instead, to prevent excessive dilution to its Shareholders¹. The redemption of such Bond(s) by the Company will be based on the redemption amount set out in Section 3.2 (*Redemption and Purchase*) of this Circular.

3.1.4 Maturity

All Bonds will mature and expire 36 months after the first sub-tranche of Tranche 1 is issued, unless a Termination Event occurs. For the avoidance of doubt, all tranches of the Bonds will mature on the Maturity Date, regardless of when they are issued.

3.1.5 Breach

In the event the Subscriber or the Bondholder defaults on the terms of the Subscription Agreement or the terms and conditions of the bonds respectively, the Company may sue for damages for breach of the Subscription Agreement or the terms and conditions of the Bonds.

3.2 **Summary of the Principal Terms of the Convertible Bonds**

The Bonds will be issued at 100% of its principal amount. The Bonds are convertible into Conversion Shares, which when issued, shall rank equally with all other Shares existing then. The subscription and conversion of the Bonds shall be in accordance with the terms of the Subscription Agreement and subject to the Conditions. The Bond Issue is compliant with Rules 829, 830, 832(1), 832(4), 832(6), 832(7) and 832(8) of the Listing Manual.

¹ In the event the Company chooses not to redeem the Bond(s) when the Conversion Price selected by the Subscriber is 65% or less than the average closing price per Share for the 30 consecutive trading days before the Closing Date for any of the Bond(s), the Company will, via an announcement on SGXNET, disclose the Board's rationale and confirmation that it is in the best interest of the Company and its public shareholders.

LETTER TO SHAREHOLDERS

A summary of the key terms of the Bonds is set out below:

- Principal Amount : Up to S\$35,000,000 in principal amount of the Bonds.
- Issue Price : 100% of the aggregate principal amount of the Bonds.
- Maturity Date : 36 months after the closing date for the first sub-tranche of Tranche 1 or such further period as notified by the Subscriber to the Company upon the occurrence of a Termination Event.
- Interest Rate : The Bonds will bear interest at a rate of 2.0% per annum, payable semi-annually in arrears on the Interest Payment Date. The first payment of interest shall be made on 31 December in respect of the period from (and including) the Closing Date of the first sub-tranche of Tranche 1 to (but excluding) 31 December and the last payment of interest shall be made on the Maturity Date in respect of the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the Maturity Date.

Upon the occurrence of a Termination Event, the Bondholder shall be entitled to, *inter alia*, require the immediate repayment of some or all of outstanding Bonds, which shall immediately become due and payable at 100% of their principal amount together with interest of 12% per annum which shall accrue from and including the date of the occurrence of the Termination Event to and including the date of repayment. Please refer to Section 3.3.6 for more details.

In addition, in the event the Company chooses to redeem the Redeemable Conversion Bond(s) in situations where a Bondholder exercises its right to convert Tranche 3, Tranche 4, Tranche 5, Tranche 6 or Tranche 7 and the Conversion Price applicable to such exercise is less than or equal to 65% of the average closing price per Share for the 30 consecutive trading days immediately preceding the Closing Date for any Bond(s), the redemption amount shall be in accordance with the formula set out in the section entitled "Redemption and Purchase" below.

- Status of Bonds : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves and, subject as mentioned above and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.

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However, while any Bonds remain outstanding, the Group may grant any mortgage, charge, pledge or any other security interest over its assets in order to secure any other notes, bonds or convertible securities if it accords to the Bonds at the same time, either:

- (a) the same security; or
- (b) such other security or guarantee as is not materially less beneficial to the Bondholders or as the Bondholders holding 75% or more of the outstanding principal amount of the Bonds shall approve.

Status of Conversion Shares : The Conversion Shares shall be issued (upon exercise of the Conversion Right by the Bondholder) unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank *pari passu* in all respects with all other Shares existing then (except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls before the allotment and issuance of the relevant Conversion Shares), and will be listed on the Main Board of the SGX-ST.

Alteration to Terms: : Any material modification to the terms of the Bonds after issue to the advantage of the Bondholders shall be approved by Shareholders.

Transfer : The Bondholder shall, subject as provided hereinafter, be entitled at any time and from time to time to transfer the Bond(s) registered in its name in whole but not in part to any third party and the Company shall consent to such transfer by the Bondholder unless the third party is a person that falls within the categories of persons set out in Rule 812 of the Listing Manual.

In the event the Bond(s) are transferred by the Bondholder to a third party, the Company will make the relevant announcements on SGXNET.

Redemption and Purchase : On the Maturity Date, the Company shall redeem of all the Bonds which are not redeemed or purchased, converted or cancelled by the Company at 100% of their principal value. The Company shall at least one (1) month prior to the Maturity Date, issue an announcement notifying Shareholders of the same and shall dispatch to all Bondholders, a notice of the Maturity Date.

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In the event a Bondholder exercises its right to convert Tranche 3, Tranche 4, Tranche 5, Tranche 6 or Tranche 7 and the Conversion Price applicable to such exercise is less than or equal to 65% of the average closing price per Share for the 30 consecutive Trading Days immediately preceding the Closing Date for any Bond(s) which is the subject of such Conversion Right, the Company may elect, by giving the Redemption Notice, to redeem such Redeemable Conversion Bond(s) instead.²

In the event the Company chooses to redeem the Redeemable Conversion Bond(s) instead, the Redeemable Conversion Bond(s) shall be redeemed on the business day following the date of the Redemption Notice at the following amount in respect of each Redeemable Conversion Bond:

$$\text{Redemption Amount} = N \times \left\{ P + \left[8\% \times \left(P \times \frac{D}{365} \right) \right] + I \right\}$$

where:

“**N**” = the amount of Redeemable Conversion Bonds presented to the Company for conversion.

“**P**” = the aggregate principal amount of that Redeemable Conversion Bond.

“**D**” = the amount of days that has elapsed since the Closing Date for that Redeemable Conversion Bond.

“**I**” = all unpaid interest accrued on that Redeemable Conversion Bond.

The Redemption Amount shall be payable by the Company to the Bondholder in cash.

- Conversion : Subject to and upon compliance with the Conditions, and always subject to the Company’s redemption option as set out in “Redemption and Purchase” above, any Bond may be converted into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the holder thereof, at any time during the Conversion Period.
- Conversion Period : The date on which the Bond is issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the Bond is deposited for conversion, namely, Singapore) on the day falling one (1) week prior to the Maturity Date, save for any extension pursuant to a Termination Event.

² In the event the Company chooses not to redeem the Bond(s) when the Conversion Price selected by the Subscriber is 65% or less than the average closing price per Share for the 30 consecutive trading days before the Closing Date for any of the Bond(s), the Company will, via an announcement on SGXNET, disclose the Board’s rationale and confirmation that is in the best interest of the Company and its public shareholders.

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Conversion Price : The Conversion Price of the Bonds shall be either the Actual Floating Conversion Price or Lowest Floating Conversion Price, at the absolute discretion of the Bondholder, provided that it shall not be lower than the Floor Conversion Price. In the event that any Conversion Price, as determined in accordance with the formula below, is lower than the Floor Conversion Price, the relevant Conversion Price shall be equal to the Floor Conversion Price.

Actual Floating Conversion Price

- (a) in respect of Tranche 1, Tranche 2, Tranche 3 and Tranche 4, be **85%** of the average of the VWAP per Share traded on any three (3) consecutive trading days selected by the Bondholder in its sole and absolute discretion during the 30 Trading Days, immediately preceding the Closing Date of the first sub-tranche of Tranche 1, Tranche 2, Tranche 3 and Tranche 4 respectively; and
- (b) in respect of Tranche 5, Tranche 6 and Tranche 7, be **100%** of the average of the VWAP per Share traded on any three (3) consecutive trading days selected by the Bondholder in its sole and absolute discretion during the 30 Trading Days, immediately preceding the Closing Date of the first sub-tranche of Tranche 5, Tranche 6 and Tranche 7 respectively,

subject to adjustment in the manner provided in the Conditions.

Lowest Floating Conversion Price

In respect of Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6 and Tranche 7, the Actual Floating Conversion Prices of any of the preceding tranches may be applied at the Bondholder's discretion.

Event of default : If any Event of Default (as defined in the Conditions) has occurred, including:

- (a) there is default by the Company in the payment of the principal or interest in respect of the Bonds or any of them when and as the same ought to be paid and such default is not remedied by the Company within five (5) days;

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- (b) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation contained in the Subscription Agreement or the Conditions and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of any of the Bonds) and such default continues for the period of seven (7) days next following the service by the Subscriber or any Bondholder (as the case may be) on the Company of notice requiring the same to be remedied;
- (c) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group;
- (d) borrowings to net worth³ ratio exceeds 70% at any time;
- (e) the Company's net worth is less than S\$3.5 million at any time, not including impairment of financial assets, but in any event not falling below S\$1 million at any time;
- (f) the delisting of the Shares on the Main Board of the SGX-ST or a suspension of trading for a period of five (5) consecutive market days or more;
- (g) for so long as there are any Bonds outstanding, if the Company engages in any transaction with any hedge fund operating or originating from any part of the world; or
- (h) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group,

the Bondholder may, by notice in writing, at any time and from time to time, in respect of some or all of the Bonds held by such Bondholder:

- (A) require the immediate repayment of some or all of outstanding Bonds (which are not converted under (B) below), which shall immediately become due and payable at 100% of their principal amount together with accrued interest of 12% per annum which shall accrue from and including the date of the occurrence of the Event of Default to and including the date of repayment; and/or

³ "Net worth" means, at any time, as stated in the latest published accounts of the Company, the aggregate of the amounts shown in such accounts as paid up or credited as paid up on the issued share capital of the Company and standing to the credit of retained earnings and other capital and revenue reserves and includes minority interests therein; less any amount which is attributable to any debit balance in its statement of profit and loss as shown in the relevant accounts to the extent not already charged against retained earnings.

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(B) exercise the Conversion Right in respect of some or all of the outstanding Bonds (for which repayment is not accelerated under (A) above) pursuant to the Conditions of the Bonds; and/or

(C) extend the Conversion Period and Maturity Date to such new dates as set out in the notices.

Anti-dilution adjustment conditions : The Conversion Price may be adjusted in the event of, *inter alia*, a stock split, consolidation of Shares, re-classification of Shares into other securities of the Company or rights issues. Please refer to Appendix 1 for further information on the anti-dilution adjustment conditions of the Bonds.

Listing Status : The Bonds will not be listed and quoted.

3.3 Principal terms of the Subscription Agreement

3.3.1 Conditions Precedent to the Subscription Agreement

The obligation of the Subscriber to subscribe and pay for the Bonds is conditional on, amongst others, the following conditions:

- (a) a list of the Company's substantial shareholders as at the date of the Subscription Agreement being delivered to the Subscriber;
- (b) the representations and warranties given by the Company under the Subscription Agreement being true and accurate in all respects; and
- (c) Shareholders' approval for the issue of the Bonds and the Conversion Shares (such approval of the Shareholders to contain a specific reference to the issue of the Conversion Shares being a transfer of a controlling interest of the Company), and the approval-in-principle from the SGX-ST for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST, being obtained and such approvals not being withdrawn or revoked,

being fulfilled or otherwise waived by the Subscriber.

3.3.2 Issue and subscription of Tranche 1⁴

The Company shall issue Tranche 1 at the Bond Issue Price in the following manner:

- (a) In respect of the first sub-tranche of Tranche 1, on the date falling within fourteen (14) business days (to be determined by the Subscriber and communicated to the Company) immediately after the last of the conditions set out in Clause 8.1(b) of the Subscription Agreement are fulfilled or such other date as the parties to the Subscription Agreement may agree in writing. Such date of issue of the first sub-tranche of Tranche 1 shall be the Closing Date for the first sub-tranche of Tranche 1.

⁴ Please refer to Appendix 2 for a table which sets out the order in which the Bonds are to be issued.

