

**CIRCULAR DATED 17 MAY 2017**

**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 issued and fully paid-up ordinary shares in the capital of Infinio Group Limited (the “**Company**”), held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer of Shares was effected for onward transmission to the purchaser or the transferee.

**Your attention is drawn to pages 23 to 24 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.**

*This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Asian Corporate Advisors Pte. Ltd., (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Circular, including the accuracy, completeness or correctness of any of the figures used, statements or opinions made. The contact person for the Sponsor is Mr Liao H. K.. Telephone number: (65) 6221 0271.*

*This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this Circular.*



(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199801660M)

## **CIRCULAR TO SHAREHOLDERS**

In relation to:

- (1) **THE PROPOSED CONVERSION OF DEBTS OWING BY INFINIO GROUP LIMITED TO CERTAIN CREDITORS INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“PROPOSED DEBT CONVERSION”);**
- (2) **THE PROPOSED ISSUE OF 1.0% EQUITY-LINKED REDEEMABLE CONVERTIBLE NOTES DUE 2020 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$20,000,000 (THE “NOTES”) TO ADVANCE OPPORTUNITIES FUND I (“AOF I” OR THE “SUBSCRIBER”) (“PROPOSED NOTES ISSUE”); AND**
- (3) **THE PROPOSED DIVERSIFICATION OF THE CURRENT BUSINESS TO INCLUDE THE AUTOMATED RETAIL BUSINESS (THE “PROPOSED DIVERSIFICATION”).**

(COLLECTIVELY, THE “**PROPOSED TRANSACTIONS**”)

### **IMPORTANT DATES AND TIMES**

|                                                |                                            |
|------------------------------------------------|--------------------------------------------|
| Last date and time for lodgment of Proxy Form  | : 30 May 2017 at 3:00 p.m.                 |
| Date and time of Extraordinary General Meeting | : 1 June 2017 at 3:00 p.m.                 |
| Place of Extraordinary General Meeting         | : 28 Kallang Place #04-03 Singapore 339158 |

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## SUMMARY SHEET

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*Capitalised terms in this summary sheet shall have the same meaning as defined in the "Definition" section unless otherwise defined.*

The following is a summary of information in relation to the Proposed Notes Issue:

### 1. Minimum Conversion Price

The Minimum Conversion Price of the Proposed Notes Issue is S\$0.0008. The Minimum Conversion Price is subject to adjustment. Please refer to Appendix D of this Circular for more details on adjustment provisions. Notwithstanding the adjustment provisions, there shall be no adjustment of the Minimum Conversion Price below S\$0.0008.

### 2. Maximum potential number of new Shares arising from the Proposed Notes Issue

Based on the Minimum Conversion Price of S\$0.0008 and assumed all 4 Tranches of the Notes have been fully converted:

- (i) The maximum potential number of Conversion Shares that could arise from the Proposed Notes Issue is 25,000,000,000 Shares
- (ii) This represents approximately 2,030.4% of the total existing number of issued Shares of 1,231,304,250.
- (iii) This represents approximately 991.8% of the total enlarged total number of issued Shares of 2,520,763,830 (after issuance and allotment of the Debt Conversion Shares (defined later) in full but prior to the issuance and allotment of the Conversion Shares).
- (iv) This represents 90.8% of the total enlarged number of issued Shares of 27,520,763,830 (after issuance and allotment of both the Debt Conversion Shares and the Conversion Shares in full).

The Minimum Conversion Price is subject to adjustment. Please refer to Appendix D of this Circular for more details on adjustment provisions. Such adjustment may have an impact on the number of Conversion Shares to be issued and a different dilutive impact. The Company will make further announcement if there is any adjustment and dilutive impact is different.

### 3. Material Risks

The Notes are not a conventional form of security, and are widely known as "toxic" or "death spiral" due to the potential dilutive impact on the Shares and the potential adverse impact on the Share price upon conversion of the Notes to Shares. As at the Latest Practicable Date, the last transacted price for the Shares is at S\$0.001 per Share, and the Share price cannot spiral lower than S\$0.001. Notwithstanding the foregoing, there are still risks associated to the Proposed Notes Issue. The material risks associated in the Proposed Notes Issue are *inter alia*:

- (i) The Company will have to bear all costs and expenses reasonably incurred by the Subscriber and ACPAM including but not limited to fees and expenses and applicable tax of the Subscriber's and ACPAM's legal advisers in connection with the preparation of the Subscription Agreement. The costs and expenses are estimated to be about S\$30,000, representing approximately 428.6% of the Group's cash and cash equivalents of approximately S\$7,000 as at 30 September 2016. Further, the Company will have to bear its own costs and expenses incurred in connection with the preparation of the Subscription Agreement.
- (ii) The subscription of the first sub-tranche of Tranche 1 Notes is subject to the fulfilment of the Conditions. The subscription of subsequent sub-tranche will only take place after the conversion of all the Notes issued in the previous sub-tranche. There is no assurance that there will be further subscription of sub-tranches after the first sub-tranche of Tranche 1 Notes notwithstanding that the Company has paid the abovementioned costs and expenses.

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## SUMMARY SHEET

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- (iii) In the event that the Noteholders convert the Notes at the Minimum Conversion Price of S\$0.0008, it is possible that the Noteholders will dispose the Conversion Shares at S\$0.002 or S\$0.001. This will have a potential adverse impact on the Share price, and may suppress any possible upside to the Share price.
- (iv) As the Conversion Price is 20% discount from the average Closing Price per Share on any three consecutive Business Days selected by the Noteholders during the 45 Business Days immediately preceding the relevant conversion date on which Shares were traded. The Noteholders may choose the lowest price in the 45-Business Days period, thus the Conversion Shares will be issued based on a discount that can exceed 20% of volume weighted average price for the 45-Business Days period. It is also possible that the Noteholders will convert the Notes to Shares at the Minimum Conversion Price of S\$0.0008 in multiple sub-tranches. In the event that the Noteholders are able to convert the Notes at the Minimum Conversion Price on multiple sub-tranches, the potential adverse impact on Share price may continue, and the upside to the Share price may continue to be suppressed until all Notes are converted. As a result, there is a risk that the Share price may stay at S\$0.001 for a prolong period of time.
- (v) The costs to be borne by the Company for issuance of the Notes can be potentially high. The main cost is an administrative fee of 5% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes issued payable to ACPAM on each Closing Date of each of the sub tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes, as the case may be. Such amounts of administrative fees payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of each sub-tranche of the Notes. If all 4 Tranches of the Notes are fully issued, the administrative fees payable to ACPAM will be up to S\$1,000,000. Further, the Company will have to bear its own costs and expenses incurred in connection with the issue of the Notes.
- (vi) The Redemption Amount includes the principal amount, the cost of redemption of 8% per annum on the principal amount of the Notes to be redeemed calculated based on a 365 days basis which will be borne by the Company and all unpaid interest accrued. Assuming all 4 tranches of the Notes are fully issued for a period of 12 months but are not converted, and if the Company redeems all 4 Tranches of the Notes when they are presented for conversion by the Noteholders (please see paragraph 4(vi) below for the redemption provision), it will have to bear the Redemption Amount comprising the principal amount of S\$20,000,000, the cost of redemption of S\$1,600,000 and all unpaid interest accrued. The Redemption Amount may be prohibitive in light of the Group's current financial condition. Based on the Group's unaudited financial results for the six months ended 30 September 2016, the Group recorded a net loss of approximately S\$453,000 and a net liability of S\$1,480,000. Actual cost of redemption can be even higher if all 4 Tranches of the Notes are fully issued for a period of more than 12 months but are not converted.
- (vii) The Subscriber may terminate the Subscription Agreement in certain circumstances as elaborated in paragraph 4.2.1(xvi) of this Circular. If the Subscriber may elect to terminate the Subscription Agreement, it will be treated as an event of default on the part of the Company and the Notes shall become immediately due and payable at 125% of its principal amount together with accrued interest.
- (viii) The Notes will have a fair value when they are issued. If, at the time of issue, the Share price is more than S\$0.001, the fair value of the Notes may be higher than the Issue Price and may result in a loss to the Company subject to, *inter alia*, relevant accounting treatment, factors and assumptions (on, *inter alia*, share prices) as at the relevant time.
- (ix) Due to the potential dilutive impact on the Shares, the Company may not be able to maintain its public float and may risk delisting. Please refer to paragraph 7.2 of the Circular for further details.

#### 4. Key Terms of the Notes and the Proposed Notes Issue

The key terms (including features and restrictions) of the Notes and the Proposed Notes Issue are as

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## SUMMARY SHEET

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follows:

### **Key terms of the Notes**

(i) *Notes denomination*

Each Note will have principal value of S\$50,000.

(ii) *Interest*

1.0% per annum starting from the day of issue, payable semi-annually in arrears on 30 June and 31 December of each year.

(iii) *Conversion Price*

80% of the average Closing Price per Share on any three (3) consecutive Business Days on which Shares were traded on the SGX-ST as selected by the relevant Noteholder within forty five (45) Business Days immediately preceding the relevant conversion date. In the event of any Share consolidation, Share split and reclassification of Shares, the selected three Business Days shall not comprise of both cum and ex dates. If the selected three Business Days are the cum dates, the same event (or entitlement) shall also apply to the Conversion Shares. If the selected three Business Days are the ex dates, the same event (or entitlement) shall not apply to the Conversion Shares.

In any event, the Conversion Price shall be no less than the Minimum Conversion Price.

The discount of the Conversion Price was determined upon mutual agreement between the Company and the Subscriber taking into consideration the low Share price where each tick in trading will result in a higher percentage difference in the Share price.

(iv) *Adjustment to Minimum Conversion Price*

The Minimum Conversion Price is subject to adjustment. Please refer to Appendix D of this Circular for more details on adjustment provisions. Notwithstanding the adjustment provisions, there shall be no adjustment of the Minimum Conversion Price below S\$0.0008.

(v) *Transferability*

A Note may be transferred in whole but not in part. A Noteholder is entitled at any time and from time to time to transfer any Note that has been issued to any third party.

Notwithstanding the foregoing, a Noteholder shall not transfer any Note to a transferee who is not a person exempted under Section 274 or 275 of the SFA.

(vi) *Redemption*

The Company may redeem the Notes in cash at the Redemption Amount if, at the time when the Notes are presented for conversion to Shares by the Noteholder(s), the Conversion Price is less than or equal to 65% of the daily traded volume weighted average price per Share for the 45 consecutive Business Days prior to the relevant Closing Date in respect of each sub-tranche of the respective tranches of Notes.

The Redemption Amount is the principal amount of the Notes to be redeemed together with any unpaid interest accrued on such Notes plus the cost of redemption of 8% per annum on the principal amount of such Notes to be redeemed calculated based on a 365 days basis and all unpaid interest accrued.

Illustration of the different scenarios is provided in paragraph 4.2.1(vi) of this Circular.

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## SUMMARY SHEET

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(vii) *Maturity*

36 months from the Closing Date of the first sub-tranche of Tranche 1 Notes.

(viii) *Consequences of occurrence of event of default*

Upon occurrence of event of default by the Company, any Note may, by notice in writing given to the Company, be declared immediately due and payable whereupon the Notes shall become immediately due and payable at 125% of its principal amount together with accrued interest without further formality.

(ix) *Negative Pledge*

The Group shall not create any security interest on its assets or provide guarantee for the benefit of certain holder(s) of any existing or future Note unless the same security or other security or guarantee which is not materially less beneficially is given to all Noteholders.

(x) *Right of first refusal for convertibles*

The Noteholders shall have the first right of refusal to subscribe for future convertibles issued by the Company or any Subsidiary which are similar to the Notes.

(xi) *Modification on the Notes and the Conditions*

Any modification of the Notes (including these Terms and Conditions) requires a prior written consent from the Company and holders of more than half of the aggregate principal amount of Notes then outstanding. There shall be no modification of the Notes (including these Terms and Conditions) to the advantage of the Noteholder(s) unless approved by Shareholders. Any waiver or authorisation of any breach or proposed breach by the Company of the Notes requires the written approval of holders of more than half of the aggregate principal amount of Notes then outstanding.

**Key terms of the Proposed Note Issue**

(xii) *Issue Tranches*

The Proposed Notes Issue involves 4 tranches of the Notes, with Tranche 1 Notes and Tranche 2 Notes comprising 20 sub-tranches of S\$250,000 each, and Tranche 3 Notes and Tranche 4 Notes comprising 10 sub-tranches of S\$500,000 each. The aggregate principal amount of the Notes assuming all are issued will be S\$20,000,000.

The Closing Date for each sub-tranche is on the 5th Business Day after the conversion date of the immediately preceding sub-tranche.

(xiii) *Conditions precedent*

Please refer to paragraph 4.1.4 of this Circular in relation to the conditions precedent for the subscription of the first sub-tranche of Tranche 1 Notes.

(xiv) *Administrative fee*

An administrative fee of 5% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes issued is payable by the Company to ACPAM. Such amounts of administrative fees payable shall be deducted by the subscriber directly from the subscription moneys payable to the Company for the subscription of each.

(xv) *Cancellation fee*

There is a cancellation fee of S\$30,000 to the Subscriber in the event the Subscription Agreement is terminated for any reason whatsoever prior to the Closing Date of the first sub-tranche of Tranche 1 Notes.

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## SUMMARY SHEET

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*(xvi) Expenses of Subscriber and ACPAM*

The Company will bear all costs and expenses (including applicable tax) reasonably incurred by the Subscriber and ACPAM, including but not limited to fees and expenses and applicable tax (“GST”) of the Subscriber’s and ACPAM’s legal advisers estimated at the Latest Practicable Date to be about S\$30,000 in connection with the preparation of the Subscription Agreement.

*(xvii) Right of first refusal for Shares issue*

The Subscriber shall have the first right of refusal to subscribe for future Shares issue in respect of any proposed private placement of new Shares.

### **5. Reasons for the Proposed Notes Issue**

As part of the Company’s strategy to source for new businesses, the Company intends diversify into the automated retail segment. The diversification of the Group’s business into the automated retail segment will require new sources of funding and cash reserve. As the Proposed Notes Issue will allow the Company to receive the proceeds from the Proposed Notes Issue in several tranches, this will meet the Group’s capital requirements as it expands its business activities over time and enable it to leverage on acquisition opportunities as they arise from time to time. The Board believes that the Proposed Notes Issue is in the best interests of the Company and the Shareholders as the Proposed Notes Issue will serve to shore up the Company’s cash reserve and resources to enable it to embark on its business objectives and tap on potential acquisition opportunities as they arise.

In addition, the Proposed Notes Issue will enhance the Group’s cash position and provide the Group with a source of funding. This will place the Group in good stead to grow and develop its business plans and to secure suitable business opportunities. The Directors also believe that it is in the best interest of the Company and the Shareholders that the Group grows and develops its business plans and secure suitable business opportunities. While the Proposed Notes Issue may have an adverse impact on Share price, the Directors believe that the effect will not be long term, and it is still in the best interest of the Company and the Shareholders that the Company proceed to secure a source of funding through the Proposed Notes Issue. For the aforesaid reasons, the Directors believe that Shareholders should vote for the Proposed Notes Issue as it is in the best interest of the Company and the Shareholders.

The Company decided to raise funds by way of the Proposed Notes Issue after taking into account the Group’s weak financial position and limited funding avenues available to it. The Group had considered raising funds through bank borrowings. Being loss-making with negative shareholders’ equity, the Group has found it difficult to raise funds through bank borrowings, which is a similar problem faced by any other loss-making company. The Company had also considered a private placement of Shares. However, the Company was not able to find any suitable investors. Due to the predicament of the Company as aforesaid, the Company had faced great challenges to find new funding avenues for its intended new projects or business.

