

ISR CAPITAL LIMITED
(Company Registration No. 200104762G)
(Incorporated in the Republic of Singapore)
(the "Company")

ISSUE OF 2.0% CONVERTIBLE REDEEMABLE BONDS DUE 2018 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$35,000,000

- **ISSUE OF 12,500,000 CONVERSION SHARES**
 - **AMENDMENT OF ISSUE DATE OF FIRST SUB-TRANCHE OF TRANCHE 3 BONDS TO 29 JUNE 2018**
 - **ISSUE OF 333,333,333 CONVERSION SHARES**
 - **SUBSCRIPTION OF SECOND SUB-TRANCHE OF TRANCHE 3 BONDS**
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Unless otherwise defined all capitalised terms shall have the definitions given in ISR Capital Limited's announcement dated 18 November 2014 and the Company's Circular to Shareholders dated 24 August 2015.

The Board of Directors (the "**Board**") of ISR Capital Limited (the "**Company**") would like to announce that following the subscription of the fifth sub-tranche of Tranche 2 Bonds which amounted to S\$1,000,000 by the Subscriber on 30 January 2018, the Subscriber has on 28 June 2018 exercised its rights to convert one (1) Bond (Certificate No. 200) in respect of the fifth sub-tranche of Tranche 2 Bonds. The converted Bond, with an aggregate principal value of S\$50,000 will be converted into 12,500,000 Conversion Shares at the Lowest Floating Conversion Price of S\$0.0040 for each Conversion Share on 29 June 2018. An aggregate amount of S\$1,000,000 of the fifth sub-tranche of the Tranche 2 Bonds has been fully converted as of 29 June 2018.

The Lowest Floating Conversion Price of S\$0.0040 per Conversion share was determined by taking 85% of the average of the traded volume weighted average prices per share ("**VWAP**") for any three (3) consecutive Trading Days as selected by the Subscriber during the 30 Trading Days immediately preceding the Closing Date of the first sub-tranche of Tranche 1 Bonds, which fell on 17 September 2015. The three (3) consecutive VWAP selected are as follows:

	Date	VWAP
X	7 September 2015	S\$0.0050
Y	8 September 2015	S\$0.0047
Z	9 September 2015	S\$0.0045

Lowest Floating Conversion Price = $((X+Y+Z)/3) \times 0.85 = \mathbf{S\$0.0040}$ per Conversion share

Accordingly, the Company has issued and allotted 12,500,000 Conversion Shares to the Subscriber on 29 June 2018 and the total number of issued and paid-up shares of the Company has increased from 2,814,249,336 shares to 2,826,749,336 shares.

TRANCHE 3 BONDS

The Board also refers to the Company's announcement of 29 March 2018 regarding the subscription of the first sub-tranche of Tranche 3 Bonds. The Board wishes to clarify that under the terms and conditions of the Subscription Agreement dated 18 November 2014 and the Supplemental Agreement dated 22 January 2015 and the Circular dated 24 August 2015, the option to require the Subscriber to subscribe for the Tranche 3 Bonds may only be exercised upon the full conversion of the Tranche 2 Bonds which is 29 June 2018.

Accordingly, the Company and the Subscriber agree that the subscription date of the first sub-tranche of the Tranche 3 Bonds shall be deemed as 29 June 2018.

The Subscriber has also on 29 June 2018 exercised its rights to convert twenty (20) Bonds (Certificate No. 201 to 220) in respect of the first sub-tranche of Tranche 3 Bonds. The converted Bonds, with an aggregate principal value of S\$1,000,000 has been converted into 333,333,333 Conversion Shares at the Floor Conversion Price of S\$0.0030 for each Conversion Share on 29 June 2018.

The Actual Floating Conversion Price computed is lower than the Floor Conversion Price of S\$0.0030 per share after taking into account 85% of the average of the traded volume weighted average prices per share (“**VWAP**”) for any three (3) consecutive Trading Days as selected by the Subscriber during the 30 Trading Days immediately preceding the Closing Date of the first sub-tranche of Tranche 3 Bonds, which is 29 June 2018. The three (3) consecutive VWAP selected are as follows (subject to the Floor Conversion Price of S\$0.0030 per share):

	Date	VWAP
X	20 June 2018	S\$0.0030
Y	21 June 2018	S\$0.0030
Z	22 June 2018	S\$0.0030

Actual Floating Conversion Price = $((X+Y+Z)/3) \times 0.85 = S\0.00255 per share, which is lower than the Floor Conversion Price of S\$0.0030 per share.

As such, the Conversion Price to be used for the conversion of Tranche 3 Bonds shall be equal to the Floor Conversion Price of **S\$0.0030** per Conversion share.

Accordingly, the Company has issued and allotted 333,333,333 Conversion Shares to the Subscriber on 29 June 2018 and the total number of issued and paid-up shares of the Company has increased from 2,826,749,336 shares to 3,160,082,669 shares.

The Subscriber has also subscribed for the second sub-tranche of Tranche 3 Bonds amounting to S\$1 million on 29 June 2018.

By Order of the Board
ISR Capital Limited

Chen Tong
Executive Chairman
2 July 2018