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- (b) In respect of each of the subsequent sub-tranches of Tranche 1:
 - (i) no later than 10 (ten) business days (to be determined by the Subscriber and communicated to the Company) after the Tranche 1 Conversion Date in respect of the sub-tranche of Tranche 1 immediately preceding it; or
 - (ii) on such other date (which, for the avoidance of doubt, may include the Closing Date for the first sub-tranche of Tranche 1) as the Subscriber shall determine in its sole and absolute discretion and communicated to the Company at least three (3) business days in advance.

3.3.3 Issue and subscription of Tranche 2⁵

- (a) The Company has granted to the Subscriber an option to subscribe for Tranche 2 at the Bond Issue Price during the period commencing from and including the Tranche 1 Conversion Date of the last of the Bonds comprised in the last sub-tranche of Tranche 1 to and including the fifth business day thereafter.
- (b) Upon receipt of the Exercise Notice by the Company in respect of Tranche 2, the Subscriber shall be obliged to subscribe for Tranche 2 in the following manner:
 - (i) the first sub-tranche of Tranche 2 no later than ten (10) business days (to be determined by the Subscriber and communicated to the Company) following the date of the Exercise Notice relating to Tranche 2; and
 - (ii) in respect of each subsequent sub-tranche of Tranche 2:
 - (A) no later than 10 (ten) business days (to be determined in by the Subscriber and communicated to the Company) after the Tranche 2 Conversion Date in respect of the sub-tranche of Tranche 2 immediately preceding it; or
 - (B) on such other date (which, for the avoidance of doubt, may include the Closing Date for the first sub-tranche of Tranche 2) as the Subscriber shall determine in its sole and absolute discretion and communicated to the Company.

3.3.4 Issue and subscription of Tranche 3, Tranche 4, Tranche 5, Tranche 6 and Tranche 7⁶

- (a) The Subscriber has granted to the Company an option to require the Subscriber to subscribe for Tranche 3, Tranche 4, Tranche 5, Tranche 6 and Tranche 7 at the Bond Issue Price during the relevant Option Period set out below.

⁵ Please refer to Appendix 2 for a table which sets out the order in which the Bonds are to be issued.

⁶ Please refer to Appendix 2 for a table which sets out the order in which the Bonds are to be issued.

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- (b) Upon receipt of the Exercise Notice from the Company in respect of Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7, the Subscriber shall be obliged to subscribe for Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7 in the following manner:
- (i) the first sub-tranche of Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7 (as the case may be) no later than ten (10) business days (to be determined by the Subscriber and communicated to the Company) following the date of the relevant Exercise Notice; and
 - (ii) in respect of each subsequent sub-tranche of Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7:
 - (A) no later than 10 (ten) business days (to be determined by the Subscriber and communicated to the Company) after the Tranche 3 Conversion Date, Tranche 4 Conversion Date, Tranche 5 Conversion Date, Tranche 6 Conversion Date or Tranche 7 Conversion Date (as the case may be) in respect of the sub-tranche of Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7 (as the case may be) immediately preceding it; or
 - (B) on such other date (which, for the avoidance of doubt, may include the Closing Date for the first sub-tranche of Tranche 3, Tranche 4, Tranche 5, Tranche 6, or Tranche 7 (as the case may be)) as the Subscriber shall determine in its sole and absolute discretion and communicated to the Company at least three (3) business days in advance.

Please refer to Appendix 2 to this Circular for more information on the exercise schedule of the Bonds.

3.3.5 Subscriber's Undertaking

The Subscriber has undertaken not to exercise its Conversion Right in respect of the Bonds it holds where the conversion of those Bonds will result in the Subscriber holding 30% or more of the voting rights in the Company.

3.3.6 Termination of the Subscription Agreement

- (a) The occurrence of any of the following events shall constitute a "**Termination Event**":
- (i) the Subscriber becomes aware of any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties or any failure to perform any of the Company's undertakings or obligations in the Subscription Agreement;
 - (ii) there is any change in the condition, financial or otherwise, or in the earnings, business or operations, in or affecting the properties, of the Company or any of its subsidiaries and which materially and adversely affects the Company or the Company and its subsidiaries, taken as a whole;
 - (iii) the imposition of new legal or regulatory restrictions: (A) that are not in force; (B) which have not been publicly announced as at the date of the Subscription Agreement, and (C) which materially and adversely affect the Company or the Company and its subsidiaries, taken as a whole;

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- (iv) an event of default occurs in respect of any notes, debentures, bonds (including the Bonds) or other similar securities of the Company or any subsidiary issued and outstanding;
 - (v) a suspension, designation as a designated stock, or material limitation of, trading of any shares of the Company by the SGX-ST for five (5) consecutive market days; or
 - (vi) an Event of Default as defined in the Conditions has occurred.
- (b) Upon the occurrence of a Termination Event, the Bondholder shall be entitled:
- (i) by notices in writing, at any time and from time to time:
 - (A) to require the immediate repayment of some or all of outstanding Bonds (which are not converted under (B) below), which shall immediately become due and payable at 100% of their principal amount together with accrued interest of 12% per annum which shall accrue from and including the date of the occurrence of the Termination Event to and including the date of repayment; and/or
 - (B) exercise the Conversion Right in respect of some or all of the outstanding Bonds (for which repayment is not accelerated under (A) above) in accordance with the Conditions; and/or
 - (C) extend the Conversion Period and Maturity Date to such new dates as set out in the notices; and/or
 - (ii) by giving notice in writing to the Company, terminate the obligations of the Subscriber under the Subscription Agreement upon which the Company shall be liable to pay to the Subscriber a termination fee of 17% of the principal amount of the remaining unissued and unsubscribed sub-tranche(s) of Tranche 1, Tranche 2, Tranche 3, Tranche 4, Tranche 5, Tranche 6 or Tranche 7 (as the case may be, depending on which tranche is then due for issue and subscription) at the time of such notice. To illustrate, the maximum termination fees payable will be S\$850,000, based on 17% of the principal amount of one (1) full tranche of Bonds.

3.3.7 Arranger's fee

In respect of each sub-tranche of the Bonds which is subscribed for and issued, the Company will pay an arranger's fee of 5.0% of the aggregate principal amount of the Bonds for such sub-tranche to VCAM on the Closing Date of such sub-tranche. The Arranger's Fee was arrived at after negotiations between the Company and VCAM at arms' length and took into consideration the services provided by VCAM, which includes acting as a liaison between the Company and the Subscriber to provide the necessary information for the purposes of the Bond Issue, and assisting the Company in discussions relating to the structuring as well as the terms and conditions of the Bond Issue. The Board is of the view that payment of the Arranger's Fee to VCAM is in the interest of the Company, as the Arranger's Fee is a term of the subscription of the Bonds, and VCAM's role as the investment manager for the Subscriber and structuring the terms and conditions of the Bonds were integral to securing the Subscriber's investment in the Company.

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The Company agrees that to facilitate this payment, the Arranger's Fee payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of such sub-tranche and paid to VCAM.

The maximum Arranger's Fee payable for the Bond Issue is S\$1,750,000 based on full subscription of the Bonds.

3.4 Rationale and Use of Proceeds of the Bond Issue

3.4.1 The Company decided to enter into the Subscription Agreement to strengthen its balance sheet as well as to broaden its shareholder base. The Company is currently in urgent need of fresh funds for working capital and to fund its future business plans. The Subscriber will inject funds into the Company upon issuance of the Bonds. While there is no certainty of conversion, the Company believes that the fact that the conversion occurs at a discount provides an incentive for the Bondholder to convert its Bonds. The net proceeds from the Bond Issue shall be applied towards making investments and for general working capital of the Company and its subsidiaries.

3.4.2 The Board is of the view that the Bond Issue presents a viable alternative to engaging a placement agent. Appointing a placement agent to procure placees does not provide the Company with certainty of funding. With the Company's current market capitalisation, any significant placement of new shares is likely to result in a change in control and mandatory general offer under the Singapore Code on Take-overs and Mergers, which would make investing in the Company less attractive to potential investors. With the Bond Issue, the Company will have a funding programme for an amount of up to S\$35 million in place for the next three (3) years. As the Bonds are structured to provide funding to the Company in small successive tranches, there will be no change in control and a mandatory general offer will not be triggered.

3.4.3 Assuming full subscription, the estimated net proceeds from the Bond Issue, after deducting estimated fees, including the Arranger's Fee, and expenses of approximately S\$1.88 million (including Arranger's Fee of approximately S\$1.75 million, legal fees of approximately S\$85,000, fees payable to SGX-ST of approximately S\$42,000 and estimated expenses of approximately S\$6,000 for holding an extraordinary general meeting) is approximately S\$33.12 million. The Company intends to use the Net Proceeds in the following manner:

Use of Net Proceeds	Percentage Allocation (%)
General working capital	Approximately up to 10% – 20%
Investments and general corporate purposes	Approximately up to 80% – 90%

The Group plans to use a significant portion of the net proceeds to refocus its proprietary investment holdings into sectors which the Group has the necessary core competencies to manage and carry through, and identify and invest in companies that are undervalued, in need of for managerial, technical and financial resources to realise their full potential.

3.4.4 The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's annual report. The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in such announcements and annual reports.

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

3.4.6 The Directors are of the opinion that after taking into consideration the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

3.5 Chapter 8 of the Listing Manual

3.5.1 Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Conversion Shares on the Main Board of the SGX-ST. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Bond Issue, the Company and/or its Subsidiaries. The Bonds will not be listed and quoted on the SGX-ST or any other exchange.

3.5.2 Actual Floating Conversion Price

(a) For illustration only, assuming a Actual Floating Conversion Price of S\$0.0148, determined based on 85% of the lowest average VWAP per Share traded on three (3) consecutive trading days during the 30 trading days preceding the Latest Practicable Date, a Actual Floating Conversion Price of S\$0.0148 represents a **discount of approximately 63.0%** to the VWAP of trades done on the SGX-ST of S\$0.04 per Share on 18 November 2014 (being the last market day on which the Shares were traded prior to the date of the Subscription Agreement).

(b) For illustration only, based on the VWAP of the Shares traded in the 30 trading days preceding the Latest Practicable Date, assuming:

(i) every tranche of the Bonds is subscribed for and converted in full; and

(ii) a Actual Floating Conversion Price of S\$0.0148, determined based on 85% of the lowest average VWAP per Share traded on three (3) consecutive trading days during the 30 trading days preceding the Latest Practicable Date,

a total of up to 2,366,463,827 Conversion Shares (approximately 338,066,261 Conversion Shares per tranche) may be issued to the Subscriber, which will represent approximately 91.7%⁷ of the issued share capital of the Company on an enlarged basis.

Shareholders should note that this could result in a dilution to their shareholding proportion in the Company and a decrease in the trading price of the Shares. In the event the Company is unable to fulfil the minimum trading price requirement of S\$0.20 per share as a continuing listing requirement for issuers listed on the Main Board of the SGX-ST effective 1 March 2016, the Company will be placed on the watch-list of the SGX-ST or may seek a transfer to the Catalist Board of the SGX-ST. In the event the Company is placed on the watch-list of the SGX-ST, the Shares will not be eligible for investment under the Central Provident Fund Investment Scheme.

⁷ However, the Subscriber has undertaken not to exercise its Conversion Right in respect of the Bonds it holds where the conversion of those Bonds will result in the Subscriber holding 30% or more of the voting rights in the Company.

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3.5.3 Floor Conversion Price

- (a) The Floor Conversion Price of S\$0.003 represents a **discount of approximately 92.5%** to the VWAP of trades done on the SGX-ST of S\$0.04 per Share on 18 November 2014 (being the last market day on which the Shares were traded prior to the date of the Subscription Agreement).
- (b) Shareholders should note that the Floor Conversion Price provides for a minimum conversion price for the Bonds, and a limit to the potential dilution resulting from the Bonds.
- (c) In the maximum conversion scenario, 11,666,666,667 Conversion Shares (approximately 1,666,666,666 Conversion Shares per tranche) may be issued to the Subscriber, which will represent approximately 98.2%⁸ of the issued share capital of the Company on an enlarged basis.