The Proposed Notes Issue is intended to provide funds for the working capital requirements and diversification of the Group’s business in the automated retail segment. This will enable the Company to raise funds in a shorter and more cost-effective and efficient manner as compared to raising money from other debt markets as the Proposed Notes Issue is structured in sub tranches of S\$250,000 and S\$500,000 each over several tranches of Notes over a period of 36 months. Without sufficient funds, the Company will not be able to embark on its business diversification plans as described in paragraph 8 of the Circular.

### **6. How did the Company know of the Subscriber and reach agreement on the Proposed Notes Issue?**

The Directors of the Company have been actively sourcing for funding solutions and business opportunities for the Group in the past few years and has faced much difficulty when trying to raise funds for the Company.

The terms of the Proposed Notes Issue were reached between the Parties and the Company decided to enter into the Subscription Agreement with the Subscriber after many months of negotiations and

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## SUMMARY SHEET

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following the Company's futile attempts in seeking alternative funding avenues. The Company and the Subscriber formally entered into a subscription agreement on 1 September 2016 for the Proposed Notes Issue.

The Company and the Subscriber also entered into a share placement agreement on 26 January 2017 where the Subscriber subscribed for 180,000,000 new Shares ("**Placement Shares**") and completion took place on 4 April 2017. Following the issuance and allotment of the Placement Shares, the Subscriber became a Substantial Shareholder, and as at the Latest Practicable Date, the Subscriber remains as a Substantial Shareholder of the Company.

The Company had previously entered into a similar transaction with Advance Opportunities Fund ("**AOF**") on 22 June 2012 for the issue of 5.0% equity linked redeemable structured convertible notes (matured in October 2015) with an aggregate principal amount of up to S\$10,000,000 ("**Previous Subscription Agreement**"). The Previous Subscription Agreement expired on 9 October 2015.

Mr Tan Choon Wee is the principal director and shareholder of the Subscriber and AOF.

### 7. Use of proceeds

The Proposed Notes Issue will allow the Company to raise net cash proceeds (after deducting estimated expenses (including but not limited to listing fees, professional and legal fees for *inter alia* the preparation of the Circular) of approximately S\$1,349,000) of approximately S\$18,651,000 (the "**Net Proceeds**"), which will be utilized as follows:

- (i) 70% of the Net Proceeds will be used for investments and general corporate purposes; and
- (ii) 30% of the Net Proceeds will be used as general working capital purposes for repayment of fees, *inter alia*, professional fees.

Please refer to paragraph 5 of this Circular for more details on the use of proceeds from the Proposed Notes Issues.

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## DEFINITIONS

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For the purposes of this Circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

|                               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"ACPAM"</b>                | : | Advance Capital Partners Asset Management Private Limited (Company Registration No. 201315111M), a company incorporated in Singapore and having its registered address at 10 Anson Road, #20-08A International Plaza, Singapore 079903                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"AOF"</b>                  | : | Advance Opportunities Fund (Cayman Islands Company Registration No. CT 168559), a company incorporated in the Cayman Islands and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Approval"</b>             | : | All necessary approvals and/or consents of all requisite regulatory authorities (including the SGX-ST) in respect of (i) the offer or sale, or invitation for subscription or purchase or issue of the Notes, (ii) the allotment and issue of the Conversion Shares, (iii) the listing of and quotation for the Conversion Shares on the Catalist, (iv) such other relevant approvals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Board" or "Directors"</b> | : | The board of directors or directors of the Company as at the date of this Circular                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Birthday Mine"</b>        | : | The mine that was acquired as part of the proposed acquisition as announced on 24 October 2013 and 28 October 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Business Day"</b>         |   | A day ending 5.00pm (Singapore time), on which the SGX-ST is open for trading.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Catalist"</b>             | : | The sponsor-supervised listing platform of the SGX-ST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Catalist Rules"</b>       | : | Listing Manual of the SGX-ST Section B: Rules of Catalist                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"CDP"</b>                  | : | The Central Depository (Pte) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Circular"</b>             | : | This circular to Shareholders dated 17 May 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Closing Date"</b>         | : | In respect of each sub-tranche of the Notes, the date on which such sub-tranche of the Notes is subscribed for and issued being: <ul style="list-style-type: none"><li>(i) <u>First sub-tranche of Tranche 1 Notes</u>: 5<sup>th</sup> Business Day immediately after the last conditions precedent for the subscription of the first sub-tranche of Tranche 1 Notes is fulfilled or waived</li><li>(ii) <u>Subsequent sub-tranches of the Tranche 1 Notes</u>: 5<sup>th</sup> Business Day after the conversion date of the immediately preceding sub-tranche</li><li>(iii) <u>First sub-tranches of the Tranche 2 Notes to Tranche 4 Notes</u>: 5<sup>th</sup> Business Day after the date of the Exercise Notice</li><li>(iv) <u>Subsequent sub-tranches of the Tranche 2 Notes to Tranche 4 Notes</u>: 5<sup>th</sup> Business Day after the conversion dates of the immediately preceding sub-tranche</li></ul> |

## DEFINITIONS

|                                    |   |                                                                                                                                                                                                                                                                                               |
|------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Conditions”</b>                | : | The terms and conditions of the Notes as set out in the Schedule 3 of the Subscription Agreement                                                                                                                                                                                              |
| <b>“Companies Act”</b>             | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time                                                                                                                                                                                                          |
| <b>“Company”</b>                   | : | Infinio Group Limited                                                                                                                                                                                                                                                                         |
| <b>“Controlling Interest”</b>      | : | The interest of the Controlling Shareholder                                                                                                                                                                                                                                                   |
| <b>“Controlling Shareholder”</b>   | : | <p>A person who:</p> <p>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or</p> <p>(b) in fact exercises control over the Company</p> |
| <b>“Conversion Shares”</b>         | : | The Shares to be issued by the Company to the Subscriber upon the conversion of the Notes in accordance with the provisions in the Condition                                                                                                                                                  |
| <b>“Creditors”</b>                 | : | As defined in paragraph 2.1 of this Circular                                                                                                                                                                                                                                                  |
| <b>“Debt Conversion Agreement”</b> | : | As defined in paragraph 2.1 of this Circular                                                                                                                                                                                                                                                  |
| <b>“Debt Conversion Price”</b>     | : | As defined in paragraph 2.1 of this Circular                                                                                                                                                                                                                                                  |
| <b>“Debt Conversion Shares”</b>    | : | As defined in paragraph 2.1 of this Circular                                                                                                                                                                                                                                                  |
| <b>“Directors”</b>                 | : | The directors of the Company as at the date of this Circular.                                                                                                                                                                                                                                 |
| <b>“EGM”</b>                       | : | The extraordinary general meeting of the Company, notice of which is given on pages N-1 to N-3 of this Circular.                                                                                                                                                                              |
| <b>“EPS”</b>                       | : | Earnings per Share                                                                                                                                                                                                                                                                            |
| <b>“Exercise Notice”</b>           | : | A notice in writing from the Company in the form set out in Schedule 5 of the Subscription Agreement notifying the Subscriber of the Company’s decision to immediately exercise an Option                                                                                                     |
| <b>“Fulfilment Date ”</b>          | : | The deadline whereby all conditions precedent in relation to the subscription of the first sub-tranche of Tranche 1 Notes must be satisfied                                                                                                                                                   |
| <b>“FY ”</b>                       | : | Financial year of the Company ended or ending 31 March (as the case may be)                                                                                                                                                                                                                   |
| <b>“Group”</b>                     | : | The Company and its Subsidiaries                                                                                                                                                                                                                                                              |
| <b>“Issue Price”</b>               | : | In relation to each sub-tranche of the relevant Tranche, the amount equivalent to 100% of the principal amount of the Notes for such sub-tranche.                                                                                                                                             |
| <b>“Latest Practicable Date”</b>   | : | 12 May 2017, being the latest practicable date prior to the printing of this Circular                                                                                                                                                                                                         |
| <b>“LPS”</b>                       | : | Loss per Share                                                                                                                                                                                                                                                                                |

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## DEFINITIONS

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|                                     |   |                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Minimum Conversion Price”</b>   | : | As defined in paragraph 4.2.1(iii) of this Circular                                                                                                                                                                                                                                                                                                                     |
| <b>“NTL”</b>                        | : | Net tangible liabilities                                                                                                                                                                                                                                                                                                                                                |
| <b>“Net Proceeds”</b>               | : | As defined in paragraph 5 of this Circular                                                                                                                                                                                                                                                                                                                              |
| <b>“Notes” or “Note”</b>            | : | As defined in paragraph 3.1 of this Circular                                                                                                                                                                                                                                                                                                                            |
| <b>“Note Issue”</b>                 | : | Any issue of notes, bonds or other similar securities of the Company or any of its Subsidiaries                                                                                                                                                                                                                                                                         |
| <b>“Net Worth”</b>                  | : | Net asset value                                                                                                                                                                                                                                                                                                                                                         |
| <b>“NTA”</b>                        | : | Net tangible assets                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Option”</b>                     | : | The option granted by the Subscriber to the Company subject to the terms and conditions of the Subscription Agreement in respect of each of the Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes (collectively, the <b>“Options”</b> ), to require the Subscriber to subscribe for such Notes from the Company at the Issue Price during the relevant Option Period |
| <b>“Parties”</b>                    | : | The parties to the Subscription Agreement, being the Company, the Subscriber and ACPAM                                                                                                                                                                                                                                                                                  |
| <b>“Proposed Debt Conversation”</b> | : | As defined in paragraph 2.1 of this Circular                                                                                                                                                                                                                                                                                                                            |
| <b>“Proposed Diversification”</b>   | : | As defined in paragraph 8.2 of this Circular                                                                                                                                                                                                                                                                                                                            |
| <b>“Proposed Notes Issue”</b>       | : | As defined in paragraph 3.1 of this Circular                                                                                                                                                                                                                                                                                                                            |
| <b>“Record Date”</b>                | : | The date as at the close of business, on which members of the Company must be registered in order to participate in such dividend, right, allotment or other distributions                                                                                                                                                                                              |
| <b>“Supplemental Agreement”</b>     | : | The supplemental agreement between the Company, the Subscriber and ACPAM dated 12 May 2017.                                                                                                                                                                                                                                                                             |
| <b>“Securities Account”</b>         | : | The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)                                                                                                                                                                                                                                                               |
| <b>“SFA”</b>                        | : | Securities and Futures Act                                                                                                                                                                                                                                                                                                                                              |
| <b>“SGX-ST”</b>                     | : | Singapore Exchange Securities Trading Limited                                                                                                                                                                                                                                                                                                                           |
| <b>“Shares”</b>                     | : | Ordinary share (s) in the share capital of the Company                                                                                                                                                                                                                                                                                                                  |
| <b>“Shareholders”</b>               | : | The registered holders of the Shares in the register of members of the Company, except 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 such Shares                                                                       |
| <b>“Stock Split”</b>                | : | Any kind of stock split in relation to the Shares, including a bonus share distribution, a stock dividend or a sub-division of Shares                                                                                                                                                                                                                                   |
| <b>“Subscriber”</b>                 | : | Advance Opportunities Fund I, a company incorporated in the Cayman Islands with Cayman Islands Company Registration No. 308364                                                                                                                                                                                                                                          |
| <b>“Subsidiary”</b>                 | : | A company more than 50% of the outstanding voting stock of                                                                                                                                                                                                                                                                                                              |

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## DEFINITIONS

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which is now or hereafter owned by the Company, by one or more other Subsidiaries or by the Company and one or more other Subsidiaries (and, for this purpose, “voting stock” means stock or shares having voting power for the election of directors, managers or trustees of such company, other than stock or shares having such power by reason of the happening of a contingency)

|                                     |   |                                                                                                                     |
|-------------------------------------|---|---------------------------------------------------------------------------------------------------------------------|
| “ <b>Substantial Shareholders</b> ” | : | A person (including a corporation) who holds directly or indirectly 5% or more of the issued capital in the Company |
| “ <b>Summit</b> ”                   | : | Summit Light Ventures Ltd                                                                                           |
| “ <b>Tranche</b> ”                  | : | As defined in paragraph 3.1 of this Circular                                                                        |
| “ <b>Tranche 1 Notes</b> ”          | : | As defined in paragraph 3.1 of this Circular                                                                        |
| “ <b>Tranche 2 Notes</b> ”          | : | As defined in paragraph 3.1 of this Circular                                                                        |
| “ <b>Tranche 3 Notes</b> ”          | : | As defined in paragraph 3.1 of this Circular                                                                        |
| “ <b>Tranche 4 Notes</b> ”          | : | As defined in paragraph 3.1 of this Circular                                                                        |

### Currencies, Units and Others

|                                    |   |                                         |
|------------------------------------|---|-----------------------------------------|
| “ <b>S\$</b> ” and “ <b>cent</b> ” | : | Singapore dollar and cent, respectively |
| “ <b>%</b> ”                       | : | Per centum or percentage                |

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of the SFA.

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

Any reference to time and day in this Circular shall be a reference to Singapore time. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

The total figures listed in certain tables included in this Circular may not be the same as the arithmetic addition of the figures. Any such discrepancies are due to rounding.

Any reference to the “**Group**”, “**us**” and “**our**” in this Circular is a reference to the Group or any member of the Group as the context requires.

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## LETTER TO SHAREHOLDERS

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### INFINIO GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199801660M)

## LETTER TO SHAREHOLDERS

#### Board of Directors:

Mr Lim Yeow Sun (Executive Director)  
Mr Hong Seong Soo (Non-Executive Director)  
Mr Kun Swee Tiong Andy (Independent Director)  
Mr Chng Hee Kok (Independent Director)

#### Registered Office:

80 Robinson Road #02-00  
Singapore 068898

17 May 2017

To: The Shareholders of Infinio Group Limited

Dear Sir/Madam

- (1) **THE PROPOSED CONVERSION OF DEBTS OWING BY THE GROUP TO CERTAIN CREDITORS INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY;**
- (2) **THE PROPOSED ISSUE OF 1.0% EQUITY-LINKED REDEEMABLE CONVERTIBLE NOTES DUE 2020 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$20,000,000 TO ADVANCE OPPORTUNITIES FUND I; AND**
- (3) **THE PROPOSED DIVERSIFICATION OF THE CURRENT BUSINESS TO INCLUDE THE AUTOMATED RETAIL BUSINESS.**

(COLLECTIVELY, THE “**PROPOSED TRANSACTIONS**”)

### 1. INTRODUCTION

#### 1.1. EGM

The Directors are convening an EGM to be held on 1 June 2017 to seek shareholder’s approval in relation to:

- (i) The Proposed Debt Conversion and the allotment and issuance of Debt Conversion Shares (“**Resolution 1**”);
- (ii) The Proposed Note Issue, the issue of the 1% redeemable convertible notes due 2020 in aggregate principal amount of up to S\$20,000,000 to the Subscriber who is a person as set out in Rule 812(1)(a) of the Catalist Rules and the allotment and issue of up to 25,000,000,000 Conversion Shares (“**Resolution 2**”);
- (iii) The Proposed Diversification (“**Resolution 3**”).

(collectively, the “**Proposed Resolutions**”)

#### 1.2. Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval for the Proposed Resolutions to be tabled at the EGM, the notice of which is set out on page N-1 to N-3 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

## LETTER TO SHAREHOLDERS

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

### 1.3. Application for listing and quotation of the Debt Conversion Shares and Conversion Shares

An application will be made for the listing and quotation of the Debt Conversion Shares and Conversion Shares. The Company will make the necessary announcement if there is any further development.

## 2. THE PROPOSED DEBT CONVERSION

### 2.1 Background

On 12 May 2017, the Company announced that: (1) the debt conversion agreements dated 6 September 2016 had lapsed on 5 December 2016 and (2) it had entered into debt conversion agreements dated 12 May 2017 ("**Debt Conversion Agreements**") with certain creditors ("**Creditors**") for the proposed conversion of debts owing by the Group into new Shares ("**Debt Conversion Shares**") at a conversion price of S\$0.0012 per Debt Conversion Share (the "**Debt Conversion Price**") ("**Proposed Debt Conversion**").