The maximum conversion scenario will occur if (i) every tranche of the Bonds is subscribed for and converted in full; and (ii) the lowest Conversion Price of S\$0.003 (being the Floor Conversion Price) is selected by the Subscriber for the conversion of every tranche of the Bonds.

Shareholders should note that this could result in a dilution to their shareholding proportion in the Company and a decrease in the trading price of the Shares. In the event the Company is unable to fulfil the minimum trading price requirement of S\$0.20 per share as a continuing listing requirement for issuers listed on the Main Board of the SGX-ST effective 1 March 2016, the Company will be placed on the watch-list of the SGX-ST or may seek a transfer to the Catalist Board of the SGX-ST. In the event the Company is placed on the watch-list of the SGX-ST, the Shares will not be eligible for investment under the Central Provident Fund Investment Scheme.

- 3.5.4 The Company is seeking specific approval of Shareholders for the issue and allotment of the Bonds and Conversion Shares in accordance with Rule 824 of the Listing Manual and for the issue of securities to a transfer a controlling interest without prior shareholder approval in accordance with Rule 803 of the Listing Manual. Rule 811(2)(b) of the Listing Manual provides that in an issue of convertible securities, where the conversion price is based on a formula, any discount in the price-fixing formula must not exceed 10% of the prevailing market price of the underlying shares before conversion. This restriction on the conversion price will not apply if specific shareholders' approval is obtained for the issue of convertible securities.

4. FINANCIAL EFFECTS OF THE BOND ISSUE

The *pro forma* financial effects of the Bond Issue, based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2014 and the unaudited consolidated financial statements for the period ended 30 June 2015, are set out below. The *pro forma* financial effects are presented for illustration only, and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Bond Issue based on the following key assumptions:

- (a) every tranche of the Bonds is subscribed for and converted in full; and

⁸ However, the Subscriber has undertaken not to exercise its Conversion Right in respect of the Bonds it holds where the conversion of those Bonds will result in the Subscriber holding 30% or more of the voting rights in the Company.

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- (b) the following Conversion Prices:
- (i) the Actual Floating Conversion Price of S\$0.0148⁹ is selected by the Subscriber for every tranche of the Bonds, resulting in a total of 2,366,463,827 Conversion Shares being issued; and
 - (ii) the Floor Conversion Price is selected by the Subscriber for every tranche of the Bonds, resulting in a total of 11,666,666,667 Conversion Shares being issued¹⁰.

4.1.2 Net Tangible Assets

- (a) Assuming that the Bond Issue was completed on 31 December 2014, the effect on the NTA per Share of the Group as at 31 December 2014 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price	Floor Conversion Price
Consolidated NTA attributable to Shareholders (S\$'000)	1,527	34,644	34,644
Number of Shares	214,000,100	2,580,463,927 ⁽¹⁾	11,880,666,767 ⁽²⁾
Consolidated NTA per Share attributable to Shareholders (Singapore cents)	0.71	1.34	0.29

Notes:

- (1) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (2) The Conversion Shares are assumed to be issued at S\$0.003 per share.

- (b) Assuming the Bond Issue was completed on 30 June 2015, the effect on the NTA per Share of the Group as at 30 June 2015 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price	Floor Conversion Price
Consolidated NTA attributable to Shareholders (S\$'000)	1,028	34,145	34,145
Number of Shares	214,000,100	2,580,463,927 ⁽¹⁾	11,880,666,767 ⁽²⁾
Consolidated NTA per Share attributable to Shareholders (Singapore cents)	0.48	1.32	0.29

Notes:

- (1) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (2) The Conversion Shares are assumed to be issued at S\$0.003 per share.

⁹ Please refer to Section 3.5.2 for the assumptions on which the Conversion Price was determined.

¹⁰ Please refer to Section 3.5.3 for the assumptions on which the Conversion Price was determined.

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4.1.3 Loss per Share

- (a) Assuming that the Bond Issue was completed on 1 January 2014, the effect on the loss per Share of the Company for the financial year ended 31 December 2014 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price	Floor Conversion Price
Net loss attributable to Shareholders (S\$'000)	(8,727)	(10,610) ⁽¹⁾	(10,610)
Weighted average number of Shares ⁽¹⁾	214,000,100	2,580,463,927 ⁽²⁾	11,880,666,767 ⁽³⁾
Loss per Share (Singapore cents)	(4.08)	(0.41)	(0.09)

Notes:

- (1) The estimated increase of S\$1.88 million in the net loss attributable to Shareholders are due to the Arranger's Fee of approximately S\$1.75 million, legal fees of approximately S\$85,000, fees payable to SGX-ST of approximately S\$42,000 and estimated expenses of approximately S\$6,000 for holding an extraordinary general meeting.
- (2) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (3) The Conversion Shares are assumed to be issued at S\$0.003 per share.

- (b) Assuming that the Bond Issue was completed on 1 January 2015, the effect on the loss per Share of the Company for the period ended 30 June 2015 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price	Floor Conversion Price
Net loss attributable to Shareholders (S\$'000)	(458)	(2,341) ⁽¹⁾	(2,341)
Weighted average number of Shares ⁽¹⁾	214,000,100	2,580,463,927 ⁽²⁾	11,880,666,767 ⁽³⁾
Loss per Share (Singapore cents)	(0.21)	(0.09)	(0.02)

Notes:

- (1) The estimated increase of S\$1.88 million in the net loss attributable to Shareholders are due to the Arranger's Fee of approximately S\$1.75 million, legal fees of approximately S\$85,000, fees payable to SGX-ST of approximately S\$42,000 and estimated expenses of approximately S\$6,000 for holding an extraordinary general meeting.
- (2) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (3) The Conversion Shares are assumed to be issued at S\$0.003 per share.

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4.1.4 Gearing

- (a) Assuming that the Bond Issue was completed on 31 December 2014, the effect on the gearing of the Group as at 31 December 2014 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price ⁽¹⁾	Floor Conversion Price ⁽²⁾
Net debt ⁽³⁾ (S\$'000)	68	(32,049)	(32,049)
Total capital ⁽⁴⁾ (S\$'000)	1,595	1,595	1,595
Gearing (times) ^{(5) (6)}	0.043	NIL	NIL

Notes:

- (1) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (2) The Conversion Shares are assumed to be issued at S\$0.003 per share.
- (3) Net debt is calculated as borrowings (excluding trade and other payables, due to holding company, due to related companies, current and deferred income tax liabilities and provisions) less cash and cash equivalents. The amount is negative when cash and cash equivalents are more than borrowings.
- (4) Total capital is calculated as total equity plus net debt.
- (5) Gearing is determined based on net debt divided by total capital. Gearing is considered to be NIL when the computation results in a negative amount. This is because the Bonds will be issued in successive sub-tranches of S\$1,000,000, after the preceding sub-tranche is converted into new Shares. The debt owing to the Subscriber as a result of the Bonds will not exceed S\$1,000,000 at any time.
- (6) The financial effect upon redemption of the Bond would be the same as the financial effect upon conversion of the Bond, as there would be no debt outstanding. As the Bonds will be issued in successive tranches of S\$1,000,000, after the preceding sub-tranche is converted into new Shares, the debt owing to the Bondholder as a result of the Bonds will not exceed S\$1,000,000 at any time.

- (b) Assuming that the Bond Issue was completed on 30 June 2015, the effect on the gearing of the Group as at 30 June 2015 will be as follows:

	Before the Bond Issue	After the Bond Issue	
		Actual Floating Conversion Price ⁽¹⁾	Floor Conversion Price ⁽²⁾
Net debt ⁽³⁾ (S\$'000)	61	(32,056)	(32,056)
Total capital ⁽⁴⁾ (S\$'000)	1,090	1,090	1,090
Gearing (times) ^{(5) (6)}	0.056	NIL	NIL

Notes:

- (1) The Conversion Shares are assumed to be issued at S\$0.0148 per share.
- (2) The Conversion Shares are assumed to be issued at S\$0.003 per share.
- (3) Net debt is calculated as borrowings (excluding trade and other payables, due to holding company, due to related companies, current and deferred income tax liabilities and provisions) less cash and cash equivalents. The amount is negative when cash and cash equivalents are more than borrowings.
- (4) Total capital is calculated as total equity plus net debt.

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- (5) Gearing is determined based on net debt divided by total capital. Gearing is considered to be NIL when the computation results in a negative amount. This is because the Bonds will be issued in successive sub-tranches of S\$1,000,000, after the preceding sub-tranche is converted into new Shares. The debt owing to the Subscriber as a result of the Bonds will not exceed S\$1,000,000 at any time.
- (6) The financial effect upon redemption of the Bond would be the same as the financial effect upon conversion of the Bond, as there would be no debt outstanding. As the Bonds will be issued in successive tranches of S\$1,000,000, after the preceding sub-tranche is converted into new Shares, the debt owing to the Bondholder as a result of the Bonds will not exceed S\$1,000,000 at any time.

5. THE PROPOSED ISR PERFORMANCE SHARE PLAN

5.1 Rationale

The Directors are proposing to implement the ISR Performance Share Plan to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. The Directors believe that the ISR Performance Share Plan will provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining local and foreign talent.

The ISR Performance Share Plan allows the Company to target specific performance objectives for each Participant and to provide an incentive for Participants to achieve these performance targets. The Company hopes to inculcate in all Participants a stronger and more lasting sense of identification with the Group by implementing the ISR Performance Share Plan. The ISR Performance Share Plan will also operate to attract, retain and provide incentive to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long-term prosperity.

The objectives of the ISR Performance Share Plan are to:

- (a) foster a culture of ownership within the Group which aligns the interests of the Group Executives with the interests of Shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units and encourage greater dedication and loyalty to the Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

The ISR Performance Share Plan contemplates the award of fully paid Shares when and after:

- (i) pre-determined measurable performance conditions are accomplished within the performance period;
- (ii) due recognition is given to any good work performance; and/or
- (iii) significant contribution is made to the Group.

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5.2 The ISR Performance Share Plan

Awards granted under the ISR Performance Share Plan will principally be performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management, aimed at delivering long-term shareholder value. Examples of performance targets to be set include targets based on criteria such as earnings per Share and return on investment.

Performance targets set are intended to be premised on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets will be stretched targets aimed at sustaining long-term growth. These targets will be tied in with the Board's corporate key performance indicators (e.g. total shareholders' return, return on equity, return on assets/investments/economic value added and human capital value added).

The ISR Performance Share Plan uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve pre-determined targets, which the Company believes will create and enhance economic value for Shareholders. The Company believes that the ISR Performance Share Plan will be an effective tool in motivating senior executives and key senior management to work towards stretched targets.

The ISR Performance Share Plan contemplates the award of fully-paid Shares, when and after pre-determined performance or service conditions are accomplished.

Under the ISR Performance Share Plan, Participants are encouraged to continue serving the Group beyond the deadline for the achievement of the pre-determined performance targets. The length of the vesting period in respect of each Award will be determined by the Committee. The Committee has the discretion to impose a further vesting period after the performance period to encourage the Participants to continue serving the Group.

5.3 Summary of the Rules of the ISR Performance Share Plan

The rules of the ISR Performance Share Plan are set out in Appendix 3 to this Circular. A summary of the rules of the ISR Performance Share Plan are as follows:

5.3.1 Eligibility

Full-time Group Executives (including Group Executive Directors) whose employment have been confirmed and who have attained the age of 21 years as of the relevant date of Award and hold such rank as may be designated by the Committee from time to time are eligible to participate in the ISR Performance Share Plan. Group Non-Executive Directors are also eligible to participate in the ISR Performance Share Plan. The Participant must not be an undischarged bankrupt and must not have entered into a composition with his creditors.

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Persons who are Controlling Shareholders or Associates of a Controlling Shareholder who meet the above eligibility criteria are also eligible to participate in the ISR Performance Share Plan provided that the participation of and the terms of each grant and the actual number of Awards granted under the ISR Performance Share Plan to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person subject to the following:

- (a) the aggregate number of Shares comprised in Awards granted to Controlling Shareholders and their Associates under the ISR Performance Share Plan shall not exceed 25% of the aggregate of the total number of Shares (comprised in Awards) which may be granted under the ISR Performance Share Plan; and
- (b) the number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the ISR Performance Share Plan.

As at the Latest Practicable Date, approximately 9 persons are eligible for the ISR Performance Share Plan and there is no employee or Director who is a Controlling Shareholder of the Company. There is also no Associate of a Controlling Shareholder who is eligible as at the Latest Practicable Date. The participation of and the terms of each grant and the actual number of Awards granted under the ISR Performance Share Plan to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person subject to the limits described above.

5.3.2 Awards

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof free of charge, upon the Participant achieving prescribed performance targets.

Shares which are allotted and issued or transferred to a Participant pursuant to the grant of an Award may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by the Committee in the Award Letter), except to the extent approved by the Committee.

The Committee, in its absolute discretion, may make a release of an Award, wholly or partly, in the form of cash rather than Shares.

5.3.3 Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the ISR Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period.

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5.3.4 *Details of Awards*

The Committee shall decide, in relation to an Award:

- (a) the Participant;
- (b) the date on which the Award is awarded;
- (c) the performance period during which the prescribed performance target(s) are to be satisfied;
- (d) the number of Shares which are the subject of the Award;
- (e) the performance target(s);
- (f) the extent to which the Shares under that Award may be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period; and
- (g) any other condition(s) which the Committee may determine in relation to that Award.

5.3.5 *Timing*

Awards may be granted at any time in the course of a financial year. An Award Letter confirming the Award and specifying, inter alia, in relation to the Award, the date on which the Award is awarded, the number of Shares which are the subject of the Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are satisfied, will be sent to each Participant as soon as reasonably practicable after the making of an Award.

5.3.6 *Events Prior to Vesting*

Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (a) misconduct on the part of a Participant as determined by the Committee in its discretion;
- (b) where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in paragraph (f) below);
- (c) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (d) the bankruptcy of a Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of the Award;

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- (e) the Participant, being a Group Executive, ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (vi) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (f) the death of a Participant;
- (g) any other event approved by the Committee; or
- (h) a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company (other than as provided in paragraph (c) above or for reconstruction or amalgamation).

Upon the occurrence of any of the events specified in paragraphs (a), (b) and (c), an Award then held by a Participant shall, subject as provided in the rules of the ISR Performance Share Plan and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (d), (e), (f) and (g) above, the Committee may, in its absolute discretion, preserve all or any part of any Award or declare that an Award has lapsed, in which case the Participant shall have no claim against the Company. If the Committee preserves all or any part of any Award, it shall decide either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant performance period. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of performance-related Awards, the extent to which the applicable performance conditions have been satisfied.

Upon the occurrence of the event specified in paragraph (h) above, the Committee will consider, at its discretion, whether or not to Vest any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Vest any Award, then in determining

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the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the performance period which has lapsed and the extent to which the applicable performance conditions have been satisfied.

5.3.7 Size and duration of the ISR Performance Share Plan

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the ISR Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding Treasury Shares) of the Company on the day preceding that date.

In addition, the number of Shares available to Controlling Shareholders or Associates of a Controlling Shareholder is subject to the following:

- (a) the aggregate number of Shares comprised in Awards granted to Controlling Shareholders and their Associates under the ISR Performance Share Plan shall not exceed 25% of the aggregate number of Shares (comprised in Awards) which may be granted under the ISR Performance Share Plan; and
- (b) the number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the ISR Performance Share Plan.

The ISR Performance Share Plan shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date the ISR Performance Share Plan is adopted by the Company in general meeting, provided always that the ISR Performance Share Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the ISR Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

5.3.8 Operation of the ISR Performance Share Plan

Subject to prevailing legislation and SGX-ST guidelines, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of an issue of New Shares deemed to be fully paid upon their issuance and allotment and/or by way of the transfer of Treasury Shares (by way of purchase of existing Shares from the market for delivery to Participants pursuant to the Act).

In determining whether to issue New Shares or to purchase existing Shares to satisfy Awards, the Company shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or purchasing existing Shares.

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Additionally, the Company has the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares. In determining whether to release an Award, wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares.

The financial effects of the issue of New Shares and/or the transfer of Treasury Shares to Participants upon vesting of the Awards are set out in Section 5.8 of this Circular.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The Committee has the discretion to determine whether the performance condition has been fully satisfied (whether fully or partially) or exceeded; and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

5.4 Adjustments and Alterations under the ISR Performance Share Plan

5.4.1 Adjustment Events

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet released; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the ISR Performance Share Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment.

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Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable.

5.4.2 Modifications or Alterations to the ISR Performance Share Plan

The rules of the ISR Performance Share Plan may be modified and/or altered from time to time by a resolution of the Committee, subject to the prior approval of the Shareholders and the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in value of all the Shares which would be issued pursuant to the Awards under the ISR Performance Share Plan.

No alteration shall be made to the rules of the ISR Performance Share Plan to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

5.5 Disclosures in Annual Reports

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the ISR Performance Share Plan continues in operation:

- (a) the names of the members of the Committee;
- (b) in respect of the following Participants:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the release of Awards granted under the ISR Performance Share Plan which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the ISR Performance Share Plan; and

Name of Participant	Total number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the ISR Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been issued and/or transferred since commencement of the ISR Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review
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- (c) such other information as may be required by the Listing Manual or the Companies Act.

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5.6 Role and Composition of the Committee

The Committee shall comprise such Directors duly authorised and appointed by the Board to administer the ISR Performance Share Plan, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

5.7 Rationale for Participation by Group Non-Executive Directors

5.7.1 Rationale for participation by Group Non-Executive Directors

While the ISR Performance Share Plan caters principally to Group Executives, it is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group. Such persons include the Group Non-Executive Directors.

Group Non-Executive Directors

Group Non-Executive Directors (including independent Directors) are persons from different professions and working backgrounds, bringing to the Company their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Company shape its business strategy by allowing the Company to draw on the backgrounds and diverse working experience of these individuals. It is crucial for the Company to attract, retain and incentivise the Group Non-Executive Directors and align their interests with that of the Group.

The current Group Non-Executive Directors are Datuk Md Wira Dani Bin Abdul Daim, Mr Kwok Wei Woon, and Dato' Seri Krishna Kumar Sivasubramaniam.

Our Directors are of the view that including the Group Non-Executive Directors in the ISR Performance Share Plan will show the Company's appreciation for, and further motivate them in, their contribution towards the success of the Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of the Group, while it is desired that participation in the ISR Performance Share Plan be made open to the Group Non-Executive Directors of the Company, any Awards that may be granted to any such Group Non-Executive Director would be intended only as a token of the Company's appreciation.

For the purpose of assessing the contributions of the Group Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Group Non-Executive Directors within the Board. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Company is able to procure from the contacts and recommendations of the Group Non-Executive Directors.

The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

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It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to the Group Non-Executive Directors based on the criteria set out above will be relatively small in terms of frequency and numbers. Based on this, the Directors are of the view that the participation by the Group Non-Executive Directors in the ISR Performance Share Plan will not compromise their independent status.

5.8 Financial Effects of the ISR Performance Share Plan

Potential Cost of Awards

FRS 102 relating to share-based payment takes effect for all listed companies beginning 1 January 2005. The Awards if settled by way of issue of New Shares or the purchase of existing Shares would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to profit or loss over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each reporting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in profit or loss with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss will be made. This accounting treatment has been referred to as the “modified grant date method” because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

The amount charged to profit or loss would be the same whether the Company settles the Awards by issuing New Shares or by purchasing existing Shares. The amount of the charge to profit or loss also depends on whether or not the performance target attached to an Award is a “market condition”, that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to amounts charged to profit or loss is made if the market condition is not met. On the other hand, if the performance target is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to profit or loss at each reporting date, based on an assessment at that date of whether non-market conditions would be met to enable the Awards to vest.

In the event the Company modifies the share-based payment award such that it will be settled in cash as opposed to shares, the Company measures the liability initially using the modification date fair value of the equity-settled award based on the elapsed portion of the vesting period. This amount is then recognised as a credit to liability and a debit to equity. The Company then re-measures the liability and does so at each subsequent reporting date and recognises any additional expense from increases in the liability. Until the liability is settled, the Company shall re-measure the fair value of the liability at each reporting date and at the date of settlement, with changes in the fair value recognised in profit or loss for the period.

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The following sets out the financial effects of the ISR Performance Share Plan:

5.8.1 Share capital

The ISR Performance Share Plan will result in an increase in the Company's issued share capital when New Shares are issued to Participants pursuant to the grant of the Awards. This will in turn depend on, *inter alia*, the number of Shares comprised in the Awards to be issued. In any case, the number of New Shares to be issued under the ISR Performance Share Plan will be subject to the maximum limit of 15% of the Company's total issued Shares.

If instead of issuing New Shares to Participants, Treasury Shares are transferred to Participants or the Company pays the equivalent cash value, the ISR Performance Share Plan would have no impact on the Company's total number of issued ordinary shares.

5.8.2 NTA

As described in Section 5.8.3 below, the ISR Performance Share Plan will result in a charge to the Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with FRS 102. When New Shares are issued under the ISR Performance Share Plan, there would be no effect on the NTA. However, if instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants, or the Company pays the equivalent cash value, the NTA would be impacted by the cost of the Shares purchased or the cash payment, respectively.

5.8.3 EPS

The ISR Performance Share Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102.

Although the ISR Performance Share Plan will have a dilutive impact on the Company's consolidated EPS, it should be noted that the delivery of Shares to Participants is contingent upon the Participants meeting prescribed performance targets and conditions.

5.8.4 Dilutive Impact

The ISR Performance Share Plan provides that the aggregate number of Shares to be issued under the said ISR Performance Share Plan will be subject to the limit of 15% of the Company's total issued Shares. Shareholders' shareholding percentages will be diluted accordingly as a result of the issue and allotment of New Shares under the ISR Performance Share Plan.

5.9 Regulatory Approvals

The SGX-ST has given its in-principle approval to the listing of, and quotation for, the New Shares, subject to Shareholders' approval for the ISR Performance Share Plan and the Company's compliance with the SGX-ST's listing requirements and guidelines. The approval of the SGX-ST is not to be taken as an indication of the merits of the ISR Performance Share Plan, the New Shares, the Company and/or its Subsidiaries.