- (i) The amount owing to each of the Creditors and the nature of the debt conversion for each Creditor are as per below:

| Creditors                                  | Nature of outstanding amount owing                                                                                                                                                                            | Amount (S\$) |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Loans or outstanding notes                 |                                                                                                                                                                                                               |              |
| AOF                                        | Part of the outstanding principal amount of unconverted equity linked notes, and interest                                                                                                                     | 127,202      |
| Foong Chee Meng                            | Loans provided to the Company and assigned to Foo Chee Meng <sup>(1)(2)(3)</sup>                                                                                                                              | 350,000      |
| Vendors of Summit                          |                                                                                                                                                                                                               |              |
| Oei Liang Jen Nicholas Remigius ("Mr Oei") | Vendors (save for Lim Wee Beng Eddie) in the Company's acquisition of Summit as announced on 24 October 2013 and 28 October 2013. Part of the consideration remains unpaid as at the Latest Practicable Date. | 249,850      |
| Bliss Deal Limited ("Bliss Deal")          |                                                                                                                                                                                                               | 210,800      |
| Lim Wee Beng Eddie <sup>(4)</sup>          |                                                                                                                                                                                                               | 210,800      |
| Lim Yeow Sun Tommy                         |                                                                                                                                                                                                               | 28,500       |
| Directors (past and present)               |                                                                                                                                                                                                               |              |
| Christopher Tang Kok Kong                  | Past director's fees for the financial year ended FY2011 and FY2012                                                                                                                                           | 25,000       |
| Andy Kun Swee Tiong                        | Past director's fees for the FY2014 and FY2015                                                                                                                                                                | 62,500       |
| Hong Seong Soo                             | Past director's fees for the FY2014 and FY2015                                                                                                                                                                | 47,500       |
| Choo Siew Lohk                             | Past director's fees for the FY2015                                                                                                                                                                           | 25,000       |
| Wong Kuan Kit Keith                        | Past director's fees for the FY2014                                                                                                                                                                           | 10,000       |
| Lim Yeow Sun Tommy                         | Director's remuneration for the FY2015                                                                                                                                                                        | 100,000      |
| Wong Kuan Kit Keith                        | Director's remuneration for the FY2015                                                                                                                                                                        | 100,000      |
| Total                                      |                                                                                                                                                                                                               | 1,547,352    |

**Notes:**

- (1) As at 30 March 2016, the outstanding loan amount from Atlas Capital Pte Ltd ("**Atlas**") to the Company amounted to S\$482,000 of which, S\$307,000 has been subsequently repaid from refundable non-interest bearing deposits, obtained by the Company for the purpose of the proposed placement which was subsequently aborted on 1 September 2016 (as announced by the Company on 1 September 2016). There were also subsequent additional interest free loans from Atlas to the Company of the amount S\$25,000 and S\$50,000 in April 2016 and August 2016 respectively, and the total loan amount from Atlas to the Company is S\$250,000 as announce on 1 September 2016 ("**Atlas Loan**"). The Atlas Loan remains unpaid since 1 September 2016.
- (2) As at 6 September 2016, an unrelated 3rd party (who is a non-interested person and not a person mentioned under Rule 812 of the Catalist Rules) has assigned a S\$100,000 loan to the Company to Atlas ("**Other Loan**"). The Other Loan remains unpaid since 1 September 2016.
- (3) Atlas has assigned both Atlas Loan and Other Loan to Foong Chee Meng on 8 May 2017.
- (4) Bliss Deal has assigned 50% of the debt owing from the Company to Lim Wee Beng, Eddie.

## LETTER TO SHAREHOLDERS

(ii) A breakdown of the shareholding of each of the creditors can be found below:

| Creditors                 | Number of Debt Conversion Shares | Total number of Debt Conversion Shares as a percentage of the existing Share capital <sup>(1)</sup> | Total number of Debt Conversion Shares as a percentage of the enlarged Share capital <sup>(2)</sup> |
|---------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| AOF                       | 106,001,250                      | 8.61                                                                                                | 4.21                                                                                                |
| Foong Chee Meng           | 291,666,666                      | 23.69                                                                                               | 11.57                                                                                               |
| Mr Oei                    | 208,208,333                      | 16.91                                                                                               | 8.26                                                                                                |
| Bliss Deal                | 175,750,000                      | 14.27                                                                                               | 6.97                                                                                                |
| Lim Wee Beng Eddie        | 175,750,000                      | 14.27                                                                                               | 6.97                                                                                                |
| Christopher Tang Kok Kong | 20,833,333                       | 1.69                                                                                                | 0.83                                                                                                |
| Andy Kun Swee Tiong       | 52,083,333                       | 4.23                                                                                                | 2.07                                                                                                |
| Hong Seong Soo            | 39,583,333                       | 3.21                                                                                                | 1.57                                                                                                |
| Choo Siew Lohk            | 20,833,333                       | 1.69                                                                                                | 0.83                                                                                                |
| Wong Kuan Kit Keith       | 91,666,666                       | 7.44                                                                                                | 3.64                                                                                                |
| Lim Yeow Sun Tommy        | 107,083,333                      | 8.70                                                                                                | 4.25                                                                                                |
| <b>Total</b>              | <b>1,289,459,580</b>             | <b>104.72</b>                                                                                       | <b>51.15</b>                                                                                        |

**Notes:**

- (1) Computed as follow: the respective number of Debt Conversion Shares divided by the existing issued Share capital of 1,231,304,250 Shares before the issuance and allotment of the Debt Conversion Shares and the Conversion Shares.
- (2) Computed as follow: the respective number of Debt Conversion Shares divided by the enlarged issued Share capital of 2,520,763,830 Shares after the issuance and allotment of the Debt Conversion Shares in full but prior to the issuance and allotment of the Conversion Shares.

### 2.2 Debt Conversion Shares

The Debt Conversion Shares will, when allotted and issued pursuant to the Proposed Debt Conversion, be authorised, allotted, validly issued and credited as fully paid-up, free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares as at the date(s) of allotment and issue of the Debt Conversion Shares except that they will not rank for any dividend, right, allotment or other distributions, the Record Date for which falls on or before the date of allotment and issue of such Debt Conversion Shares.

### 2.3 Debt Conversion Price

The Debt Conversion Price was agreed between the parties on a willing-buyer and willing-seller basis taking into consideration the current share price of the Company and volatility in the market. The Debt Conversion Price represents a premium of approximately 20.0% to the volume weighted average price for trades done in respect of the Shares on the Catalist on 12 May 2017, being the full market day on which the Debt Conversion Agreements are signed.

### 2.4 Conditions Precedent

The Proposed Debt Conversion is subject to, *inter alia*, the following:

- (i) the listing and quotation notice being obtained from SGX-ST for the listing and quotation of the Debt Conversion Shares on the Catalist ("**Listing Approval**") and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Debt Conversion Shares on the Catalist are required to be fulfilled on or before completion date, they are so fulfilled;
- (ii) Approval from Shareholders for the Proposed Debt Conversion being obtained at an EGM to be convened at a later date;
- (iii) The allotment and issue of the Debt Conversion Shares to the Creditors not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after date of the Debt

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## LETTER TO SHAREHOLDERS

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Conversion Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Creditor;

- (iv) The exemption under Section 272B(1) of the SFA being applicable to the issuance of the Debt Conversion Shares under the Debt Conversion Agreement; and
- (v) The representations and warranties of the Company and the Creditors being true, accurate and correct in all material aspects, with reference to the then existing circumstances, and the Company having performed in all material respects all of its obligations under the Debt Conversion Agreement which are required to be performed.

### 2.5 Rationale for the Proposed Debt Conversion

The rationale of the Proposed Debt Conversion is to reduce the debt burden of the Group, eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group, provide for some level of stability to the Group and alleviate pressures faced by the Group on its cash flow.

### 2.6 Financial Effects of the Proposed Debt Conversion

For the purpose of this Section, the illustration of the financial effects of the Proposed Debt Conversion on the Share Capital, NTA per Share, LPS and gearing of the Group are set out in Appendix C of this Circular. Please refer to Appendix C to this Circular for further details in the financial effects of the Proposed Transactions.

### 2.7 Shareholders' approval for the issue of Debt Conversion Shares to certain persons

Lim Yeow Sun Tommy, Andy Kun Swee Tiong and Hong Seong Soo are current directors of the Company and are deemed to be interested persons under Chapter 9 of the Catalyst Rules. Pursuant to Rule 915(8) of the Catalyst Rules, an interested person transaction relating to director's fees and remuneration and employment remuneration does not require to comply with Rule 905, 906 and 907 of the Catalyst Rules.

There was an amount of S\$28,500 owing Lim Yeow Sun Tommy, the Executive Director of the Company, in relation to the acquisition of Summit which was completed in 2014. Pursuant to Rule 906 (2), Shareholders' approval is not required for any interested person transaction below S\$100,000.

The Company confirms that save for the current directors of the Company (comprising Lim Yeow Sun, Andy Kun Swee Tiong and Hong Seong Soo), none of the Creditors are "interested persons" under the Chapter 9 of the Catalyst Rules.

Notwithstanding the foregoing, Lim Yeow Sun Tommy, Andy Kun Swee Tiong and Hong Seong Soo are current Directors and Mr Oei are current Substantial Shareholders. AOF is associated with AOF I, a current Substantial Shareholder. Pursuant to Rule 812 of the Catalyst Rules, the issues of the Debt Conversion Shares to Lim Yeow Sun Tommy, Andy Kun Swee Tiong, Hong Seong Soo, AOF and Mr Oei are subject to the approval of the Shareholders.

Accordingly, the Company is seeking Shareholders' approval for the allotment and issuance of the Debt Conversion Shares as well as the issuance and allotment of the Debt Conversion Shares to the Directors and Substantial Shareholders at the EGM.

## 3. THE PROPOSED NOTES ISSUE

### 3.1 Background

On 1 September 2016, the Company announced that it had entered into a Subscription Agreement with the Subscriber and ACPAM.

Pursuant to the Subscription Agreement, the Company proposed to issue 1.0% unsecured equity linked redeemable structured convertible notes (collectively, the "Notes" and each, a "Note") in aggregate principal amount of up to S\$20,000,000 in 4 tranches. The Subscription Agreement contemplates the issue of 4 tranches of the Notes (each, a "Tranche"), and shall be referred to as "Tranche 1 Notes", "Tranche 2 Notes", "Tranche 3 Notes" and "Tranche 4 Notes". Each of Tranche

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## LETTER TO SHAREHOLDERS

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1 Notes and Tranche 2 Notes shall comprise 20 equal sub-tranches of S\$250,000 each. Each of Tranche 3 Notes and Tranche 4 Notes shall comprise 10 equal sub-tranches of S\$500,000 each.

The Company has opted for the aggregate principal amount of up to S\$20,000,000 to be divided into 4 Tranches comprising several sub-tranches so as to space out the dilutive impact of the Proposed Notes Issue. By structuring the Proposed Notes Issue into 4 Tranches will enable the Company to have more flexibility as a financing option.

Notwithstanding the potential adverse impact on the prices of the Shares and adverse dilutive impact on the Shares if the Notes are converted, the Proposed Notes Issue is intended to provide funds for the working capital requirements and the Proposed Diversification of the current Group's business time to time and to enable the Company to raise funds in a shorter and more cost-effective and efficient manner as compared to raising money from other debt markets. Without sufficient funds, the Company will not be able to embark on its business plans as described in paragraph 8.2 of this Circular.

On 30 November 2016, the Company announced that the Fulfilment Date has been extended for a further 3 months' period from 1 December 2016 to 1 March 2017. On 28 February 2017, the Company announced that the Fulfilment Date has been extended for a further 3 months' period from 1 March 2017 to 1 June 2017.

On 12 May 2017, the Company entered into the Supplemental Agreement with the Subscriber and ACPAM, to supplement and vary the Conditions. Please refer to paragraph 4.2.2 below.

Specific approval of Shareholders is required for the Proposed Notes Issue for the following reasons:

- (a) the Proposed Notes Issue is not within the existing share issue mandate given to the Directors;
- (b) the Subscriber is a Substantial Shareholder (Please refer to paragraph 3.2 of this Circular); and
- (c) based on the price formula for conversion, the discount is likely to be more than a 10% discount to the prevailing market price of the Shares before conversion.

### 3.2. INFORMATION OF THE SUBSCRIBER AND ACPAM

*The information in this section relating to the Subscriber and ACPAM is based on information provided by and/or representations made by the Subscriber and ACPAM. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.*

The Subscriber is an open-ended discretionary fund with sub-funds incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2016 and has its registered office at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Subscriber is structured as a regulated mutual fund with the Cayman Islands Monetary Authority.

ACPAM is a company incorporated in Singapore on 5 June 2013 and has its registered office at 10 Anson Road, #20-08A International Plaza, Singapore 079903. ACPAM is a registered fund management company with the Monetary Authority of Singapore and has been appointed by the Subscriber to serve as the discretionary investment manager of all the investments of the Subscriber.

Mr. Tan Choon Wee is the principal director and shareholder of the Subscriber and ACPAM.

The Company had previously entered into a similar transaction with AOF on 22 June 2012 for the issue of 5.0% equity linked redeemable structured convertible notes (matured in October 2015) with an aggregate principal amount of up to S\$10,000,000 ("**Previous Subscription Agreement**"). The Previous Subscription Agreement expired on 9 October 2015. AOF is an open-ended fund established in the Cayman Islands in 2006 and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Mr. Tan Choon Wee is the principal and sole director of AOF.

The Company and the Subscriber also entered into a share placement agreement on 26 January 2017 where the Subscriber subscribed for 180,000,000 new Shares ("**Placement Shares**") and completion took place on 4 April 2017. Following the issuance and allotment of the Placement

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## LETTER TO SHAREHOLDERS

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Shares, the Subscriber became a Substantial Shareholder, and as at the Latest Practicable Date, the Subscriber remains as a Substantial Shareholder of the Company.

Save for the above, the Subscriber and ACPAM have no other business dealings with the Company. None of the directors and shareholders of the Subscriber and ACPAM are related to any of the Directors or Substantial Shareholders of the Company (other than the Subscriber).

As the Subscriber is a Substantial Shareholder, specific approval is required under Rule 812(2) of the Catalyst Rules is required for the Company to issue of the Notes to the Subscriber.

#### **4. DETAILS OF THE PROPOSED NOTES ISSUE**

##### **4.1 Salient Terms of the Subscription Agreement**

###### **4.1.1 *Tranche 1 Notes***

The Subscriber will subscribe for the first sub-tranche of Tranche 1 Notes at the Issue Price within 5 Business Days after the fulfilment of the conditions precedent disclosed in paragraph 4.1.4 of this Circular. The subsequent sub-tranches of Tranche 1 Notes shall be subscribed on the 5<sup>th</sup> Business Day after the conversion date of the last of the Notes comprised in the preceding sub tranche of Tranche 1 Notes.

###### **4.1.2 *Options granted to the Company in respect of subsequent tranches***

In respect of the Tranche 2 Notes to Tranche 4 Notes, the Subscriber shall grant to the Company the Option to require the Subscriber to subscribe for such Notes at the Issue Price during the relevant Option Period. The Company may exercise the Option by giving written notice to the Subscriber during the Option Period, being 10 Business Days from the last conversion date of the latest Notes that were converted. Upon receipt of the Exercise Notice from the Company, the Subscriber shall be obliged to subscribe the Notes on the relevant Closing Date.

###### **4.1.3 *Lapse of Options***

If the Subscriber does not receive the Exercise Notice on the expiry of the relevant Option Periods, the Options for the remaining tranches shall lapse automatically and the Subscriber will have no obligation to subscribe and pay for the remaining Notes.