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6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, were as follows:

	Direct Interest	Deemed Interest	Total Interest	%
Directors				
Datuk Md Wira Dani Bin Abdul Daim	32,000,000	–	32,000,000	14.95
Quah Su-Yin	–	–	–	–
Kwok Wei Woon	70,000	–	70,000	0.03
Dato' Seri Krishna Kumar Sivasubramaniam	–	–	–	–
Substantial Shareholders				
Vibrant Coast Management Ltd	58,442,930	–	58,442,930	27.31
Attilan Investment Limited ⁽¹⁾	–	58,442,930	58,442,930	27.31
Attilan Group Limited ⁽²⁾	–	58,442,930	58,442,930	27.31
Asiasons Investment Managers Inc. ⁽³⁾	–	58,442,930	58,442,930	27.31
Datuk Jared Lim Chih Li ⁽⁴⁾	–	58,442,930	58,442,930	27.31
Ng Teck Wah ⁽⁴⁾	–	58,442,930	58,442,930	27.31
Datuk Md Wira Dani Bin Abdul Daim	32,000,000	–	32,000,000	14.95
ECM Libra Investments Limited	20,767,138	–	20,767,138	9.70
ECM Libra Holdings Limited ⁽⁵⁾	–	20,767,138	20,767,138	9.70
ECM Libra Financial Group Berhad ⁽⁶⁾	–	20,767,138	20,767,138	9.70
Lim Kian Onn ⁽⁷⁾	–	20,767,138	20,767,138	9.70
First Continental Investment Ltd. ⁽⁸⁾	–	58,442,930	58,442,930	27.31
Lim Kok Seng ⁽⁹⁾	–	58,442,930	58,442,930	27.31

Notes:

- (1) Attilan Investment Limited (formerly known as Asiasons Investment Limited) is deemed interested in the 58,442,930 Shares held by Vibrant Coast Management Ltd, its wholly owned subsidiary.
- (2) Attilan Group Limited (formerly known as Asiasons Capital Limited) is deemed interested in the 58,442,930 Shares held by Vibrant Coast Management Ltd by virtue of Section 7 of the Companies Act.
- (3) Asiasons Investment Managers Inc. is deemed interested in the 58,442,930 Shares held by Vibrant Coast Management Ltd by virtue of Section 7 of the Companies Act.
- (4) Datuk Jared Lim Chih Li and Ng Teck Wah have interests of 50% and 50% respectively in Asiasons Investment Managers Inc. and are deemed interested in 58,442,930 Shares held by Vibrant Coast Management Ltd by virtue of Section 7 of the Companies Act.
- (5) ECM Libra Holdings Limited is deemed interested in the 20,767,138 Shares held by ECM Libra Investments Limited by virtue of Section 7 of the Companies Act.
- (6) ECM Libra Financial Group Berhad is deemed interested in the 20,767,138 Shares held by ECM Libra Investments Limited by virtue of Section 7 of the Companies Act.
- (7) Lim Kian Onn is deemed interested in the 20,767,138 Shares held by ECM Libra Investments Limited by virtue of Section 7 of the Companies Act.
- (8) First Continental Investment Ltd. is deemed interested in the 58,442,930 Shares held by Vibrant Coast Management Ltd pursuant to the Sale and Purchase agreement entered into with Attilan Group Limited on 30 June 2015 for the acquisition of 58,442,930 Shares in the capital of the Company.
- (9) Lim Kok Seng has 100% interest in First Continental Investment Ltd. and is deemed interested in the 58,442,930 Shares held by Vibrant Coast Management Ltd by virtue of Section 7 of the Companies Act.

LETTER TO SHAREHOLDERS

7. DIRECTORS' RECOMMENDATIONS

7.1 After having considered:

- (a) the terms of the Bond Issue as a whole; and
- (b) the rationale for and the intended use of proceeds from the Bonds,

the Directors are unanimously of the view that the Bond Issue is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Bond Issue.

7.2 The Directors are all eligible to participate in, and are therefore, interested in the ISR Performance Share Plan. Accordingly, the Directors have abstained from making any recommendation as to how Shareholders should vote in respect of all the Ordinary Resolutions in relation to the ISR Performance Share Plan to be proposed at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 on 8 September 2015 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modification the resolution set out in the notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's registered office at 20 Martin Road #10-01 Seng Kee Building Singapore 239070, not less than 48 hours before the time fixed for the EGM. Appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes. A proxy need not be a Shareholder.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless Shares are entered against his name on the Depository Register at least 48 hours before the time fixed for the EGM.

Any Shareholder who is eligible to participate in the ISR Performance Share Plan (such as employees of the Company and its Subsidiaries) must abstain from voting at the EGM in respect of all the Ordinary Resolutions relating to the ISR Performance Share Plan. Such Shareholders should also not accept appointments as proxies for voting at the EGM in respect of the aforesaid Ordinary Resolutions unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast for each of the aforesaid Ordinary Resolutions.

LETTER TO SHAREHOLDERS

10. ABSTENTION FROM VOTING

As all the Directors are entitled to participate in the ISR Performance Share Plan, the Directors shall abstain from voting at the EGM in respect of all the Ordinary Resolutions relating to the ISR Performance Share Plan and shall not accept appointments as proxies for voting at the EGM in respect of the aforesaid Ordinary Resolutions unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast for each of the aforesaid Ordinary Resolutions.

All employees of the Group and any other persons who will benefit or are likely to benefit from the implementation of the ISR Performance Share Plan will abstain from voting at the EGM on all the Ordinary Resolutions relating to the ISR Performance Share Plan and to not accept appointments as proxies for voting at the EGM in respect of the aforesaid Ordinary Resolutions unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast for each of the aforesaid Ordinary Resolutions.

11. 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 and the proposed adoption of the ISR Performance Share Plan, 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 20 Martin Road #10-01 Seng Kee Building Singapore 239070 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association;
- (b) the annual report of the Company for FY2014;
- (c) the Subscription Agreement; and
- (d) a copy of the Rules of the ISR Performance Share Plan as set out in Appendix 3 to this Circular.

Yours faithfully
For and on behalf of the Board of Directors
ISR Capital Limited

Quah Su-Yin
Chief Executive Officer and Executive Director

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the Circular.

“Capital Distribution” means (a) any distribution of assets in specie charged or provided for in the accounts of the Company for any financial period (whenever paid or made and however described) but excluding a distribution of assets in specie in lieu of, and to a value not exceeding, 110% of the cash dividend which would not have constituted a Capital Distribution under (b) below (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 (b) any cash dividend or distribution of any kind charged or provided for in the accounts of the Company for any financial period (whenever paid or made and however described) unless:–

- (aa) *and to the extent that it does not, when taken together with any dividend or distribution in cash or any distribution of assets in specie previously made or paid in respect of any financial period after 31 December 2014, exceed an amount equal to the aggregate of the consolidated cumulative net profits less the aggregate of any consolidated net losses (after taxation but including any net realised gains (less any losses) made on the disposal of investments and extraordinary items) attributable to the members of the Company in respect of financial periods ending after 31 December 2014 as shown in the audited consolidated accounts of the Company, for such periods (PROVIDED THAT consolidated net profits shall exclude any amount arising as a result of any reduction of share capital); or*
- (bb) *(if it would exceed such amount available under (aa)) and to the extent that (1) it would exceed such amount and (2) the rate of that dividend or distribution, together with all other dividends or distributions on the class of capital in question charged or provided for in the accounts of the Company for that period, does not exceed the aggregate rate of dividend or distribution on such class of capital charged or provided for in the accounts of the Company for the immediately preceding financial period. In computing such rates the value of distributions in specie shall be taken into account and such adjustments as are in the opinion of the auditors of the Company appropriate to the circumstances shall be made (including adjustments in the event that the lengths of such financial periods differ); or*
- (cc) *it comprises a purchase or redemption of share capital of the Company, provided, in the case of purchases of Shares by the Company, that the average price (before expenses) on any one day in respect of such purchases does not exceed by more than 5% the current market price per Share either (i) on that day, or (ii) 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; and*

“Stock Split” means any kind of stock split in relation to the Shares, including a bonus share distribution, a stock dividend or a sub-division of Shares.

8.14A The Actual Floating Conversion Price (and consequently the Lowest Floating Conversion Price) and the Floor Conversion Price will be subject to adjustment as follows:-

- (i) If the Company shall (a) make a Stock Split, (b) consolidate its outstanding Shares into a smaller number of shares, or (c) re-classify any of its Shares into other securities of the Company, then the Actual Floating Conversion Price and Floor Conversion Price shall be appropriately adjusted so that the holder of any Bond, the

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 8.14A(i), shall be entitled to receive the number of Shares and/or other securities of the Company which it would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Company has fixed a prior record date for the determination of Shareholders entitled to receive any such Shares or other securities issued upon any such Stock Split, consolidations or re-classification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Actual Floating Conversion Price and Floor Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter. An adjustment made pursuant to this Condition 8.14A(i) shall become effective immediately on the happening of the relevant event or, if a prior record date is fixed therefore, immediately after the record date; PROVIDED THAT in the case of a relevant transaction which must, under applicable Singapore law, be submitted for approval to a general meeting of Shareholders or to a meeting of the board of directors of the Company before being legally effective, and which is so approved after the record date fixed for the determination of Shareholders entitled to receive such Shares or other securities, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

If the Company shall make a Stock Split and the record date therefore is also:

- (a) the record date for the issue of any rights or warrants which requires an adjustment of the Actual Floating Conversion Price and Floor Conversion Price pursuant to Conditions 8.14A(ii) or 8.14A(iii), or
- (b) the date of issue of any securities convertible into or exchangeable for Shares which requires an adjustment of the Actual Floating Conversion Price and Floor Conversion Price pursuant to Condition 8.14A(v), or
- (c) the day immediately before the date of issue of any Shares which requires an adjustment of the Actual Floating Conversion Price and Floor Conversion Price pursuant to Condition 8.14A(vi), or
- (d) the date of issue of any rights or warrants which requires an adjustment of the Actual Floating Conversion Price and Floor Conversion Price pursuant to Condition 8.14A(vii),

then (except where such Stock Split gives rise to a retroactive adjustment of the Actual Floating Conversion Price and Floor Conversion Price under this Condition 8.14A(i)) no adjustment of the Actual Floating Conversion Price and Floor Conversion Price in respect of such Stock Split shall be made under this Condition 8.14A(i), but in lieu thereof an adjustment shall be made under Conditions 8.14A(ii),(iii),(v),(vi),(vii) or (viii), as the case may be, by including in item “NS” (in the case of Condition 8.14A(viii), “NS1”, “NS2” and “NS3”) of the formula described therein the aggregate number of additional Shares to be delivered pursuant to such Stock Split.

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the Stock Split, consolidation of Shares, or re-classification of Shares not taken place.

- (ii) If the Company shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase Shares:
- (a) at a consideration per Share receivable by the Company (determined as provided in Condition 8.15) which is fixed on or prior to the record date mentioned below and is less than 95% of the current market price per Share on such record date; or
 - (b) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than 95% of the current market price per Share on the date in Singapore the Company fixes the said consideration,

then the Actual Floating Conversion Price and Floor Conversion Price in effect (in a case within (a) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (b) above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:–

$$\text{NFPC} = \text{OFPC} \times \frac{\text{OS} + v}{\text{OS} + \text{NS}}$$

where:–

“NFPC” = the Actual Floating Conversion Price or Floor Conversion Price (as the case may be) after such adjustment.

“OFPC” = the Actual Floating Conversion Price or Floor Conversion Price (as the case may be) before such adjustment.

“OS” = the number of Shares outstanding (having regard to Condition 8.16) at the close of business in Singapore (in a case within (a) above) on such record date or (in a case within (b) above) on the date the Company fixes the said consideration.

“NS” = the number of Shares to be issued on exercise of such rights or warrants at the initial subscription or purchase price.

“v” = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 8.15) would purchase at such current market price per Share specified in (a) or, as the case may be, (b) above.

Such adjustment shall become effective (in a case within (a) above) immediately after the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (b) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the record date for the said determination.

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Shares, any such rights or warrants and/or Shares which are not subscribed for or purchased by the persons entitled thereto are offered to and/or subscribed for by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Actual Floating Conversion Price or Floor Conversion Price by reason of such offer and/or subscription.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the rights or warrants issue not taken place.

For example, if the pre-adjustment price (OFCP) is \$0.020 and the conversion price for the rights shares or warrants is \$0.015, and the number of shares to be issued on exercise (NS) is 100 million,

$$\begin{aligned} \text{NFCP} &= \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000}{214,000,100 + 100,000,000} \\ &= \text{S\$}0.018 \end{aligned}$$

(iii) If the Company shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares:–

(a) at a consideration per Share receivable by the Company (determined as provided in Condition 8.15) which is fixed on or prior to the record date mentioned below and is less than 95% of the current market price per Share on such record date; or

(b) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than 95% of the current market price per Share on the date in Singapore the Company fixes the said consideration,

then the Actual Floating Conversion Price and Floor Conversion Price in effect (in a case within (a) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (b) above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NFCP} = \text{OFCP} \times \frac{\text{OS} + v}{\text{OS} + \text{NS}}$$

where:–

“NFCP” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“OS” = the number of Shares outstanding (having regard to Condition 8.16) at the close of business in Singapore (in a case within (a) above) on such record date or (in a case within (b) above) on the date the Company fixes the said consideration.

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

“NS” = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial subscription or purchase, and conversion or exchange, price or rate following exercise of such rights or warrants.

“v” = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 8.15) would purchase at such current market price per Share specified in (a), or, as the case may be, (b) above.

Such adjustment shall become effective (in a case within (a) above) immediately after the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (b) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the record date for the said determination.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares, any such securities convertible into or exchangeable for Shares which are not subscribed for or purchased by the persons entitled thereto are offered to and/or subscribed for by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Actual Floating Conversion Price or Floor Conversion Price by reason of such offer and/or subscription.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the issue of rights or warrants entitling holders of Shares to subscribe for or purchase any securities convertible into or exchangeable for Shares not taken place.

For example, if the pre-adjustment price (OFCP) is \$0.020 and the conversion price for the rights shares or warrants is \$0.015, and the number of shares to be issued on exercise (NS) is 100 million,

$$\begin{aligned} \text{NFCP} &= \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000}{214,000,100 + 100,000,000} \\ &= \text{S\$}0.018 \end{aligned}$$

- (iv) If the Company shall distribute to the holders of Shares evidences of its indebtedness, ordinary shares of the Company (other than Conversion Shares), assets (excluding annual dividends or interim dividends) or rights or warrants to subscribe for or purchase securities (other than those rights and warrants referred to in Conditions 8.14A(ii) and 8.14A(iii)), then the Actual Floating Conversion Price and Floor Conversion Price in effect on the record date for the determination of Shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:–

$$\text{NFCP} = \text{OFCP} \times \frac{\text{CMP} - \text{fmv}}{\text{CMP}}$$

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

where:–

“NFCP” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“CMP” = the current market price per Share on the record date for the determination of Shareholders entitled to receive such distribution.

“fmv” = the fair market value (as determined by the Company or, if pursuant to applicable Singapore law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court, and in any case described in a statement delivered by the Company to the Bondholders) of the portion of the evidences of indebtedness, shares, assets, rights or warrants so distributed applicable to one Share.

In making a determination of the fair market value of any such rights or warrants, the Company shall consult a major independent international merchant bank or investment adviser in Singapore (who shall act as an expert) selected by the board of directors of the Company and shall take fully into account the advice received from such bank or adviser. Such adjustment shall become effective immediately after the record date for the determination of Shareholders entitled to receive such distribution, provided, however, that (a) if such distribution must, under applicable Singapore law, be approved by a general meeting of Shareholders or a meeting of the board of directors of the Company before being legally made, and if such distribution is so approved after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the fair market value of the evidences of indebtedness, shares, assets, rights or warrants so distributed cannot be determined until after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such record date.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the change in the share capital of the Company not taken place.

For example, if the pre-adjustment price (and the current market price) is \$0.020, and the fair market value of the portion of the indebtedness is \$0.005 per share,

$$\begin{aligned} \text{NFCP} &= \text{S\$}0.020 \times \frac{0.020 - 0.005}{0.02} \\ &= \text{S\$}0.015 \end{aligned}$$

- (v) If the Company shall issue any securities convertible into or exchangeable for Shares (other than the Bonds or in any of the circumstances described in Condition 8.14A(iii) and Condition 8.14A(vii)) or where such securities are issued to the vendors of assets being acquired for full value by the Company and the consideration per Share receivable by the Company (determined as provided in Condition 8.15) shall be less than 95% of the current market price per Share on the

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

date in Singapore on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting), then the Actual Floating Conversion Price and Floor Conversion Price in effect on the date of the issue of such convertible or exchangeable securities shall be adjusted in accordance with the following formula:

$$\text{NFCP} = \text{OFCP} \times \frac{\text{OS} + v}{\text{OS} + \text{NS}}$$

where:–

“NFCP” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“OS” = the number of Shares outstanding (having regard to Condition 8.16) at the close of business in Singapore on the date of such issue.

“NS” = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate.

“v” = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 8.15) would purchase at such current market price per Share.

Such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the place of issue upon which such convertible or exchangeable securities shall be issued.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the issue of securities convertible into or exchangeable for Shares not taken place.

For example, if the pre-adjustment price (OFCP) is \$0.020 and the conversion price for the securities convertible into or exchangeable for Shares is \$0.015, and the number of shares to be issued on exercise (NS) is 100 million,

$$\text{NFCP} = \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000}{214,000,100 + 100,000,000}$$

$$= \text{S\$}0.018$$

- (vi) If the Company shall issue any Shares (other than Shares issued to shareholders of any corporation which merges into the Company upon such merger in proportion to their shareholding in such corporation immediately prior to such merger and other than Shares issued on exercise of the conversion rights attaching to the Bonds or pursuant to a scrip dividend or pursuant to an exercise of any rights attached to securities the issue of which had given rise to an adjustment under sub-paragraph (v) of this Condition or did not require any adjustment pursuant to these Conditions) and the consideration per Share receivable by the Company (determined as

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

provided in Condition 8.15) shall be less than 95% of the current market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting), then the Actual Floating Conversion Price and Floor Conversion Price in effect on the date of the issue of such additional Shares shall be adjusted in accordance with the following formula:

$$\text{NFCP} = \text{OFCP} \times \frac{\text{OS} + v}{\text{OS} + \text{NS}}$$

where:–

“NFCP” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“OS” = the number of Shares outstanding (having regard to Condition 8.16) at the close of business in Singapore on the day immediately prior to the date of issue of such additional Shares.

“NS” = the number of additional Shares being issued as aforesaid.

“v” = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 8.15) would purchase at such current market price per Share.

Such adjustment shall become effective as of the date in Singapore on which the Company issues such additional Shares.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the issue of Shares not taken place.

For example, if the pre-adjustment price (OFCP) is \$0.020 and the Shares are issued at \$0.015, and the number of shares to be issued on exercise (NS) is 100 million,

$$\begin{aligned} \text{NFCP} &= \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000}{214,000,100 + 100,000,000} \\ &= \text{S\$}0.018 \end{aligned}$$

- (vii) If the Company shall issue any rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares (other than the Bonds and any rights or warrants granted, issued or offered to the holders of Shares or pursuant to the terms of any securities) and the consideration per Share receivable by the Company (determined as provided in Condition 8.15) shall be less than 95% of the current market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such rights or warrants is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

to be recommended at such meeting), then the Actual Floating Conversion Price and Floor Conversion Price in effect on the date of the issue of such rights or warrants shall be adjusted in accordance with the following formula:

$$\text{NFCP} = \text{OFCP} \times \frac{\text{OS} + v}{\text{OS} + \text{NS}}$$

where:–

“NFCP” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“OS” = the number of Shares outstanding (having regard to Condition 8.16) at the close of business in Singapore on the date of such issue.

“NS” = the number of Shares to be issued on exercise of such rights or warrants at the initial subscription or purchase price, or upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate following exercise of such rights or warrants.

“v” = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 8.15) would purchase at such current market price per Share on the date in Singapore on which the Company fixes such consideration (or the date on which the board of directors of the Company fixes the consideration, as appropriate).

Such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the place of issue upon which such rights or warrants shall be issued.

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the issue of rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares not taken place.

For example, if the pre-adjustment price (OFCP) is \$0.020 and the conversion price for the rights shares or warrants is \$0.015, and the number of shares to be issued on exercise (NS) is 100 million,

$$\begin{aligned} \text{NFCP} &= \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000}{214,000,100 + 100,000,000} \\ &= \text{S\$}0.018 \end{aligned}$$

- (viii) If the Company shall issue securities of a type falling within Conditions 8.14A(v), (vi) or (vii) above which otherwise require an adjustment to the Actual Floating Conversion Price and Floor Conversion Price pursuant thereto and the date of issue of such securities, in the case of Condition 8.14A(v) or (vii), or the day immediately prior to such date of issue, in the case of Condition 8.14A(vi), (in each case, the “**relevant date**”) is also the relevant date in respect of securities of another type or types (including a different tranche or issue of a same type) falling within Conditions 8.14A(v), (vi) and/or (vii) which otherwise require an adjustment to the Actual

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

Floating Conversion Price and Floor Conversion Price pursuant thereto (all such securities being hereafter referred to as “**Securities**”), then any adjustment of the Actual Floating Conversion Price and Floor Conversion Price shall not be made separately under each such sub-paragraph but in one calculation in accordance with the following formula:–

$$\text{NFPC} = \text{OFCP} \times \frac{\text{OS} + v1 + v2 + v3}{\text{OS} + \text{NS1} + \text{NS2} + \text{NS3}}$$

where:–

“NFPC” and “OFCP” have the meanings ascribed thereto in Condition 8.14A(ii).

“OS” = the number of Shares outstanding (having regards to Condition 8.16) at the close of business in Singapore on the relevant date.

“NS1” = the number of Shares to be issued upon conversion or exchange of any convertible or exchangeable securities (included within the Securities) at the initial conversion or exchange price or rate.

“NS2” = the number of any additional Shares (included within the Securities) being issued.

“NS3” = the number of Shares to be issued on exercise of any rights or warrants (included within the Securities) at the initial subscription or purchase price, or upon conversion or exchange of any convertible or exchangeable securities at the initial conversion or exchange price or rate following exercise of such rights or warrants.

“v1” = the number of Shares which the aggregate consideration receivable by the Company for such convertible or exchangeable securities (determined as provided in Condition 8.15) would purchase at the current market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the Board of the Directors of the Company fixes the consideration to be recommended at such meeting).

“v2” = the number of Shares which the aggregate consideration receivable by the Company for the issue of such additional Shares (determined as provided in Condition 8.15) would purchase at the current market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting).

“v3” = the number of Shares which the aggregate consideration receivable by the Company for the issue of the total number of Shares to be issued on exercise of such rights or warrants and (if applicable) upon conversion or exchange of such convertible or exchangeable securities (determined as provided in Condition 8.15) would purchase at the current market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such rights or

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

warrants is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting).

Any such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the relevant place of issue which is the relevant date.

For the avoidance of doubt, this Condition 8.14A(viii) does not supersede the provisions of Conditions 8.14A(v), (vi) and (vii).

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the issue of securities not taken place.

For example, if v1, v2 and v3 are 75 million shares each, and NS1, NS2 and NS3 are 100 million shares each,

$$\begin{aligned} \text{NFPC} &= \text{S\$}0.020 \times \frac{214,000,100 + 75,000,000 + 75,000,000 + 75,000,000}{214,000,000 + 100,000,000 + 100,000,000 + 100,000,000} \\ &= \text{S\$}0.017 \end{aligned}$$

- (ix) If the Company makes a Capital Distribution which does not fall within paragraphs (i) to (viii) above, the Actual Floating Conversion Price and Floor Conversion Price shall be adjusted by multiplying the Actual Floating Conversion Price and Floor Conversion Price (as the case may be) in force immediately before such Capital Distribution by the following formula:

$$\frac{X - Y}{X}$$

where:

“X” is the current market price per Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

“Y” is the fair market value on the date of such announcement, as determined in good faith by a major independent international merchant bank or investment adviser selected by the Company, and acting as an expert, of the portion of the Capital Distribution attributable to one Share.

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

The logic and rationale behind the anti-dilution adjustment set out above is to put the holders of the Bonds in the position that they would have been, had the Capital Distribution not taken place.

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

For example, if X is \$0.020, and Y is \$0.005,

$$\frac{X - Y}{X} = \frac{0.020 - 0.005}{0.020} = 0.750$$

8.14B In the event that any of the events contemplated by Condition 8.14A arise and the adjustment results in the increase in the monetary quantum of the Floor Conversion Price, such increased price will be divided by two to give the final adjusted Floor Conversion Price. This is to take into account the risk of the decrease in share price post-consolidation (based on historical share consolidation exercises). The Company is currently considering various options to comply with the minimum trading price requirement of S\$0.20 per share as a continuing listing requirement for issuers on the main board of the SGX-ST, not just a potential share consolidation. If the Company undertakes a share consolidation, the Floor Conversion Price will be adjusted in accordance with Condition 8.14B.