###### **4.1.4 *Conditions Precedent to the Closing of the first sub-tranche of Tranche 1 Notes***

The following are the key conditions precedent for the subscription of the first sub-tranche of Tranche 1 Notes to be fulfilled by the Fulfilment Date:

- (a) the approval of the Shareholders for, *inter alia*, the subscription or the issue of the Notes and the allotment and issue of the Conversion Shares upon conversion of the Notes has been obtained and such approval has not been amended, withdrawn, revoked or cancelled;
- (b) all the Approvals have been duly obtained, and such approvals have not been amended, withdrawn, revoked or cancelled;
- (c) all the registration and submission required to be carried out by the Company for the transactions contemplated under the Subscription Agreement to any relevant authorities have been duly carried out;
- (d)
  - (i) all the representations, warranties, undertakings and covenants of the Company set forth in the Subscription Agreement are accurate and correct in all respects; and
  - (ii) the Company has performed all of its undertakings or obligations under the Subscription Agreement.

###### **4.1.5 *Conditions Precedent to each of the respective Closings of the Remaining Notes***

The provisions in paragraph 4.1.4(a), (b), (d)(i) and (d)(ii) are applicable as conditions precedents to be fulfilled for the subscription of each sub-tranche of the remaining Note.

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## LETTER TO SHAREHOLDERS

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### 4.1.6 Termination

Should the Subscriber terminate the Subscription Agreement due to, *inter alia*, breach of material terms such as undertakings, covenants, representations and warranties, delisting or suspension of the trading of the Company's Shares, and an occurrence of other default events (see paragraph 4.2.1(viii) of this Circular), all outstanding Notes shall be declared immediately due and payable at the discretion of the Subscriber at 125% of the principal amount of the outstanding Notes together with all accrued interest thereon without further formality.

### 4.1.7 Key terms of the Notes and the Proposed Notes Issue

Please also refer to the key terms of the Notes and the Proposed Notes Issue in paragraph 4.2 of this Circular.

## 4.2 Key Terms of the Notes and the Proposed Notes Issue

4.2.1 A summary of the key terms of the Notes is set out in Appendix A of this Circular. The key terms (including features and restrictions) of the Notes and the Proposed Notes Issue are as follows:

### **Key terms of the Notes**

(i) Notes denomination:

Each Note will have principal value of S\$50,000.

(ii) Interest:

1.0% per annum starting from the day of issue, payable semi-annually in arrears on 30 June and 31 December of each year.

(iii) Conversion Price:

80% of the average market price per Share on any 3 consecutive Business Days on which Shares were traded on the SGX-ST as selected by the relevant Noteholder within 45 Business Days immediately preceding the relevant conversion date. In the event of any Share consolidation, Share split and reclassification of Shares, the selected three Business Days shall not comprise of both cum and ex dates. If the selected three Business Days are the cum dates, the same event (or entitlement) shall also apply to the Conversion Shares. If the selected three Business Days are the ex dates, the same event (or entitlement) shall not apply to the Conversion Shares.

In any event, the Conversion Price shall be no less than S\$0.0008 (the "**Minimum Conversion Price**"). The Minimum Conversion Price is subject to adjustment. Please refer to Appendix D of this Circular for more details on adjustment provisions. Notwithstanding the adjustment provisions, there shall be no adjustment of the Minimum Conversion Price below S\$0.0008.

The discount of the Conversion Price was determined upon mutual agreement of the Company and the Subscriber taking into consideration the low Share price where each tick in trading will result in a higher percentage difference in the Share price.

(iv) Adjustment to Minimum Conversion Price:

The Minimum Conversion Price is subject to adjustment. Please refer to Appendix D of this Circular for more details on adjustment provisions. Notwithstanding the adjustment provisions, there shall be no adjustment of the Minimum Conversion Price below S\$0.0008.

(v) Transferability:

A Note may be transferred in whole but not in part. A Noteholder is entitled at any time and from time to time to transfer any Note that has been issued to any third party. Notwithstanding

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the foregoing, a Noteholder shall not transfer any Note to a transferee who is not a person exempted under Section 274 or 275 of the SFA being applicable to the transfer.

(vi) Redemption:

The Company may redeem the Notes in cash at the Redemption Amount if, at the time when the Notes are presented for conversion to Shares by the Noteholder(s), the Conversion Price is less than or equal to 65% of the daily traded volume weighted average price per Share for the 45 consecutive Business Days prior to the relevant Closing Date in respect of each sub-tranche of the respective tranches of Notes.

The Redemption Amount is the principal amount of the Notes to be redeemed together with any unpaid interest accrued on such Notes plus the cost of redemption of 8% per annum on the principal amount of such Notes to be redeemed calculated based on a 365 days basis and all unpaid interest accrued.

The calculation of the cost of redemption of 8% per annum for the different scenarios below is illustrated as follows:

(A) Scenario A:

Where all 4 tranches of the Notes representing the principal amount of S\$20,000,000 have been issued and the Noteholder(s) present all such Notes for conversion, if the Company opts to redeem Notes of S\$1,000,000 in principal amount and convert the remaining principal amount of S\$19,000,000 to Shares, the cost of redemption payable by Company will S\$80,000 (i.e. 8% of S\$1,000,000) assuming the period between the date of issue and redemption of the Notes is 12 months.

(B) Scenario B:

Where Notes representing the principal amount of S\$15,000,000 have been issued and the Noteholder presented all such Notes for conversion, if the Company opts to redeem Notes of S\$4,000,000 in principal amount and convert the remaining principal amount of S\$11,000,000 to Shares, the cost of redemption payable by Company will about S\$160,000 (i.e. about half of 8% of S\$4,000,000) assuming the period between the date of issue and redemption of the Notes is 6 months.

(C) Scenario C:

Subsequent to the scenario in (B) above, the Company issues additional Notes representing a principal amount of S\$5,000,000 and the Noteholder presents all such Notes for conversion, and if the Company opts to redeem Notes of S\$1,000,000 in principal amount and convert the remaining principal amount of S\$4,000,000 to Shares, the cost of redemption payable by Company is about S\$20,000 (i.e. about a quarter 8% of S\$1,000,000) assuming the period between the date of issue and redemption of the Notes is 3 months.

Assuming that each tranche of the Notes is being presented for conversion within a year from the date of issuance and that all 4 tranches of the Notes are fully issued, in the event the Company decides to redeem all 4 tranches of the Notes, it will have to bear the costs of redemption up to S\$1,600,000. For the avoidance of doubt, the Company exercising its right to redeem will not affect the issuance of other tranches or sub-tranches of the Notes which have not been issued.

(vii) Maturity:

36 months from the Closing Date of the first sub-tranche of Tranche 1 Notes.

(viii) Events of default:

The significant events of default are, *inter alia*:

- There is a default in any payment by the Company;

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- The delisting or an order for delisting of the Shares from the Catalist or a suspension of trading, or material limitation of the Shares on the Catalist for a period of five consecutive Business Days or more;
- There is default by the Company in the payment of the principal or interest in respect of the Notes;
- There is default by the Company in the performance of any covenant, condition, provision or obligation contained in the Notes;
- The ratio of Borrowings (as defined below) to Net Worth exceeds 10 times at any time, with effect from 1 April 2018.
- A resolution is passed or an order of a court is made that the Company be wound up or dissolved or put under judicial management.
- An encumbrancer takes possession of or a receiver is appointed for the whole or a material part of the assets or undertaking of the Group.
- The Group is unable to pay its debts as and when they fall due or the Group ceases to carry on its business.
- a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Group.
- 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 Group is in default in repayment of other debt instrument or other debts having an aggregate outstanding amount of at least S\$5,000,000.

If an event of default occurs, all subscribed Notes may, by notice in writing, be declared immediately due and payable whereupon it shall become immediately due and payable at 125% of the principal amount together with accrued interest without formal formality.

Shareholders shall note that the definition of "**Borrowings**" will include the principal amount of the Notes issued by the Company. Please refer to Appendix C of this Circular for the illustration of financial effect of the Proposed Notes Issue on the gearing of the Group and the Company.

(ix) Consequences of occurrence of event of default:

Upon occurrence of event of default by the Company, any Note may, by notice in writing given to the Company, be declared immediately due and payable whereupon the Notes shall become immediately due and payable at 125% of its principal amount together with accrued interest without further formality.

(x) Negative Pledge:

The Group shall not create any security interest on its assets or guarantee for the benefit of holder(s) of any existing or future Note unless the same security or other security or guarantee which is not materially less beneficially is given to all Noteholders.

(xi) Right of first refusal for convertibles:

The Noteholders shall have the first right of refusal to subscribe for future convertibles issued by the Company or any Subsidiary which are similar to the Notes.

(xii) Modification on the Notes and the Conditions:

Any modification of the Notes (including these Terms and Conditions) requires a prior written consent from the Company and holders of more than half of the aggregate principal amount of

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Notes then outstanding. There shall be no modification of the Notes (including these Terms and Conditions) to the advantage of the Noteholder(s) unless approved by Shareholders. Any waiver or authorisation of any breach or proposed breach by the Company of the Notes requires the written approval of holders of more than half of the aggregate principal amount of Notes then outstanding.

### **Key terms of the Proposed Note Issue**

(xiii) Issue Tranches:

4 tranches of the Notes, with Tranche 1 to Tranche 2 Notes comprising 20 sub-tranches of S\$250,000 each, and Tranche 3 and Tranche 4 Notes comprising 10 sub-tranches of S\$500,000 each. The aggregate principal amount of the Notes assuming all are issued will be S\$20,000,000.

The Closing Date for each sub-tranche is on the 5<sup>th</sup> Business Day after the conversion date of the immediately preceding sub-tranche.

(xiv) Maximum potential number of new Shares:

Based on the Minimum Conversion Price of S\$0.0008 and assuming all 4 Tranches of the Notes have been fully converted:

- (a) The maximum potential number of Conversion Shares that could arise from the Proposed Notes Issue is 25,000,000,000.
- (b) This represents approximately 2,030.4% of the total existing number of issued Shares of 1,231,304,250.
- (c) This represents approximately 991.8% of the total enlarged total number of issued Shares of 2,520,763,830 (after issuance and allotment of the Debt Conversion Shares in full prior to the issuance and allotment of the Conversion Shares).
- (d) This represents 90.8% of the total enlarged number of issued Shares of 27,520,763,830 (after issuance and allotment of both the Debt Conversion Shares and the Conversion Shares in full).

(xv) Administrative fee:

An administrative fee of 5% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes issued is payable by the Company. Such amounts of administrative fees payable shall be deducted by the subscriber directly from the subscription moneys payable to the Company for the subscription of each.

(xvi) Cancellation fee:

There is a cancellation fee of S\$30,000 to the Subscriber in the event the Subscription Agreement is terminated for any reason whatsoever prior to the Closing Date of the first sub-tranche of Tranche 1 Notes.

(xvii) Expenses of Subscriber and ACPAM:

The Company will bear all costs and expenses (including applicable tax) reasonably incurred by the Subscriber and ACPAM, including but not limited to fees and expenses and applicable tax ("GST") of the Subscriber's and ACPAM's legal advisers estimated at the Latest Practicable Date to be about S\$30,000.

(xviii) Right of First Refusal:

The Subscriber shall have the first right of refusal to subscribe for future Shares issue in respect of any proposed private placement of new Shares.

(xix) Termination by the Subscriber:

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The Subscriber may at its absolute discretion terminate the Subscription Agreement in several circumstances including a breach of the Subscription Agreement by the Company, failure of the conditions, an event of default on the Notes, an event of default in relation to any other notes, bonds or similar securities of the Company or any of its Subsidiaries has issued, the suspension (or material limitation) of trading of the Shares by the SGX-ST for 5 consecutive business days, delisting of the Company. The Subscriber may also terminate the Subscription Agreement if, in the opinion of the Subscriber, there shall be any change or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties which adversely affects the ability of the Company to perform its obligations under the Subscription Agreement.

4.2.2 Following the signing of the Subscription Agreement on 1 September 2016, the Company and the Subscriber has entered into the Supplemental Agreement, and the material changes to the Conditions are, *inter alia*, as follows:

- (i) Setting the Minimum Conversion Price as S\$0.0008;
- (ii) Clarifying that in the event of any Share consolidation, Share split or reclassification of Shares, the selected three Business Days shall not comprise of both cum and ex dates. If the selected three Business Days are the cum dates, the same event (or entitlement) shall also apply to the Conversion Shares. If the selected three Business Days are the ex dates, the same event (or entitlement) shall not apply to the Conversion Shares;
- (iii) Providing an adjustment mechanism to the minimum conversion price. Details of the adjustment mechanism will be set out in Appendix D of this Circular; and
- (iv) Requiring any modification of the Notes and the Conditions to the advantage of the Noteholder(s) to be approved by Shareholders.

The above changes have been incorporated in the summary of the Conditions set out in Appendix A and Appendix D of this Circular.

## 5. USE OF PROCEEDS

The Proposed Notes Issue is expected to raise at least S\$250,000 (excluding fixed expenses) if only the first sub-tranche of Tranche 1 is issued and S\$5,000,000 through the issue of the entire Tranche 1 Notes (excluding fixed expenses) if the Subscriber elects to convert all the sub-tranches of Tranche 1. Total proceeds of up to S\$20,000,000 may be raised depending on, *inter alia*, the market conditions and the discretion of the Company whether to issue Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes. The net proceeds of the Proposed Notes Issue (assuming that all of the Tranche 1 Notes to Tranche 4 Notes are issued and after deducting estimated fees and expenses (including but not limited to listing fees, professional and legal fees for *inter alia* the preparation of the Circular) of approximately S\$1,349,000), are approximately S\$18,651,000 (the “**Net Proceeds**”). The Company intends to use the Net Proceeds in the following manner:

- (i) 70% of the Net Proceeds will be used for investments and general corporate purposes; and
- (ii) 30% of the Net Proceeds will be used as general working capital purposes for repayment of fees, *inter alia*, professional fees.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for

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any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

### **6. RATIONALE AND RISKS OF THE PROPOSED NOTES ISSUE**

#### **6.1 Rationale**

As part of the Company's strategy to source for new businesses, the Company intends diversify into the automated retail segment. The diversification of the Group's business into the automated retail segment will require new sources of funding and cash reserve. As the Proposed Notes Issue will allow the Company to receive the proceeds from the Proposed Notes Issue in several tranches, this will meet the Group's capital requirements as it expands its business activities over time and enable it to leverage on acquisition opportunities as they arise from time to time. The Board believes that the Proposed Notes Issue is in the best interests of the Company and the Shareholders as the Proposed Notes Issue will serve to shore up the Company's cash reserve and resources to enable it to embark on its business objectives and tap on potential acquisition opportunities as they arise.

In addition, the Proposed Notes Issue will enhance the Group's cash position and provide the Group with a source of funding to seize and leverage on any business opportunities as it arises. This will place the Group in good stead to grow and develop its business plans and to secure suitable business opportunities. The Directors also believe that it is in the best interest of the Company and the Shareholders that the Group grows and develops its business plans and secure suitable business opportunities. While the Proposed Notes Issue may have an adverse impact on Share price, the Directors believe that the effect will not be long term, and it is still in the best interest of the Company and the Shareholders that the Company proceed to secure a source of funding through the Proposed Notes Issue. For the aforesaid reasons, the Directors believe that Shareholders should vote for the Proposed Notes Issue as it is in the best interest of the Company and the Shareholders.

The Company decided to raise funds by way of the Proposed Notes Issue after taking into account the Group's weak financial position and limited funding avenues available to it. The Group had considered raising funds through bank borrowings. Being loss-making, the Group has found it difficult to raise funds through bank borrowings, which is a similar problem faced by any other loss-making company. In addition, the Group had a negative equity of approximately S\$1.5 million and its current liabilities exceeds its current assets by approximately S\$3.5 million as at 30 September 2016. The Company had also considered a private placement of Shares. However, the Company was not able to find any suitable investors. Due to the predicament of the Company as aforesaid, the Company had faced great challenges to find new funding avenues for its intended new projects.

The decision to accept the terms offered by the Subscriber was made on the basis that there were no other lender or investor prepared to match the quantum of the aggregate funds required and willing to provide loan or investment on lending or investment terms no more favourable than those offered by the Subscriber mainly due to the Group's weak financial position and lack of funding alternatives as aforesaid.

#### **6.2 Material Risks**

The Notes are not a conventional form of security, but are widely known as "toxic" or "death spiral" due to the potential dilutive impact on the Shares and the potential adverse impact on the Share price upon conversion of the Notes to Shares. As at the Latest Practicable Date, the Share price of the Company remains at S\$0.001 per Share, and the Share price cannot spiral lower than S\$0.001. Notwithstanding the foregoing, there are still risks associated to the Proposed Notes Issue. The material risks are set out in page i to ii of this Circular.

### **7. MATERIAL EFFECTS OF THE PROPOSED NOTES ISSUE**

#### **7.1 Illustration of the financial effects of the Proposed Notes Issue**

Shareholders should note that as at the Latest Practicable Date, the actual Conversion Price is not ascertainable as it is dependent on the future market prices of the Shares during the relevant period of conversion.

Based on the Minimum Conversion Price of S\$0.0008 and where the Notes of all four Tranches in aggregate principal amount of S\$20,000,000 are issued and are fully converted and where conversion of the Notes took place after EGM, the maximum number of Conversion Shares is 25,000,000,000.

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This represents approximately (i) 2,030.4% of the existing share capital of 1,231,304,250 Shares; and (ii) 90.8% of the enlarged share capital of the Company after the issuance and allotment of the Debt Conversion Shares and the Conversion Shares in full.

As the Company has the discretion not to exercise its Option in respect of any of the other Tranches of the Notes subsequent to Tranche 1 Notes, the total principal amount of Notes to be issued is also not determinable as at the Latest Practicable Date. Therefore, it is not possible at the Latest Practicable Date to conclusively determine the actual number of tranches of Notes to be issued or the actual number of Conversion Shares to be allotted and issued by the Company, from the Proposed Notes Issue.

It is also not possible at the Latest Practicable Date to determine precisely the financial effects of the Proposed Notes Issue on the Company and the Group until the actual principal amount of the Notes issued has been determined and such Notes have been fully converted or otherwise redeemed.

Notwithstanding the above, in order to facilitate Shareholders' understanding of the Proposed Notes Issue, illustrations of the financial effects of the Proposed Notes Issue on the share capital, NTA and gearing of the Company and the Group are set out in Appendix C to this Circular. Please refer to Appendix C to this Circular for further details on the financial effects of the Proposed Notes Issue. Shareholders should note that the illustrations on the financial effects as set out in Appendix C to this Circular are prepared based on a set of assumptions (details of which are set out in Appendix C to this Circular). As explained above, the number of Conversion Shares to which a Noteholder is entitled on conversion shall be determined by dividing the aggregate principal amount of the Notes to be converted by the applicable Conversion Price. For the purpose of this illustration, we have used the Minimum Conversion Price of S\$0.0008 to illustrate the maximum dilution effect.

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

The Company is of the opinion that it is not possible to quantify in any meaningful way the effect of the Proposed Notes Issue on the earnings and/or losses of the Company and the Group as the actual amount of proceeds to be raised from the Proposed Notes Issue is dependent on the actual number of tranches of the Notes eventually issued by the Company until such proceeds have been fully deployed. The Proposed Notes Issue may result in a loss to the Company in view of the difference between the fair value and the Issue Price or the face value of the Notes and subject to, *inter alia*, relevant accounting treatment, factors and assumptions (on, *inter alia*, share prices) as at the relevant time. The net effect on the earnings and/or losses of the Company and the Group will also depend on the income earned from such deployment of the proceeds.

### 7.2 Public Float

As at the Latest Practicable Date, the percentage of the issued share capital of the Company being held in public hands is approximately 55.17%.

The Subscriber shall not be entitled to exercise its conversion rights unless written consent of the Company shall have been obtained where the number of Conversion Shares to be issued pursuant to a single exercise of its conversion rights would exceed 15.0% of the enlarged Share capital of the Company. The Company undertakes to ensure that the aggregate of (a) number of Conversion Shares to be issued arising from a single conversion and (b) the then existing Shares held by AOF I and its related parties, will not exceed 15% of the enlarged Share capital of the Company. Furthermore as one of the conditions for the Proposed Notes Issue is, *inter alia*, the continued listing of the Shares, the Company is likely to be able maintain public float notwithstanding the potential dilutive impact on the Shares of the Proposed Notes Issue. Notwithstanding the foregoing, in the event that the Company loses its public float, trading of the Company may be suspended and the Company may be delisted.

For the purposes of this paragraph, “**public**” means persons other than:

- (i) directors, chief executive officer or Substantial Shareholders or Controlling Shareholders of the Company and its subsidiary companies; and
- (ii) associates of the persons stated in (i) above.

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### 7.3 Potential Transfer of Controlling Interest

As announced on 27 January 2017, the Subscriber had subscribed for 180,000,000 Placement Shares at an issue price of S\$0.001 per Placement Share. As at the Latest Practicable Date, the Subscriber holds 110,000,000 Shares representing approximately 8.93% of the Company's issued Share capital. AOF holds no Shares as at the Latest Practicable Date, but will be issued and allotted 106,001,250 Debt Conversion Shares upon completion of the Proposed Debt Conversion.

Based on the assumptions set out in paragraph 7.1 above, it can be seen that the Subscriber's shareholding interest (including its existing shareholding) in the Company:

- (i) upon a full conversion of the Tranche 1 Notes (without taking into account the timing of the conversion and any disposal of Shares by the Subscriber), will represent a maximum of 516.5% and 72.5% of the Company's existing and enlarged issued Share capital after the issuance and allotment of the Debt Conversion Shares in full and 6,250,000,000 Conversion Shares respectively; and
- (ii) upon a full conversion of the Notes of all 4 tranches (without taking into account the timing of the conversion and any disposal of Shares by the Subscriber), will represent a maximum of 2,039.3% and 91.2% of the Company's existing and enlarged issued Share capital after the issuance and allotment of both the Debt Conversion Shares and the Conversion Shares in full respectively.

The above is for illustrative purposes only. The Company undertakes to ensure that at any point in time, the aggregate of (a) number of Conversion Shares to be issued arising from a single conversion and (b) the then existing Shares held by AOF I and its related parties, will not exceed 15% of the enlarged Share capital of the Company

The Subscriber has agreed in the Subscription Agreement that it shall not to hold more than 15% interest in the issued Share capital of the Company (excluding treasury Shares), at any time and from time to time without the prior approval of the Company. Pursuant to Rule 803 of the Catalist Rules, the Company must not issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting. The Company confirms and undertakes that (a) it will comply with Rule 803 of the Catalist Rules, and (b) no Debt Conversion Shares and/or Conversion Shares will be issued to AOF and/or the Subscriber in the event that it will result in the shareholding of the Subscriber and its related parties exceeding 15%. Accordingly, the maximum number of Shares held by the Subscriber and its related parties, as at any point in time, will not be more than 15% of the enlarged Share capital of the Company.

The Subscriber will be bound by the Singapore Code on Take-overs and Mergers ("Code"). Consequently depending on the number of Shares held by the Subscriber (whether pursuant to the conversion of the Notes or otherwise), the Subscriber and persons acting in concert with it could obtain or consolidate effective control and could become obliged to make a mandatory general offer under the Code. In addition, the Subscriber is entitled to transfer the Shares to a third party and such third party will also be bound by the Code depending on the number of Shares acquired by such third party.

### 7.4 Accounting treatment of the Proposed Notes Issue

The accounting policies for the treatment of the Proposed Notes Issue is in accordance with the Singapore Financial Reporting Standards.

#### Convertible loan notes

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole.

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This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. Conversion features that fail equity classification are accounted for as derivative liability and accounted for separately from the host instruments.

### **Embedded derivatives**

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the statement of comprehensive income.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

## **8. PROPOSED DIVERSIFICATION OF BUSINESS**

### **8.1 Existing business of the Group**

The Group currently does not have any operating business as the Group is actively seeking out new business opportunities. There are also no material operations works done for the Birthday Mine due to limited funding available, and the Company is in the negotiation with the potential investors/third parties to invest the Birthday Mine and/or to manage the mine operation since the previous monthly update.

### **8.2 Proposed Diversification of Business**

The Company announced on 6 May 2016 that it was in negotiations for a possible acquisition of investment in a company, engaged in the retail business.

The Company is proposing a diversification of the Group's current business to include the automated retail business ("**Proposed Diversification**"). Upon the approval of Shareholders of the Proposed Diversification, the automated retail business will be a new additional core business of the Group. Automated retail business involves the retailing of merchandise through automated retail machines.

Automated retail machines are not new. The most common automated retail machines are drinks vending machines which are cash based automated retail machines. The range of merchandise cash based automated retail machines offer is generally low in value and limited. Other than dispensing the merchandise, the older generation automated retail machines do not offer any other services to customers.

With the recent development of new payment methods such as mobile payment, tap and pay, etc., the range of merchandise which can be offered using automated retail machines is greatly expanded. The automated retail machines are getting smarter and can provide better customer experience. Increasingly, smarter automated retail machines can do more than just dispensing merchandise, opening up more opportunities. The Company believes that the new developments in this area will create new markets for the automated retail segment.

In preparation for the Proposed Diversification, the Company had entered into a licensing agreement on 12 May 2017 with Kalm's Vending Private Limited ("**Kalms**") to carry on the following business:

- (a) the Company to purchase 10 automated retail licenses from Kalms or any of its subsidiaries which would allow the Company to operate 10 automated retail machines in Singapore. The Group may commence with 1 automated retail machine and gradually increase the number of automated retail machine to 10;
- (b) the Company shall have the option to become the master licensee for Singapore in the event the Company purchases in aggregate 100 automated retail licenses; and
- (c) to derive revenue from advertisement and sales of products, such as jewellery and premium gifts from such automated retail machines.

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(collectively, the "**KAR Business**")

Kalms Vending Pte Ltd is a wholly-owned subsidiary of Kalms Singapore Pte Ltd ("**Kalms Singapore**"), which is the license owner of Kalm's brand, a 52-year old brand founded in August 1964, which is in the gifting industry.

Kalms Singapore is a 52 year old brand name that resonates with the public for being the leader in the gifting industry. Kalms first started out as Kalms Records, opening its music store in 1964 and becoming famous in Singapore as the sole distributor for many American artists. In 1982, Kalms decided that its forte was in gift-giving, and it opened its first gift store in Singapore. By 1990, Kalms had become a household name in Singapore with locations throughout the country. It became the first gift company to distribute a number of household brands, such as Hallmark Cards, Carlton Cards and Carte Blanche Greetings in Singapore, Brunei and Hong Kong.

Kalms (Singapore) currently operate one (1) retail store in Singapore after three (3) of the other retail stores were closed by the new management as the new management intends to focus specifically on premium gifts (*inter alia*, teddy bears, greeting cards, multi vitamins packs, small leather goods) and jewelry via delivery channels including online websites and automated retail machines (vending machines) going forward as part of its business expansion plans.

The Group does not plan to restrict the Proposed Diversification to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits.

### 8.3 Rationale for the Proposed Diversification

The Company proposed to diversify its current business to include the automated retail business (including the KAR Business) for the following reasons:

- (a) The Board believes that the new developments in the automated retail business, such as new payment method and smarter automated retail machines, create new markets for the automated retail segment.
- (b) The Proposed Diversification is part of the corporate strategy of the Group with diversified returns and long term growth. The Board believes that the Proposed Diversification can provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholder's value for the Company.
- (c) There have been no material developments on the Birthday Mine as the Group has been facing strong headwinds in securing finance. The Group had been in negotiations with potential investors and/or third parties to acquire the Birthday Mine and/or manage the mine operation but there have been no material updates. In addition, the Company has not been generating revenue since the financial period 6 months ended 30 September 2016. Such adverse conditions have limited the Group's growth and financial performance in recent years. As such, the Company proposes to undertake the Proposed Diversification as the automated retail business (including the KAR Business) may potentially offer the Group new business opportunities and revenue streams.
- (d) Once the Shareholders approve the Proposed Diversification, the Group may enter into transactions under the automated retail business (including the KAR Business) without having to seek Shareholders' approval for the sole reason of such transactions are not in the ordinary course of business. This will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval, allowing the Group greater flexibility to pursue business opportunities which may be time sensitive in nature. A further benefit would be to substantially reduce the costs associated with the convening of general meetings from time to time.

### 8.4 Organisation of the Proposed New Business

Even though the automated retail business is different from the current business, the Board recognises that the relevant experience and expertise required in relation to the automated retail business can be acquired and developed by the Group over time as it progresses in the automated

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retail business. The Board and senior management of the Group comprise individuals with varied qualifications and experience who will provide the strategic vision and policy on the automated retail business.

In making decisions, the Board and senior management of the Group will seek advice of external consultants and experts where necessary and appropriate. The Group intends to engage in the automated retail business incrementally starting with KAR Business. It will monitor developments and progress in the KAR Businesses and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage the KAR Business to take it forward as and when required. In addition, the Group will evaluate the manpower and expertise required for the KAR Business and will, as and when required, hire suitably qualified personnel, external consultants, external industry experts and professionals for the KAR Business. For a start, the Group will only purchase 10 automated retail license to operate 10 automated retail machines in Singapore. Once the economic feasibility of the KAR Business is proven, the Company will increase the number of licences with the aim to be the master licensee for Kalm's automated retail machines in Singapore.

The Group may foster partnerships with various third parties in the relevant industries to assist it in undertaking the automated retail business more effectively and efficiently as the Group seeks to build its expertise and capabilities in this field. Such partnerships may be done either on a case by case basis or on a term basis. Where necessary, work may be outsourced to reputable third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the party concerned.

### **8.5 Funding for the New Businesses**

The Company will fund the automated retail business through the Proposed Notes Issue.

### **8.6 Requirements under the Catalist Rules**

Pursuant to Practice Note 10A of the Catalist Rules, Shareholders' approval is not required if a transaction will result in an expansion of an issuer's existing core business, unless such transaction changes the issuer's risk profile.

As the Proposed Diversification and the entering into the Licensing Agreement will result in an expansion of the Group's business to new business sector(s) and may also result in an expansion to new geographical market(s), it is envisaged that the Proposed Diversification may change the Group's risk profile. Accordingly, the Board proposes to convene an EGM to seek Shareholders' approval for the Proposed Diversification. Upon approval by Shareholders of the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the automated retail business.

For the avoidance of doubt, the Group will continue to comply with the Catalist Rules, particularly the provisions of Chapter 10 in the event it undertakes any acquisition, joint venture, investment or other transaction within this sector.

### **8.7 Risk Factors**

Shareholders should note that the Proposed Diversification may change the risk profile of the Group. Shareholders should carefully consider and evaluate each of the following considerations and all of the other information set out in this Circular in relation to the Proposed Diversification. Some of the following considerations relate principally to only certain and not all of the industries pertaining to the automated retail business. Other considerations relate principally to general economic and political considerations.

If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations or prospects of the Company's automated retail business could be materially and adversely affected. The risks discussed below also include forward-looking statements and actual results of the Group and of the Company may differ substantially from those discussed in these forward-looking statements.

Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

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## LETTER TO SHAREHOLDERS

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The following considerations are not exhaustive and not intended to be exhaustive.

### *8.7.1 The Group has no prior track record and operating history in the automated retail business*

The Group does not have a prior track record in carrying out or the implementation of the automated retail business. Hence, there is no assurance that the Group's foray into the automated retail business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the automated retail business. The automated retail business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Group's future plans with regard to the automated retail business may not be profitable, may not achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The automated retail business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the automated retail business effectively, the overall financial position and profitability of the Group may be adversely affected.

### *8.7.2 The Group may not have the ability or sufficient expertise to execute the Proposed Diversification*

The Group's ability to successfully diversify into the automated retail business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the automated retail business. There is no assurance that the Group will be able to hire and subsequently retain employees with the relevant experience and knowledge as the Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to undertake the projects coming within the automated retail business. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the automated retail business more effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the automated retail business and this may adversely affect the Group's financial performance and profitability.