8.15 For the purposes of any calculation of the consideration receivable pursuant to Conditions 8.14A(ii), (iii), (v), (vi), (vii) and (viii) above, the following provisions shall be applicable:

- (i) in the case of the issue of Shares for cash, the consideration shall be the amount of such cash, PROVIDED THAT in no case shall any deduction be made for any commissions or any expenses paid or incurred by or on behalf of the Company for any underwriting of the issue or otherwise in connection therewith;
- (ii) in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the board of directors of the Company (and in making such determination the board of directors of the Company shall consult a major independent international merchant bank or investment adviser in Singapore selected by the board of directors of the Company and approved by the Bondholders holding more than half of the outstanding principal amount of Bonds (such approval not to be unreasonably withheld or delayed) and shall take fully into account the advice received from such bank or adviser) or, if pursuant to applicable Singapore law 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) (a) in the case of the issue of securities convertible into or exchangeable for Shares, the aggregate consideration to be determined in accordance with (i) and (ii) above receivable by the Company shall be deemed to be the consideration to be determined in accordance with (i) and (ii) above for any such securities plus the additional consideration to be determined in accordance with (i) and (ii) above (if any) to be received by the Company upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate; and
(b) in the case of the issue of rights or warrants to subscribe for securities convertible into or exchangeable for Shares, the aggregate consideration receivable by the Company shall be the consideration to be determined in accordance with (i) and (ii) above (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise thereof at the initial subscription or

APPENDIX 1: ANTI-DILUTION ADJUSTMENT CONDITIONS

purchase price and (if applicable) upon the following conversion or exchange of such securities at the initial conversion or exchange price or rate. The consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate (if applicable) following the exercise of such rights or warrants;

- (iv) in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in sub-paragraphs (i) and (ii) above), and the consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such exercise at the initial subscription or purchase price; and
 - (v) if any consideration referred to in the foregoing provisions of this Condition 8.15 is receivable in a currency other than Singapore dollars, such consideration shall, in any case where there is a fixed rate of exchange between Singapore dollars and the relevant currency provided for the purposes of the issue of such Shares or the conversion or exchange of such securities or the exercise of such rights or warrants, be translated into Singapore dollars for the purposes of this Condition 8.15 at such fixed rate of exchange and shall, in all other cases, be so translated at the mean of the exchange rate quotations (being quotations for the cross rate through United States dollars if no direct rate is quoted) by a major independent international merchant bank in Singapore for buying and selling spot units of the relevant currency by telegraphic transfer against Singapore dollars on the date as at which such consideration is required to be calculated.
- 8.16 If, at the time of computing an adjustment (the “**later adjustment**”) of the Actual Floating Conversion Price and Floor Conversion Price pursuant to any of Condition 8.14A(ii) to Condition 8.14A(viii) (inclusive), the Actual Floating Conversion Price and Floor Conversion Price already incorporates an adjustment to reflect the issue of such Shares, rights or warrants to subscribe for or purchase such Shares or other securities convertible into or exchangeable for such Shares, but such Shares are not outstanding at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such Shares shall be deemed to be outstanding for the purposes of making such computation to the extent that the number of the Shares so deemed to be outstanding exceeds the actual number of Shares in issue as a result thereof at the time of making such computation.

APPENDIX 2: EXERCISE SCHEDULE

The Bonds will be issued in successive tranches from Tranche 1 to Tranche 7. Each tranche will be issued in five (5) successive sub-tranches.

Tranche 1

Tranche 1	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	Within 14 business days after all the conditions precedents under the Subscription Agreement are fulfilled.	Subscriber
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

Tranche 2

Tranche 2	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	The <u>Subscriber</u> shall exercise its option to <u>subscribe</u> for Tranche 2 within 5 business days after Tranche 1 is fully converted. The first sub-tranche of Tranche 2 shall be issued within 10 business days from the date the Subscriber exercises its option to subscribe for the Tranche 2.	Subscriber
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

APPENDIX 2: EXERCISE SCHEDULE

Tranche 3

Tranche 3	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	<p>The Company shall exercise its option to require the Subscriber to subscribe for Tranche 3 within 5 business days after Tranche 2 is fully converted.</p> <p>The first sub-tranche of Tranche 3 shall be issued within 10 business days from the date the Company exercises its option to require the Subscriber to subscribe for the Tranche 3.</p>	<p>Company</p> <p>Subscriber</p>
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

Tranche 4

Tranche 4	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	<p>The Company shall exercise its option to require the Subscriber to subscribe for Tranche 4 within 5 business days after Tranche 3 is fully converted.</p> <p>The first sub-tranche of Tranche 4 shall be issued within 10 business days from the date the Company exercises its option to require the Subscriber to subscribe for the Tranche 4.</p>	<p>Company</p> <p>Subscriber</p>
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

APPENDIX 2: EXERCISE SCHEDULE

Tranche 5

Tranche 5	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	The Company shall exercise its option to require the Subscriber to subscribe for Tranche 5 within 5 business days after Tranche 4 is fully converted.	Company
	The first sub-tranche of Tranche 5 shall be issued within 10 business days from the date the Company exercises its option to require the Subscriber to subscribe for the Tranche 5.	Subscriber
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

Tranche 6

Tranche 6	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	The Company shall exercise its option to require the Subscriber to subscribe for Tranche 6 within 5 business days after Tranche 5 fully converted.	Company
	The first sub-tranche of Tranche 6 shall be issued within 10 business days from the date the Company exercises its option to require the Subscriber to subscribe for the Tranche 6.	Subscriber
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the fourth sub-tranche is fully converted into Conversion Shares.	Subscriber

APPENDIX 2: EXERCISE SCHEDULE

Tranche 7

Tranche 7	Issue Date of Bonds	Party with the option to subscribe for the Bonds
First sub-tranche	<p>The Company shall exercise its option to require the Subscriber to subscribe for Tranche 7 within 5 business days from the conversion of the fifth sub-tranche of Tranche 7.</p> <p>The first sub-tranche of Tranche 7 shall be issued within 10 business days from the date the Company exercises its option to require the Subscriber to subscribe for the Tranche 6.</p>	<p>Company</p> <p>Subscriber</p>
Second sub-tranche	Within 10 business days after the first sub-tranche is fully converted into Conversion Shares.	Subscriber
Third sub-tranche	Within 10 business days after the second sub-tranche is fully converted into Conversion Shares.	Subscriber
Fourth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber
Fifth sub-tranche	Within 10 business days after the third sub-tranche is fully converted into Conversion Shares.	Subscriber

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

The ISR Performance Share Plan shall be called the “**ISR Performance Share Plan**”.

2. DEFINITIONS

2.1 In the ISR Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Adoption Date ”	The date on which the ISR Performance Share Plan is adopted by resolution of the Shareholders of the Company.
“ Auditors ”	The auditors of the Company for the time being.
“ Award ”	A contingent award of Shares granted under Rule 5.
“ Award Date ”	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“ Award Letter ”	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“ Board ”	The Board of Directors of the Company for the time being.
“ CDP ”	The Central Depository (Pte) Limited.
“ Committee ”	The committee comprising Directors of the Company duly authorised and appointed by the Board of Directors pursuant to Rule 10 to administer the ISR Performance Share Plan.
“ Companies Act ”	The Companies Act (Chapter 50) of Singapore, as amended or modified or supplemented from time to time.
“ Company ”	ISR Capital Limited
“ Control ”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“ Controlling Shareholder ”	A person who holds directly or indirectly 15% of the total number of issued Shares (excluding treasury shares) in the Company; or in fact exercises Control over the Company.
“ Depositor ”	A person being a Depository Agent or holder of a securities account maintained with CDP but not including a holder of a sub-account maintained with a Depository Agent.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

“Group”	The Company and its subsidiaries, collectively and “Group Company” means a company within the Group.
“Group Executive”	Any employee of the Group (including any Group Executive Director and Group Non-Executive Director who meets the relevant age and rank criteria and who shall be regarded as a Group Executive for the purposes of the ISR Performance Share Plan) selected by the Committee to participate in the ISR Performance Share Plan in accordance with Rule 4.1 of the ISR Performance Share Plan.
“Group Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Group Non-Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who is not a Group Executive Director, including independent directors.
“ISR Performance Share Plan”	The ISR Performance Share Plan, as the same may be modified or altered from time to time.
“Market Value”	<p>In relation to a Share, on any day:</p> <ul style="list-style-type: none">(a) the average price of a Share on the SGX-ST over the five (5) immediately preceding Trading Days; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
“Participant”	Any eligible person selected by the Committee to participate in the ISR Performance Share Plan in accordance with the rules hereof.
“Performance Condition”	In relation to an Award, a condition prescribed by the Committee to be fulfilled by the Participant during the Performance Period.
“Performance Period”	In relation to an Award, a period, the duration of which may be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

“Release”	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 of the ISR Performance Share Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7 of the ISR Performance Share Plan, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly.
“Release Schedule”	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
“Released Award”	An Award which has been released in accordance with Rule 7 of the ISR Performance Share Plan.
“Retention Period”	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.
“Rules”	The rules of the ISR Performance Share Plan and “Rule” means any of the Rules
“SGX-ST”	The Singapore Exchange Securities Trading Ltd.
“SGX-ST Listing Manual” or “Listing Manual”	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Shares”	Ordinary shares in the capital of the Company.
“Shareholders”	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts.
“Subsidiary” or “Subsidiaries”	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act.
“Trading Day”	A day on which the Shares are traded on the SGX-ST.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

- “Vest”** The absolute entitlement to all or some of the Shares which are the subject of an Award and **“Vesting”** and **“Vested”** shall be construed accordingly.
- “Vesting Date”** The date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7 of the ISR Performance Share Plan.
- “%”** Percentage or per centum.
- 2.2 For purposes of the ISR Performance Share Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.4 Any reference to a time of a day in the ISR Performance Share Plan is a reference to Singapore time.
- 2.5 Any reference in the ISR Performance Share Plan 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 not otherwise defined in the ISR Performance Share Plan and used in the ISR Performance Share Plan shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.
- 2.6 The term **“Associate”** shall have the meaning ascribed to it by the SGX-ST Listing Manual as set out below:
- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
 - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- 2.7 The terms “Depository Register” and “Depository Agent” shall have the same meanings ascribed to them by Section 130A of the Companies Act.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

3. OBJECTIVES OF THE ISR PERFORMANCE SHARE PLAN

- 3.1 The ISR Performance Share Plan has been proposed in order to:
- (a) foster an ownership culture within the Group which aligns the interests of the Group Executives with the interests of Shareholders;
 - (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units and encourage greater dedication and loyalty to the Group; and
 - (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group.
- 3.2 The ISR Performance Share Plan contemplates the award of fully paid Shares when and after:
- (iv) pre-determined measurable Performance Conditions are accomplished within the Performance Period;
 - (v) due recognition is given to any good work performance; and/or
 - (vi) significant contribution is made to the Group.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1 The following persons shall be eligible to participate in the ISR Performance Share Plan at the absolute discretion of the Committee:

(a) Group Executives

Full-time employees of the Group whose employment have been confirmed, Group Executive Directors and Group Non-Executive Directors who have attained the age of 21 years as of the Award Date and hold such rank as may be designated by the Committee from time to time. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

(b) Controlling Shareholders and Associates of Controlling Shareholders

Subject to Rule 4.2, persons who are qualified under 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

- 4.2 Employees who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(a) above) not participate in the ISR Performance Share Plan unless:

- (a) their participation; and
- (b) the terms of each grant and the actual number of Awards to be granted to them, have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of the Company for the participation in the ISR Performance Share Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant. For the purposes of obtaining such approval from the independent Shareholders, the Company shall procure that the circular, letter or notice to the Shareholder in connection therewith shall set out the following:

- (A) clear justifications for the participation of such Controlling Shareholders or Associates of Controlling Shareholders; and
- (B) clear rationale for the terms of the Awards to be granted to such Controlling Shareholders or Associates of Controlling Shareholders.