### *8.7.3 The risk of single licensor*

As at the Latest Practicable Date, the Group has only entered into a licensing agreement with Kalms and will be dependent on KAR Business and Kalms. If for any reason the licensing agreement with Kalms is terminated, the Group may not find an alternative licensor while may still be bound to other parties like the venue providers. In such an event, the Group's financial performance may be adversely affected.

### *8.7.4 The Group has no control over gross margin for the merchandise*

Under the licensing agreement with Kalms, the Group cannot unilaterally change the sale price of the merchandise on sale at the automated retail machines and source the merchandise through another cheaper supplier. The same will apply regardless of who the licensor is. As the Group has no control over the gross margin of the merchandise, the Group may not have too many options to increase profitability.

### *8.7.5 The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances*

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the automated retail business and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial

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## LETTER TO SHAREHOLDERS

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obligations), it may result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

### *8.7.6 The Group is subject to various government regulations in the automated retail business*

The automated retail business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its clients operate. The automated retail business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the automated retail business and/or in the interruption of its operations and may have a material adverse effect on its business. The Group must also comply with the applicable laws and regulations in the automated retail business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

### *8.7.7 The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance*

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

### *8.7.8 There is no assurance of the potential growth of the automated retail business*

While the Group will actively seek opportunities in the automated retail business, there is no assurance that it will be able to identify such opportunities which suits risk and returns profile.

### *8.7.9 The Group may face competition from existing operators, online sales platform, retail shops and new market entrants in the automated retail business*

The automated retail business may be highly competitive, with strong competition from established automated retail operators, online sales platforms, retail shops, and new market entrants. The Group may therefore not be able to provide comparable services and products at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources or a stronger track record. Further, new competitors may enter the sector resulting in increased competition or saturation. There is no assurance that the Group can compete successfully against its existing or potential competitors now or in the future. To compete effectively, the Group will have to offer more competitive pricing or differentiate itself by adopting more creative marketing strategies.

### *8.7.10 Poor demand for products and services offered by the Group may affect the Group's profitability*

The Group's performance for the automated retail business will be largely dependent on its ability to continuously offer different products for sale at its automated retail machines. Under the licensing agreement with Kalms, the Group does not have full control on the products for sale at its automated retail machines. The same will apply regardless of who the licensor is. In the event that no new products or popular products are introduced for prolonged period of time, the Group financial performance may be affected.

### *8.7.11 The Group is subject to changes in economic situation, government regulations and retail industry for the automated retail business*

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## LETTER TO SHAREHOLDERS

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The performance of the automated retail business depends largely on the economic situation and the performance of the retail industry and there is no assurance that the retail sector in which the Group undertakes the automated retail business will continue to grow. Should the economy or the retail market experience a downturn, whether globally or in any country in which the Group undertakes the automated retail business, the performance of the new business segments may be adversely affected.

### *8.7.12 Change in consumer shopping behaviour may affect the Group's profitability*

The automated retail business is exposed to the risk in the change in consumer shopping behaviour. Developments in information technology have enabled consumers to shop without leaving home. Should there be any further changes to consumer shopping behaviour that is detrimental to the Group, the performance from the automated retail business may be adversely affected.

## LETTER TO SHAREHOLDERS

### 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

|                                                                                      | Existing Share Capital as at the Latest Practicable Date |       |                  | After Proposed Debt Conversion but before the Issue and Allotment of Conversion Shares |       |                  | After Proposed Debt Conversion and the Issue and Allotment of Conversion Shares |       |                  |
|--------------------------------------------------------------------------------------|----------------------------------------------------------|-------|------------------|----------------------------------------------------------------------------------------|-------|------------------|---------------------------------------------------------------------------------|-------|------------------|
|                                                                                      | Direct Interest                                          | %     | Deemed Interest  | Direct Interest                                                                        | %     | Deemed Interest  | Direct Interest                                                                 | %     | Deemed Interest  |
|                                                                                      | Number of Shares                                         |       | Number of Shares | Number of Shares                                                                       |       | Number of Shares | Number of Shares                                                                |       | Number of Shares |
| <b>Directors</b>                                                                     |                                                          |       |                  |                                                                                        |       |                  |                                                                                 |       |                  |
| Lim Yeow Sun Tommy                                                                   | 1,200,000                                                | 0.10  | -                | 108,283,333                                                                            | 4.30  | -                | 108,283,333                                                                     | 0.48  | -                |
| Hong Seong Soo                                                                       | -                                                        | -     | -                | 39,583,333                                                                             | 1.57  | -                | 39,583,333                                                                      | 0.18  | -                |
| Andy Kun Swee Tiong                                                                  | -                                                        | -     | -                | 52,083,333                                                                             | 2.07  | -                | 52,083,333                                                                      | 0.23  | -                |
| Chng Hee Kok                                                                         | -                                                        | -     | -                | -                                                                                      | -     | -                | -                                                                               | -     | -                |
| <b>Creditors (other than Directors) and Subscriber</b>                               |                                                          |       |                  |                                                                                        |       |                  |                                                                                 |       |                  |
| AOF                                                                                  | -                                                        | -     | -                | 106,001,250                                                                            | 4.21  | -                | 106,001,250                                                                     | 0.39  | -                |
| AOF I                                                                                | 110,000,000                                              | 8.93  | -                | 110,000,000                                                                            | 4.36  | -                | 25,110,000,000                                                                  | 91.24 | -                |
| Bliss Deal                                                                           | -                                                        | -     | -                | 175,750,000                                                                            | 6.97  | -                | 175,750,000                                                                     | 0.64  | -                |
| Eddie Lim Wee Beng                                                                   | -                                                        | -     | -                | 175,750,000                                                                            | 6.97  | -                | 175,750,000                                                                     | 0.64  | -                |
| Christopher Tang Kok Keng                                                            | -                                                        | -     | -                | 20,833,333                                                                             | 0.83  | -                | 20,833,333                                                                      | 0.08  | -                |
| Mr Oei                                                                               | 166,857,758                                              | 13.55 | -                | 375,066,091                                                                            | 14.88 | -                | 357,066,091                                                                     | 1.36  | -                |
| Foong Chee Meng                                                                      | -                                                        | -     | -                | 291,666,666                                                                            | 11.57 | -                | 291,666,666                                                                     | 1.06  | -                |
| Choo Siew Lohk                                                                       | -                                                        | -     | -                | 20,833,333                                                                             | 0.83  | -                | 20,833,333                                                                      | 0.08  | -                |
| Wong Kuan Kit Keith                                                                  | -                                                        | -     | -                | 91,666,666                                                                             | 3.64  | -                | 91,666,666                                                                      | 0.33  | -                |
| <b>Substantial Shareholders (other than Directors, Creditors and the Subscriber)</b> |                                                          |       |                  |                                                                                        |       |                  |                                                                                 |       |                  |
| Chew Hua Seng <sup>(1)</sup>                                                         | 4,817,597                                                | 0.39  | 137,758,000      | 11.19                                                                                  | 0.19  | 137,758,000      | 4,817,597                                                                       | 0.02  | 137,758,000      |
| Doris Chung Gim Lian <sup>(1)</sup>                                                  | 137,758,000                                              | 11.19 | 4,817,597        | 0.39                                                                                   | 5.46  | 4,817,597        | 137,758,000                                                                     | 0.50  | 4,817,597        |
| KKI International Limited <sup>(2)</sup>                                             | 107,200,200                                              | 8.71  | -                | -                                                                                      | 4.25  | -                | 107,200,200                                                                     | 0.39  | -                |
| Atlas <sup>(2)</sup>                                                                 | 24,210,000                                               | 1.97  | 107,200,200      | 8.71                                                                                   | 0.96  | 107,200,200      | 24,210,000                                                                      | 0.09  | 107,200,200      |
|                                                                                      |                                                          |       |                  |                                                                                        |       |                  |                                                                                 |       | 0.39             |

## LETTER TO SHAREHOLDERS

|                                      | Existing Share Capital as at the Latest Practicable Date |                             |                  | After Proposed Debt Conversion but before the Issue and Allotment of Conversion Shares |                             |                  | After Proposed Debt Conversion and the Issue and Allotment of Conversion Shares |                             |                  |
|--------------------------------------|----------------------------------------------------------|-----------------------------|------------------|----------------------------------------------------------------------------------------|-----------------------------|------------------|---------------------------------------------------------------------------------|-----------------------------|------------------|
|                                      | Direct Interest                                          | %                           | Deemed Interest  | Direct Interest                                                                        | %                           | Deemed Interest  | Direct Interest                                                                 | %                           | Deemed Interest  |
|                                      | Number of Shares                                         |                             | Number of Shares | Number of Shares                                                                       |                             | Number of Shares | Number of Shares                                                                |                             | Number of Shares |
| Lim Hui Mei Stephanie <sup>(2)</sup> | -                                                        | -                           | 131,410,200      | -                                                                                      | -                           | 131,410,200      | -                                                                               | -                           | 423,076,867      |
| Existing public Shareholders         | 679,260,695                                              | 55.17                       |                  | 679,260,695                                                                            | 26.95                       | -                | 679,260,695                                                                     | 2.47                        | -                |
| <b>Total</b>                         | <b>1,231,304,250</b>                                     | <b>100.00<sup>(3)</sup></b> |                  | <b>2,520,763,830</b>                                                                   | <b>100.00<sup>(3)</sup></b> |                  | <b>27,520,763,830</b>                                                           | <b>100.00<sup>(3)</sup></b> |                  |

**Notes:**

- (1) The deemed interest is by virtue that Mr Chew Hua Seng and Doris Chung Gim Lian are spouses to each other.
- (2) The deemed interest is by virtue that KKI International Limited is wholly owned by Atlas and Lim Hui Mei Stephanie holds 70% of the issued and paid-up share capital of Atlas.
- (3) Figures and computation are subject to rounding

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## LETTER TO SHAREHOLDERS

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### 9.2 Interests in the Proposed Debt Conversion

- (a) Save for Lim Yeow Sun Tommy, Hong Seong Soo, Andy Kun Swee Tiong, Oei Liang Jen Nicholas Remigius and AOF I (having associated with AOF, one of the Creditors) who are interested in the Proposed Debt Conversion, none of the Directors or Substantial Shareholders has any interest, whether direct or indirect (other than through their respective shareholding interest in the Company) in the Proposed Debt Conversion or any connections with the Creditors.
- (b) Lim Yeow Sun Tommy, Hong Seong Soo and Andy Kun Swee Tiong, have abstained from making any recommendations in respect of the Proposed Debt Conversion for the aforesaid reason.
- (c) The Creditors, including but not limited to Lim Yeow Sun Tommy, Hong Seong Soo, Andy Kun Swee Tiong, Oei Liang Jen Nicholas Remigius and AOF and their associates shall abstain from voting in respect of the Proposed Debt Conversion.

### 9.3 Interest in the Proposed Notes Issue

- (a) None of the Directors or Substantial Shareholders (save for the Subscriber) has any interest, whether direct or indirect (other than through their respective shareholdings interest in the Company) in the Proposed Notes Issue.
- (b) The Subscriber and its associates shall abstain from voting in respect of the Proposed Notes Issue.

## 10. DIRECTORS' CONFIRMATION

The Directors are of the opinion that:

- (a) the working capital available to the Group is insufficient to meet its present requirements; and
- (b) after taking into consideration, the Proposed Debt Conversion and the net proceeds from the subscription of first sub-tranche of Tranche 1 Notes, the working capital available to the Group is will be insufficient to meet its present requirements.

The Directors are of the opinion that the working capital available to the Group will be sufficient to meet its present requirements if the Subscriber subscribes to no less than 20 sub-tranches of Tranche 1 Notes.

## 11. DIRECTOR RECOMMENDATIONS

Having considered the rationale and the terms of the Proposed Transactions, the Directors are of the opinion that the Proposed Transactions are in the best interests of the Company. Accordingly, the Director (save for Lim Yeow Sun Tommy, Hong Seong Soo and Andy Kun Swee Tiong who will be abstaining from making recommendations on the Proposed Debt Conversion) recommend that Shareholders vote in favour of the Ordinary Resolutions in respect of the Proposed Transactions.

## 12. EXTRAORDINARY GENERAL MEETING

The Directors propose to convene the EGM to seek the approval of the Shareholders for the Proposed Transactions.

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at 28 Kallang Place #04-03 Singapore 339158 on 1 June 2017 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the notice of EGM.

## 13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find a Proxy Form attached to this Circular which they should complete, sign

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## LETTER TO SHAREHOLDERS

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and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy if he finds that he is able to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

- 13.2** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears in the Depository Register, as certified by CDP as at 72 hours before the EGM.

### **14. 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 the Proposed Debt Conversion, the Proposed Notes Issue, the Proposed Diversification and the Group, and the Directors are not aware of any fact the omission of which would make any statement in this Circular misleading. Where information in this 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 this Circular in its proper form and context.

### **15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company during normal office hours from the date of the Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Company's Annual Report for FY2016;
- (c) the Subscription Agreement;
- (d) the Supplemental Agreement;
- (e) the Debt Conversion Agreements; and
- (f) the licensing agreement.

Yours faithfully

Lim Yeow Sun Tommy  
Executive Director

For and on behalf of the Board of Directors of  
**Infinio Group Limited**  
17 May 2017

## APPENDIX A – PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED NOTES ISSUE AND THE NOTES

A summary of the principal terms of the Proposed Notes Issue and Notes is set out below

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue Instrument                           | 1.0% unsecured equity-linked redeemable structured convertible notes due 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Principal Size of the Proposed Notes Issue | Up to S\$20,000,000 in four (4) Tranches of a principal amount of S\$5,000,000 each.<br><br>Each of Tranche 1 and Tranche 2 Notes shall comprise 20 equal sub-tranches of S\$250,000 each. Each of Tranche 3 and Tranche 4 Notes shall comprise 10 equal sub-tranches of S\$500,000 each.                                                                                                                                                                                                                                                                                                                                                               |
| Subscription                               | (a) The Subscriber will subscribe for the first sub-tranche of Tranche 1 Notes at the Issue Price.<br><br>(b) The Company has an option to require the Subscriber to subscribe for the Tranche 2 to Tranche 4 Notes at the Issue Price during the relevant option period (the “ <b>Option Period</b> ”). In respect of the Notes under each Tranche, the Option Period means the period from the conversion date of the last of the Notes comprised in the last sub-tranche of the preceding Tranche to the 10th Business Day thereafter.                                                                                                               |
| Administrative fee                         | An administrative fee of 5% of the principal amount of each sub-tranche of Tranche 1 to Tranche 4 Notes issued is payable to ACPAM on the Closing Date of each relevant sub-tranche of Notes. Assuming that all 4 tranches of the Notes are fully issued, the administrative fee of up to S\$1,000,000 is payable to ACPAM.                                                                                                                                                                                                                                                                                                                             |
| Concurrent Subscription                    | In respect of each subsequent sub-tranche of the Tranche 1 Notes to Tranche 4 Notes other than the respective first sub-tranches:<br><br>(a) the Subscriber shall be entitled (at its election) to subscribe for each such subsequent sub-tranche notwithstanding the last Note comprised in the immediately preceding sub-tranche has yet to be converted by issuing to the Company a written request; and<br><br>(b) the Company shall be obliged to issue each such sub-tranche on the 5 <sup>th</sup> Business Day from the date of such written request issued by the Subscriber, such date being the Closing Date of such subsequent sub-tranche. |
| Issue Price                                | 100% of the principal amount of the Notes for such sub-tranche.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Method of Issue                            | The Notes will be privately placed to and purchased by the Subscriber. No offering circular or information memorandum will be issued by the Company for the Proposed Notes Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Form and Denomination                      | The Notes are issued in registered form in multiples of S\$50,000 and are serially numbered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Negative Pledge                            | Neither the Company nor any of its Subsidiaries shall create any security interest upon the whole or any part of its property or assets in order to secure, for the benefit of holders of any existing or future Note Issue, without according to the Notes at the same time, either the same security as is created or is outstanding in respect of such Note Issue, or such other security or guarantee as is not materially less beneficial to the Noteholders.                                                                                                                                                                                      |
| Right of First Refusal                     | The Company or any Subsidiary may offer and sell any securities convertible into securities of the same class as the Issued Shares (as defined in the Conditions) or securities substantially similar to the Notes (together, the “ <b>Convertible Notes</b> ”) PROVIDED THAT, in respect of any proposed private placement of such Convertible Notes, the Company shall procure that the relevant Subsidiary shall, offer and/or sell such Convertible Notes to                                                                                                                                                                                        |

## APPENDIX A – PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED NOTES ISSUE AND THE NOTES

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | <p>Noteholders prior to offering such Convertible Notes to any other person (except for rights issues or any issues in respect of which the Company is restricted from so doing by law, the Listing Manual or any other applicable regulations) (the “<b>Right of First Refusal</b>”). Convertible Notes shall exclude any Shares, warrants relating to the Shares, or convertible preference shares issued to Shareholders without preference among the Shareholders.</p> <p>The Right of First Refusal is exercisable only by Noteholders holding in aggregate not less than 50% of the aggregate principal amount of the Notes outstanding as at the date of a notice in writing from the Company setting out the details of such offer to and including the date falling 14 Business Days thereafter (the “<b>Exercise Period</b>”).</p> <p>The Right of First Refusal shall <i>mutatis mutandis</i> apply to the Right of First Refusal to the Company's new Shares placement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Right of Participation | <p>Even if the Noteholders do not exercise Right of First Refusal during the Exercise Period, the Noteholders shall have the right to participate in any such private placement of Convertible Notes (the “<b>Right of Participation</b>”), from and including the date of expiry of the Exercise Period to and including the date of expiry of the private placement offer (the “<b>Participation Period</b>”), in accordance with the following provisions:</p> <ul style="list-style-type: none"> <li>(a) the Company shall as soon as practicable after the expiry of the Exercise Period issue a notice (the “<b>Right of Participation Notice</b>”) to each Noteholder and (where applicable) each other prospective investor;</li> <li>(b) each Noteholder that wishes to exercise the Right of Participation (each a “<b>Participation Noteholder</b>”) shall complete and return to the Company (by no later than the date of expiry of the private placement offer) a counterpart of the Right of Participation Notice, indicating therein the principal amount of the Convertible Notes (the “<b>Participation Amount</b>”) for which it intends to subscribe; and</li> <li>(c) if the aggregate of the participation indicated by the Participation Noteholders referred to in sub-paragraph (b) above is:- <ul style="list-style-type: none"> <li>(i) less than 20% of the aggregate principal amount offered under such private placement, the Company or the relevant Subsidiary is not required to issue any Convertible Notes to any Participation Noteholders;</li> <li>(ii) not less than 20% but not more than 50% of the aggregate principal amount offered under such private placement, each Participation Noteholder shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation Noteholder, the Convertible Notes in an amount equal to the Participation Amount in respect of such Participation Noteholder;</li> <li>(iii) more than 50% of the aggregate principal amount offered under such private placement, the Participation Noteholders shall subscribe for, and the Company or the relevant Subsidiary shall issue to the relevant Participation Noteholders, an aggregate of 50% of the aggregate amount offered under such private placement, and the part of such amount subscribed for by each Participation Noteholder shall be in the proportion that its holding of the Notes bears to the principal amount of all the outstanding Notes held by all the Participation Noteholders (unless otherwise agreed between the Noteholders).</li> </ul> </li> </ul> <p>For the period from and including the date on which the Company issues the</p> |

## APPENDIX A – PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED NOTES ISSUE AND THE NOTES

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    | <p>First Right of Refusal Notice to and including the last date of the Participation Period, the Company shall close the register of Noteholders and shall not register any transfer of Notes provided that such closure of the register of Noteholders shall not affect any Noteholder's Conversion Right unless such Noteholder is an Exercising Noteholder or a Participation Noteholder, in which event such Noteholder's Conversion Right shall be suspended during such period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Interest                                           | <p>1.0% interest per annum, payable semi-annually in arrears on 30 June and 31 December in each year.</p> <p>Each Note shall cease to bear interest</p> <p>(a) on conversion into Conversion Shares. Assuming that all 4 Tranches of the Notes are fully issued and none of the Notes is converted, interest up to S\$200,000 is payable per annum.</p> <p>(b) from the due date of redemption</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Conversion                                         | <p>Subject to and upon compliance with the relevant Conditions under the Subscription Agreement,</p> <p>(a) Any Note may be converted into Conversion Shares at the option of its holder from the date on which it is issued up to the close of business on the day falling 1 week before the Maturity Date (as defined below).</p> <p>(b) The number of Conversion Shares to which a Noteholder is entitled on conversion shall be determined by dividing the aggregate principal amount of the Notes to be converted by the applicable Conversion Price (as defined below). In the event the Conversion Price is less than the Minimum Conversion Price, the number of Conversion Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate principal amount of the Notes to be converted by the Minimum Conversion Price.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Conversion price (the " <b>Conversion Price</b> ") | <p>The price at which each Conversion Share shall be issued upon conversion shall be 80% of the average Closing Price per Share on any 3 consecutive Business Days as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant conversion date on which Shares were traded on the SGX-ST, provided always that in the event that the Conversion Price as determined aforesaid is less than the Minimum Conversion Price, the Minimum Conversion Price shall apply instead.</p> <p>Notwithstanding anything to the contrary, in the event that the three Business Days as selected by the relevant Noteholder were not consecutive Business Days, the said selected three Business Days shall be deemed consecutive in nature, PROVIDED THAT:-</p> <p>(a) those consecutive Business Days that ought to have been selected (to constitute consecutive) were not selected due to the fact that they were Business Days where no trades were done on the Shares on the SGX-ST; and</p> <p>(b) the first Business Day immediately thereafter where there was trading in the Shares were selected as a Business Day in their stead.</p> <p>Notwithstanding anything to the contrary, in the event that the Company shall (aa) make a Stock Split, (bb) consolidate its outstanding Shares into a smaller number of shares, or (cc) re-classify any of its Shares into other securities of the Company, the selected three Business Days shall not comprise of both cum and ex dates. If the selected three Business Days are the cum dates, the same event (or entitlement) shall also apply to the Conversion Shares. If the selected three Business Days are the ex dates, the</p> |

## APPENDIX A – PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED NOTES ISSUE AND THE NOTES

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | same event (or entitlement) shall not apply to the Conversion Shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Closing price of a Share (the “Closing Price”) | The closing price of the Shares on the SGX-ST for one Share on a particular Business Day as adjusted pursuant to the Conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Redemption                                     | The Company may redeem the Notes presented for conversion in cash at the Redemption Amount (as defined below) if the Conversion Price is less than or equal to 65% of the average of the daily traded volume weighted average price per Share for the 45 consecutive Business Days prior to the relevant Closing Date in respect of each sub-tranche of the respective tranches of Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Redemption amount (the “Redemption Amount”)    | <p>The Redemption Amount includes the cost of redemption of 8% per annum on a 365 days basis which will be borne by the Company and is calculated according to the following formula:</p> $N \times \{P + [8\% \times P \times (D/365)] + I\}$ <p>Where:</p> <p>“D” = the amount of days elapsed since the relevant Closing Date;</p> <p>“N” = the number of Notes presented for conversion.</p> <p>“P” = the face value of the Notes presented for conversion.</p> <p>“I” = the remaining unpaid interest accrued on the Notes presented for conversion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Events of Default                              | <p>The significant Events of Default as provided in condition 12 of the Subscription Agreement are, <i>inter alia</i>, as follows:</p> <ul style="list-style-type: none"> <li>• There is a default in any payment by the Company;</li> <li>• The delisting or an order for delisting of the Shares from the Catalist or a suspension of trading, or material limitation of the Shares on Catalist, for a period of five consecutive Business Days or more;</li> <li>• There is default by the Company in the payment of the principal or interest in respect of the Notes;</li> <li>• There is default by the Company in the performance of any covenant, condition, provision or obligation contained in the Notes;</li> <li>• The ratio of Borrowings (as defined below) to Net Worth exceeds 10 times at any time, with effect from 1 April 2018.</li> <li>• A resolution is passed or an order of a court is made that the Company be wound up or dissolved or put under judicial management.</li> <li>• An encumbrancer takes possession of or a receiver is appointed for the whole or a material part of the assets or undertaking of the Group.</li> <li>• The Group is unable to pay its debts as and when they fall due or the Group ceases to carry on its business.</li> <li>• a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Group.</li> <li>• 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.</li> </ul> |

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## APPENDIX A – PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED NOTES ISSUE AND THE NOTES

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|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <ul style="list-style-type: none"> <li>The Group is in default in repayment of other debt instrument or other debts having an aggregate outstanding amount of at least S\$5,000,000.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                    |
| Maturity                              | <b>“Maturity Date”</b> means the date falling 36 months from the Closing Date of the first sub-tranche of Tranche 1 Notes. The Notes which are not redeemed or purchased, converted or cancelled by the Company will be converted by the Company in accordance with the T&Cs of the Notes on the Maturity Date.                                                                                                                                                                                                                                                                                    |
| Cancellation fee                      | There is a cancellation fee of S\$30,000 to the Subscriber in the event the Subscription Agreement is terminated for any reason whatsoever prior to the Closing Date of the first sub-tranche of Tranche 1 Notes.                                                                                                                                                                                                                                                                                                                                                                                  |
| The Subscriber's and ACPAM's expenses | The Company will bear all costs and expenses (including applicable tax) reasonably incurred by the Subscriber and ACPAM, including but not limited to fees and expenses and applicable tax (“ <b>GST</b> ”) of the Subscriber's and ACPAM's legal advisers up to S\$30,000 in connection with the preparation of the Subscription Agreement. Notwithstanding, if not more than three redraft of the Subscription Agreement were required during the preparation of the Subscription Agreement, the Company shall only be required to bear such costs and expenses of up to an amount of S\$20,000. |
| Governing Law                         | Singapore Law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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## **APPENDIX B – SCHEDULE 1 OF THE SUBSCRIBER AGREEMENT**

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The documents listed in Schedule 1 of the Subscription Agreement are as follows:

1. Annual Financial Reports of the Company for the latest financial year preceding the relevant Closing Date (provided that the Company will not have to deliver such reports if the same reports have already been delivered on or immediately prior to any previous Closing Date).
2. If the Annual Financial Reports of the Company in item 1 above are dated more than six months preceding the relevant Closing Date copies of the interim accounts of the Company as publicly released (provided that the Company will not have to deliver such accounts if the same accounts have already been delivered on or immediately prior to any previous Closing Date).
3. Announcements issued by the Company before the relevant Closing Date (provided that the Company will not have to deliver such announcements if the same announcements have already been delivered on or immediately prior to any previous Closing Date).
4. A list setting out the outstanding term loans and other loans of the Company as at a date not earlier than three calendar days before each Closing Date only, which is certified to be true and accurate in all material respects as at that date jointly by a director and company secretary or two directors of the Company. This list of outstanding term loans and other loans referred to above is to include such particulars of each loan including but not limited to, the name of each such lender, the principal amount loaned, the maturity, the interest rate, the currency of each such loan, the major covenants, the details of any security provided in respect of each such loan and the outstanding amount of each such loan.
5. A list (in such form and substance satisfactory to the Subscriber and ACPAM) setting out the names of the Substantial Shareholders of the Company dated as at each relevant Closing Date of the Notes, which is certified to be true and accurate in all respects as at that date jointly by a director and company secretary or two directors of the Company (provided that the Company will not have to deliver such list if the same list has already been delivered on or immediately prior to any previous Closing Date).

## APPENDIX C – ILLUSTRATION OF FINANCIAL EFFECTS OF THE PROPOSED DEBT CONVERSION AND THE PROPOSED NOTES ISSUE

The issued share capital of the Company as at the Latest Practicable Date is approximately S\$44,165,000 comprising 1,231,304,250 Shares.

For illustrative purposes only, based on the audited full year results of the Company for the year ended 31 March 2016, the financial effects of the Proposed Debt Conversion and the Proposed Notes Issue are calculated based on the following assumptions:

- for the purpose of computing NTA per Share of the Group, it is assumed that the Proposed Debt Conversion and the Proposed Notes Issue was completed on 31 March 2016.

### (i) Tranche 1 Notes for the principal amount of S\$5,000,000

Assumptions:-

- (A) Conversion price at S\$0.0008;
- (B) The Tranche 1 Notes are issued and fully converted on the day of their issue;
- (C) Issue expenses amount to approximately S\$599,000; and
- (D) There is no adjustment event.

| Share Capital                                                                                                                                                                                                                                            | No. of Shares | Group and Company (\$) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------|
| Issued share capital as at the Latest Practicable Date                                                                                                                                                                                                   | 1,231,304,250 | 44,165,000             |
| Add: Debt Conversion Shares                                                                                                                                                                                                                              | 1,289,459,580 | 1,547,352              |
| Share Capital after the Proposed Debt Conversion but before conversion of Tranche 1 Notes                                                                                                                                                                | 2,520,763,830 | 45,712,352             |
| Number of Conversion Shares arising from the full conversion of Tranche 1 Notes                                                                                                                                                                          | 6,250,000,000 | 5,000,000              |
| Enlarged Share capital after the Proposed Debt Conversion and full conversion of Tranche 1 Notes                                                                                                                                                         | 8,770,763,830 | 50,712,352             |
| Conversion Shares issued upon full conversion of Tranche 1 Notes as a percentage of the issued Share capital after issuance and allotment of Debt Conversion Shares but prior to the issuance and allotment of the Conversion Shares for Tranche 1 Notes | 247.94%       | Not applicable         |
| Conversion Shares issued upon conversion of Tranche 1 Notes as a percentage of the issued Share capital after issuance and allotment of both Debt Conversion Shares and the Conversion Shares for Tranche 1 Notes                                        | 71.26%        | Not applicable         |

| NTA (\$'000)                                                                                    | Group         | Company       |
|-------------------------------------------------------------------------------------------------|---------------|---------------|
| NTL as at 31 March 2016                                                                         | (3,053)       | (2,835)       |
| Add: Proposed Debt Conversion                                                                   | 1,547         | 1,547         |
| Adjusted NTA after the Proposed Debt Conversion                                                 | (1,506)       | (1,288)       |
| Add: net effect of the issue and conversion of Tranche 1 Notes (after estimated issue expenses) | 4,401         | 4,401         |
| Adjusted NTA after the Proposed Debt Conversion and the issue and conversion of Tranche 1 Notes | 2,895         | 3,113         |
| Number of Shares in issue                                                                       | 8,770,763,830 | 8,770,763,830 |
| Adjusted NTA per Share (\$ cent)                                                                | 0.030         | 0.035         |

| Gearing                                  | Group              | Company            |
|------------------------------------------|--------------------|--------------------|
| Total borrowings as at 31 March 2016     | 882                | 882                |
| Total borrowings after the Proposed Debt | 273 <sup>(1)</sup> | 273 <sup>(1)</sup> |

## APPENDIX C – ILLUSTRATION OF FINANCIAL EFFECTS OF THE PROPOSED DEBT CONVERSION AND THE PROPOSED NOTES ISSUE

|                                                                                                             |          |          |
|-------------------------------------------------------------------------------------------------------------|----------|----------|
| Conversion                                                                                                  |          |          |
| Increase in total borrowings resulting from the issue of Tranche 1 Notes                                    | 5,000    | 5,000    |
| Adjusted total borrowings after the issue of the Tranche 1 Notes                                            | 5,273    | 5, 273   |
| Decrease in total borrowings resulting from the conversion of Tranche 1 Notes                               | (5,000)  | (5,000)  |
| Total borrowings after the Proposed Debt Conversion and the issue and conversion of Tranche 1 Notes         | 273      | 273      |
| Shareholders' funds as at 31 March 2016                                                                     | (1,027)  | (809)    |
| Adjusted shareholders' funds after the Proposed Debt Conversion and issue and conversion of Tranche 1 Notes | 4,921    | 5,139    |
| <b>Gearing (times)</b>                                                                                      |          |          |
| As at 31 March 2016                                                                                         | Negative | Negative |
| After the Proposed Debt Conversion and the issue and conversion of the Tranche 1 Notes                      | 0.06     | 0.06     |

**Note:**

(1) The reduction of the total borrowings was attributable to the Proposed Debt Conversion and the repayments of loan to Atlas of approximately S\$132 thousand was between April 2016 to September 2016.