4.3 Save as prescribed by the Listing Manual, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive, whether or not implemented by any other companies within the Group.

4.4 Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the ISR Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1 Except as provided in Rule 8, the Committee may grant Awards to Group Executives, as the Committee may select, in its absolute discretion, at any time during the period when the ISR Performance Share Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the ISR Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the Performance Condition may be achieved within the Performance Period, provided that in relation to Controlling Shareholders and their Associates:

- (a) the aggregate number of Shares which may be offered by way of grant of Awards to Controlling Shareholders and their Associates under this ISR Performance Share Plan shall not exceed 25% of the total number of Shares available under this ISR Performance Share Plan, and such aggregate number of Shares which may be offered to such Participants under this ISR Performance Share Plan has been approved by the independent shareholders of the Company in a separate resolution. For the purposes of obtaining such approval of the independent shareholder of the Company, the Committee shall procure that the circular, letter or notice to the shareholder in connection therewith shall set out clear rationale for the participation of and grant of Awards to Participants who are Associates of Controlling Shareholders, provided always that it shall not be necessary to obtain the approval of the independent

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

shareholder of the Company for the participation in this ISR Performance Share Plan of Associates of Controlling Shareholders who at the relevant time were already Participants; and

- (b) the number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under this ISR Performance Share Plan.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition(s) which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if (i) Shareholders of the Company or (ii) under the Companies Act, the court, sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a ISR Performance Share Plan for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

- (e) the Release Schedule; and
- (f) any other condition which the Committee may determine in relation to that Award

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 Notwithstanding that a Participant may have fulfilled all Performance Conditions, to the extent not yet Released, an Award shall immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever;
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed or engaged as of the date the notice of termination of employment or engagement is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant being a Group Executive ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

- (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award or declare that an Award has lapsed, in which case the Participant shall have no claim against the Company. If the Committee preserves all or any part of any Award, it shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the ISR Performance Share Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a ISR Performance Share Plan for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Companies Act; or
- (c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Vest any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Vest any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has lapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Vested, the Committee will, as soon as practicable after the Awards have been Vested, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Released to a Participant on the release date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date (the “**Release Date**”), the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where new Shares are allotted upon the Release of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST and any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of such Shares.

7.2 Release of Award

On Vesting of the Award, after the end of each Performance Period, the Committee has the discretion to determine whether to issue new Shares or to procure the transfer of existing Shares, or a combination of both methods to the Participant. Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

In determining whether to issue new Shares or to purchase existing Shares to satisfy Awards, the Company shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

7.3 Ranking of Shares

New Shares issued and allotted, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Articles and the Memorandum of Association of the Company (including provisions relating to the liquidation of the Company); and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

“**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Release Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Release Date.

In determining whether to release an Award, wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares.

7.5 Moratorium

Shares which are issued and allotted or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATIONS ON THE SIZE OF THE ISR PERFORMANCE SHARE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the ISR Performance Share Plan on any date, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted under the ISR Performance Share Plan; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted

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under any other share incentive or share plans adopted by the Company for the time being in force, shall not exceed 15% of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

- 8.2 In addition, the number of Shares available to Controlling Shareholders or Associates of a Controlling Shareholder under this ISR Performance Share Plan is subject to the limits stated in Rule 5.2 above.
- 8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the ISR Performance Share Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution) shall take place, then:

- (a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Released; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the ISR Performance Share Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment. If an adjustment is made, the adjustment must be made in such a way that a participant will not receive a benefit that a shareholder does not receive.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Release of an Award. Any adjustment shall take effect upon such written notification being given.

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10. ADMINISTRATION OF THE ISR PERFORMANCE SHARE PLAN

- 10.1 The ISR Performance Share Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the ISR Performance Share Plan) for the implementation and administration of the ISR Performance Share Plan, to give effect to the provisions of the ISR Performance Share Plan and/or to enhance the benefit of the Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the ISR Performance Share Plan and any dispute and uncertainty as to the interpretation of the ISR Performance Share Plan, any rule, regulation or procedure thereunder or any rights under the ISR Performance Share Plan shall be determined by the Committee.
- 10.3 Neither the ISR Performance Share Plan nor the grant of Awards under the ISR Performance Share Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the ISR Performance Share Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the ISR Performance Share Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the ISR Performance Share Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the ISR Performance Share Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the ISR Performance Share Plan or any rule, regulation or procedure hereunder or as to any rights under the ISR Performance Share Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE ISR PERFORMANCE SHARE PLAN

12.1 Any or all the provisions of the ISR Performance Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) the definitions of “Group Executive”, “Group Executive Director”, “Group Non-Executive Director”, “Participant”, “Performance Period” and “Release Schedule” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the ISR Performance Share Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the ISR Performance Share Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the ISR Performance Share Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the ISR Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

14. DURATION OF THE ISR PERFORMANCE SHARE PLAN

- 14.1 The ISR Performance Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the ISR Performance Share Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The ISR Performance Share Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the ISR Performance Share Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the ISR Performance Share Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the ISR Performance Share Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE ISR PERFORMANCE SHARE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the ISR Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the ISR Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award, shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c).

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the ISR Performance Share Plan continues in operation:

- (a) the names of the members of the Committee administering the ISR Performance Share Plan;

APPENDIX 3: ISR PERFORMANCE SHARE PLAN

- (b) in respect of the following Participants:
- (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the ISR Performance Share Plan which, in aggregate, represent 5.0% or more of the aggregate number of new Shares available under the ISR Performance Share Plan; and

Name of Participant	Total number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the ISR Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been issued and/or transferred since commencement of the ISR Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review
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- (c) such other information as may be required by the Listing Manual or the Companies Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. GOVERNING LAW

The ISR Performance Share Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the ISR Performance Share Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B)

No person other than the Company or a Participant shall have any right to enforce any provision of the ISR Performance Share Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.

22. ELIGIBLE SHAREHOLDERS

Shareholders who are eligible to participate in the ISR Performance Share Plan must abstain from voting on any resolution relating to the ISR Performance Share Plan (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its subsidiaries).

NOTICE OF EXTRAORDINARY GENERAL MEETING

ISR CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200104762G)

Unless otherwise defined or the context otherwise requires, all capitalized terms herein shall bear the meanings given in the circular dated 24 August 2015 issued by the Company (the “Circular”)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ISR Capital Limited (the “Company”) will be held on 8 September 2015 at 2.00 p.m. at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 for the purpose of considering and, if thought fit, passing with or without any modifications the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED BOND ISSUE

That:

- (a) approval be and is hereby given for the Company to allot and issue up to S\$35,000,000 in aggregate principal amount of convertible redeemable bonds due 2018 comprising seven tranches of a principal amount of S\$5,000,000 each to Premier Equity Fund;
- (b) approval be and is hereby given for the Company to allot and issue such number of Conversion Shares as may be required or permitted to be allotted or issued on the conversion of the Bonds, to the Bondholders on the conversion thereof, subject to the terms and conditions of the Bonds, whereby such Conversion Shares (i) shall rank *pari passu* in all respects with the then existing shares of the Company except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the relevant conversion date of the Bonds, and (ii) shall be admitted to listing on the Main Board of the SGX-ST;
- (c) approval be and is hereby given for the Company to allot and issue, on the same basis as paragraph (b) above, such further Conversion Shares as may be required to be allotted or issued on the conversion of the Bonds upon the adjustment of the Conversion Price in accordance with the terms and conditions of the Bonds;
- (d) approval be and is hereby given for the potential transfer of a controlling interest in the Company to Premier Equity Fund arising from the allotment and issuance of the Conversion Shares (upon the conversion of the Bonds) to Premier Equity Fund pursuant to Rule 803 of the Listing Manual; and
- (e) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraphs of this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED ADOPTION OF THE ISR PERFORMANCE SHARE PLAN

That:

- (a) a new scheme to be known as the “ISR Performance Share Plan” (the “**ISR Performance Share Plan**”), the details and rules whereof are set out in the Circular, under which awards (the “**Awards**”) of fully-paid Shares, their equivalent cash value or combinations thereof will

NOTICE OF EXTRAORDINARY GENERAL MEETING

be granted, free of payment, to selected employees of the Company and its subsidiaries (the “**Group**”), including Directors of the Company, Controlling Shareholders of the Company (the “**Controlling Shareholders**”) and their associates who are eligible to participate, and other selected participants, particulars of which are set out in the Company’s Circular to its shareholders dated 24 August 2015, be and is hereby approved and adopted;

- (b) the Directors of the Company be and are hereby authorised:
- (i) to establish and administer the ISR Performance Share Plan;
 - (ii) to modify and/or amend the ISR Performance Share Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the ISR Performance Share Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ISR Performance Share Plan; and
 - (iii) subject to the same being allowed by law, to apply any Shares purchased under any share purchase mandate or Shares held in treasury by the Company, towards the satisfaction of Awards granted under the ISR Performance Share Plan; and
- (c) the Directors of the Company be and are hereby authorised to offer and grant Awards in accordance with the provisions of the ISR Performance Share Plan and to allot and issue from time to time such number of fully-paid new Shares as may be required to be allotted and issued pursuant to the vesting of the Awards under the ISR Performance Share Plan provided always that the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the ISR Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed 15% of the total issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of Award, and provided also that subject to such adjustments as may be made to the ISR Performance Share Plan as a result of any variation in the capital structure of the Company.

By Order of the Board
ISR Capital Limited

Quah Su-Yin
Chief Executive Officer and Executive Director

24 August 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. *A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.*
2. *Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.*
3. *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.*
4. *The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
5. *If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
6. *If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.*
7. *The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Company's business address at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.*
8. *For depositors holding their shares through The Central Depository (Pte) Limited in Singapore, the Directors have determined that it is more practicable for the depositor proxy form to be delivered to, collected, collated, reviewed and checked at the Company's business office at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 and as such will be counted as valid in regards to this meeting pursuant to the Company's Articles of Association. The depositor proxy form, duly completed, must be deposited by the depositor(s) at the abovementioned office of the Company not less than 48 hours before the commencement of the EGM.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

PROXY FORM

ISR CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200104762G)

IMPORTANT:

1. For investors who have used their CPF money to buy Shares in ISR Capital Limited., this Circular is forwarded to them at the request of their CPF Agent Banks and is sent 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.
3. CPF investors who wish to attend the EGM as OBSERVERS must submit their requests through their respective CPF Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks: Please see Note 10 on required format.) Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

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 Notice of EGM dated 24 August 2015.

*I/We (Name) _____

of (Address) _____

being *a member/members of **ISR CAPITAL LIMITED** (the “**Company**”), hereby appoint:

Name	Address	*NRIC/Passport Number	Proportion of shareholdings to be represented by proxy	
			Number of Shares	%
*and/or				

or failing *him/them the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Extraordinary General Meeting of the Company to be held on 8 September 2015 at 2.00 p.m. at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Extraordinary General Meeting as indicated with an “X” in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolution	To be used in the event of a poll	
		Number of votes for ⁽¹⁾	Number of votes against ⁽¹⁾
1.	To approve the Proposed Bond Issue		
2.	To approve the proposed adoption of the ISR Performance Share Plan		

(1) If you wish to use all your votes “For” or “Against”, please indicate with an “X” within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2015

Total Number of Shares in:	
(a) CDP Register	
(b) Register of Members	

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

*Please delete accordingly

Important: Please read notes overleaf.

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.
2. Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a member of the Company.
4. 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, Cap. 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's business office at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. 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.
8. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it 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 appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours (being two (2) Business Days) before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
10. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as observers are requested to submit in writing, a list of details of the members' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.

Fold along this line

AFFIX
STAMP

The Company Secretary
ISR CAPITAL LIMITED
20 Martin Road
#10-01 Seng Kee Building
Singapore 239070