### (ii) Tranche 1 Notes to Tranche 4 Notes in the aggregate principal amount of up to S\$20,000,000

Assumptions:-

- (A) Conversion price at S\$0.0008;
- (B) The four tranches of Notes are issued and fully converted on the day of their issue;
- (C) Issue expenses amount to approximately S\$1,349,000; and
- (D) There is no adjustment event.

| Share Capital                                                                                                                                                                                                                                       | No. of Shares  | Group and Company |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|
| Issued share capital as at the Latest Practicable Date                                                                                                                                                                                              | 1,231,304,250  | 44,165,000        |
| Add: Debt Conversion Shares                                                                                                                                                                                                                         | 1,289,459,580  | 1,547,352         |
| Share Capital after the Proposed Debt Conversion but before conversion of Tranche 1 Notes to Tranche 4 Notes                                                                                                                                        | 2,520,763,830  | 45,712,352        |
| Number of Conversion Shares arising from full conversion of Tranche 1 Notes to Tranche 4 Notes                                                                                                                                                      | 25,000,000,000 | 20,000,000        |
| Enlarged share capital after the Proposed Debt Conversion and full conversion of Tranche 1 Notes to Tranche 4 Notes                                                                                                                                 | 27,520,763,830 | 65,712,352        |
| Conversion Shares issued upon full conversion of Tranche 1 Notes to Tranche 4 Notes as a percentage of the issued Share capital after issuance and allotment of Debt Conversion Shares but prior to issuance and allotment of the Conversion Shares | 991.76%        | Not applicable    |
| Conversion Shares issued upon full conversion of Tranche 1 Notes to Tranche 4 Notes as a percentage of the issued Share capital after issuance and allotment of both Debt Conversion Shares and the Conversion Shares for Tranche 1                 | 90.84%         | Not applicable    |

## APPENDIX C – ILLUSTRATION OF FINANCIAL EFFECTS OF THE PROPOSED DEBT CONVERSION AND THE PROPOSED NOTES ISSUE

|                          |  |  |
|--------------------------|--|--|
| Notes to Tranche 4 Notes |  |  |
|--------------------------|--|--|

| NTA (S\$'000)                                                                                                      | Group          | Company        |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| NLT as at 31 March 2016                                                                                            | (3,053)        | (2,835)        |
| Add: Proposed Debt Conversion                                                                                      | 1,547          | 1,547          |
| Adjusted NTA after the Proposed Debt Conversion                                                                    | (1,506)        | (1,288)        |
| Add: net effect of the issue and conversion of Tranche 1 Notes to Tranche 4 Notes (after estimated issue expenses) | 18,651         | 18,651         |
| Adjusted NTA after the issue but before conversion of Tranche 1 Notes to Tranche 4 Notes                           | 17,145         | 17,363         |
| Number of shares in issue                                                                                          | 27,520,763,830 | 27,520,763,830 |
| NTA per share                                                                                                      | 0.062          | 0.063          |

| Gearing                                                                                                                        | Group              | Company            |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Total borrowings as at 31 March 2016                                                                                           | 882                | 882                |
| Total borrowings after the Proposed Debt Conversion                                                                            | 273 <sup>(1)</sup> | 273 <sup>(1)</sup> |
| Increase in total borrowings resulting from the issue of Tranche 1 Notes to Tranche 4 Notes                                    | 20,000             | 20,000             |
| Adjusted total borrowings after the issue of the Tranche 1 Notes to Tranche 4 Notes                                            | 20,273             | 20,273             |
| Decrease in total borrowings resulting from the conversion of Tranche 1 Notes to Tranche 4 Notes                               | (20,000)           | (20,000)           |
| Total borrowings after the Proposed Debt Conversion and the issue and conversion of Tranche 1 Notes to Tranche 4 Notes         | 273                | 273                |
| Shareholders' funds as at 31 March 2016                                                                                        | (1,027)            | (809)              |
| Adjusted shareholders' funds after the Proposed Debt Conversion and issue and conversion of Tranche 1 Notes to Tranche 4 Notes | 19,171             | 19,389             |
|                                                                                                                                |                    |                    |
| Gearing (times)                                                                                                                |                    |                    |
| As at 31 March 2016                                                                                                            | Negative           | Negative           |
|                                                                                                                                |                    |                    |
| After the Proposed Debt Conversion and the issue and conversion of the Tranche 1 Notes to Tranche 4 Notes                      | 0.07               | 0.07               |

**Note:**

- (1) The reduction of the total borrowings was attributable to the Proposed Debt Conversion and the repayments of loan to Atlas of approximately S\$132 thousand was between April 2016 to September 2016.

## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

1. The adjustments to the Minimum Conversion Price provided in the Conditions are summarised below:
  - (a) If the Company shall (aa) make a Stock Split, (bb) consolidate its outstanding Shares into a smaller number of shares, or (cc) re-classify any of its Shares into other securities of the Company, then the Minimum Conversion Price shall be appropriately adjusted so that the Minimum Conversion Price shall be the value of one Note divided by the total number of Shares and/or other securities of the Company which the holder of the Note would have been entitled to receive after the happening of any of the events described above had such Note 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) assuming the Conversion Price then is the Minimum Conversion Price before adjustment, but without prejudice to the effect of any other adjustment to the Minimum 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 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.

Below is an illustration of effects where the Company makes a share consolidation based on the assumptions that (i) the Company's existing outstanding Shares are 1,000,000,000, and (ii) every 100 outstanding Shares will be consolidated into 1 Share, and (iii) all tranches of the Notes have been issued with an aggregate principal amount of S\$20,000,000.

|                                                                     | <b>Before share consolidation</b> | <b>After share consolidation</b>            |
|---------------------------------------------------------------------|-----------------------------------|---------------------------------------------|
| Company's outstanding Shares                                        | 1,000,000,000                     | 10,000,000                                  |
| Principal Amount of all tranches of the Notes that have been issued | S\$20,000,000                     | S\$20,000,000                               |
| Old Minimum Conversion Price                                        | S\$0.0008                         | -                                           |
| Maximum number of Conversion Shares                                 | 25,000,000,000                    | 25,000,000,000 / 100<br>= 250,000,000       |
| New Minimum Conversion Price                                        | -                                 | S\$20,000,000 /<br>250,000,000<br>= S\$0.08 |

- (b) If the Company shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase Shares:-
  - (i) at a consideration per Share receivable by the Company (determined as provided in Condition 8.18) 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
  - (ii) 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 Minimum Conversion Price in effect (in a case within (i) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:-

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

where:-

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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"NFCP" = the Minimum Conversion Price after such adjustment.

"OFCP" = the Minimum Conversion Price before such adjustment.

"OS" = the number of Shares outstanding (having regard to Condition 8.19) at the close of business in Singapore (in a case within (i) above) on such record date or (in a case within (ii) 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 8.18) 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 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 Minimum Conversion Price by reason of such offer and/or subscription;

- (c) 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:-
- (i) at a consideration per Share receivable by the Company (determined as provided in Condition 8.18) 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
  - (ii) 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 Minimum Conversion Price in effect (in a case within (i) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) 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 8.17(b).

"OS" = the number of Shares outstanding (having regard to Condition 8.19) at the close of business in Singapore (in a case within (i) above) on such record date or (in a case within (ii) above) on the date the Company fixes the said consideration.

"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 8.18) would purchase at such current market price per Share specified in (i), or, as the case may be, (ii) above.

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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Such adjustment shall become effective (in a case within (i) above) immediately after the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) 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 Minimum Conversion Price by reason of such offer and/or subscription;

- (d) if the Company shall distribute to the holders of Shares evidences of its indebtedness, ordinary shares of the Company (other than Shares arising from the conversion of the Notes), 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 8.17(b) and 8.17(c)), then the Minimum 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:-

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

where:-

"NFCP" and "OFCP" have the meanings ascribed thereto in Condition 8.17(b).

"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 Noteholders) 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;

- (e) if the Company shall issue any securities convertible into or exchangeable for Shares (other than the Notes or in any of the circumstances described in Condition 8.17(c) and Condition 8.17(g)) 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 8.18) 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 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

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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the Minimum 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 8.17(b).

"OS" = the number of Shares outstanding (having regard to Condition 8.19) 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 8.18) 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;

- (f) 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 Notes 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 subparagraph (e) of this Condition or did not require any adjustment pursuant to these Conditions) and the consideration per Share receivable by the Company (determined as provided in Condition 8.18) 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 Minimum 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 8.17(b).

"OS" = the number of Shares outstanding (having regard to Condition 8.19) 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 8.18) 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;

- (g) 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 Notes and any rights or warrants granted,

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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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 8.18) 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 to be recommended at such meeting), then the Minimum 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 8.17(b).

"OS" = the number of Shares outstanding (having regard to Condition 8.19) 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 8.18) 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;

- (h) if the Company shall issue securities of a type falling within Conditions 8.17(e), (f) or (g) above which otherwise require an adjustment to the Minimum Conversion Price pursuant thereto and the date of issue of such securities, in the case of Condition 8.17(e) or (g), or the day immediately prior to such date of issue, in the case of Condition 8.17(f), (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 8.17(e), (f) and/or (g) which otherwise require an adjustment to the Minimum Conversion Price pursuant thereto (all such securities being hereafter referred to as "**Securities**"), then any adjustment of the Minimum Conversion Price shall not be made separately under each such sub-paragraph but in one calculation in accordance with the following formula:-

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

where:-

"NFCP" and "OFCP" have the meanings ascribed thereto in Condition 8.17(b).

"OS" = the number of Shares outstanding (having regards to Condition 8.19) 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

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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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 8.18) 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 8.18) 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 8.18) 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 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 8.17(h) does not supersede the provisions of Conditions 8.17(e), (f) and (g);

- (i) if the Company makes a Capital Distribution which does not fall within paragraphs (a) to (h) above, the Minimum Conversion Price shall be adjusted by multiplying the Minimum Conversion Price 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 Business 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.

2. The extract of Conditions 8.18 to 8.22 is set out below:-

- 8.18 If, at the time of computing an adjustment (the "**later adjustment**") of the Minimum Conversion Price pursuant to any of Condition 8.17(b) to Condition 8.17(h) (inclusive), the Minimum 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

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## APPENDIX D – SUMMARY OF THE ADJUSTMENTS OF THE MINIMUM CONVERSION PRICE AS SPECIFIED IN THE TERMS AND CONDITIONS OF THE NOTES

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deemed to be outstanding exceeds the actual number of Shares in issue as a result thereof at the time of making such computation.

- 8.19 All calculations (including, without limitation, calculations of the Minimum Conversion Price, the Minimum Conversion Price and the current market price per Share) under this Condition 8 shall be made to the fourth decimal place.
- 8.20 Whenever the Minimum Conversion Price is adjusted as herein provided, the Company shall promptly notify the Noteholders setting forth the Minimum Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the effective date thereof.
- 8.21 Any reference in Condition 8.17 to the date on which the consideration is "**fixed**" shall be construed as a reference to the first day on which such consideration in a cash amount can be ascertained, where the consideration is originally expressed by reference to a formula and not then ascertainable in a cash amount.
- 8.22 Notwithstanding the provisions of this Condition 8, the Company will not take any action which would otherwise reduce the Minimum Conversion Price, to such an extent that, under applicable law and regulation then in effect, the Notes may not be converted at such reduced Minimum Conversion Price into legally registered, allotted and issued, fully-paid and unencumbered Shares with all rights attached.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### INFINIO GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199801660M)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

*The terms and expressions not defined herein have the same meanings as ascribed to them in the Company's circular dated 17 May 2017 (the "Circular").*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of **INFINIO GROUP LIMITED** (the "**Company**") will be held at 28 Kallang Place #04-03 Singapore 339158, on 1 June 2017 at 3.00 p.m. for the purpose of considering, and if thought fit, passing, with or without modifications:

#### AS AN ORDINARY RESOLUTION

#### RESOLUTION NO. 1: PROPOSED DEBT CONVERSION

##### THAT:

- (i) the Proposed Debt Conversion be and is hereby approved;
- (ii) approval be and is hereby given to the directors of the Company to allot and issue 1,289,459,580 new ordinary Shares in the capital of the Company ("**Debt Conversion Shares**") to the Creditors at the Debt Conversion Price of S\$0.0012 per Debt Conversion Share pursuant to the terms and subject to the conditions set out in the Debt Conversion Agreements whereby such Conversion Shares when allotted and issued shall rank *pari passu* in all respects with the then existing Shares of the Company;
- (iii) 512,959,582 Debt Conversion Shares be allotted and issued to the following persons:
  - (a) 52,083,333 Debt Conversion Shares to Andy Kun Swee Tiong
  - (b) 39,583,333 Debt Conversion Shares to Hong Seong Soo;
  - (c) 107,083,333 Debt Conversion Shares to Lim Yeow Sun Tommy;
  - (d) 208, 208,333 Debt Conversion Shares to Oei Liang Jen Nicolas Remigius; and
  - (e) 106,001,250 Debt Conversion Shares to Advance Opportunities Fund (provided that such issue does not result in Advance Opportunities Fund and its related parties holding more than 15% of the share capital of the Company after the issue).
- (iv) the directors of the Company and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated above, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and approved .

#### RESOLUTION NO. 2: THE PROPOSED ISSUE OF THE NOTES

##### THAT

- (i) approval be and is hereby given to the Directors or any of them:
  - (a) to create and issue 1% unsecured equity linked redeemable structured convertible notes due 2020 (collectively, the "**Notes**" and each, a "**Note**") with an aggregate principal amount of up to S\$20,000,000 in 4 tranches to the Subscriber, subject to the Subscription Agreement and the Conditions, such Notes to be convertible to Conversion Shares at the Conversion Price to be determined in accordance with the Conditions;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) to take such steps, make such amendments to the terms and conditions of the Notes (provided that the amendments are not material) and exercise such discretion as they or he may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
  - (c) to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Ordinary Resolution as they or he may think fit.
  - (d) to facilitate any conversion of the Notes into Conversion Shares pursuant to the Conditions;
- (ii) approval be and is hereby given to the Directors or any of them to issue to the Noteholder(s), in accordance with the Conditions provided that such issue does not result in any Noteholder and its related parties holding more than 15% of the share capital of the Company after the issue:
  - (a) such number of Conversion Shares as may be required or permitted to be allotted and issued on the conversion of the Notes, to the Noteholder(s) at the time of conversion, subject to and otherwise in accordance with the Conditions, whereby such Conversion Shares when allotted and issued shall rank *pari passu* in all respects with the then existing shares of the Company, save as may be provided in the Conditions;
  - (b) on the same basis as paragraph (ii)(a) above, such further Conversion Shares as may be required to be allotted and issued on the conversion of any of the Notes upon the adjustment of the Closing Price in accordance with the Conditions; and
  - (c) such number of Conversion Shares referred to in paragraphs (ii)(a) and (ii)(b) above to the Subscriber at the time of conversion; and
- (iii) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Ordinary Resolution as they or he may think fit.

### **RESOLUTION NO. 3: THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE AUTOMATED RETAIL BUSINESS**

#### **THAT:**

- (i) approval be and is hereby given for the diversification of the business of the Company to include the automated retail businesses;
- (ii) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any such assets, investments and shares/interests in any entity that is in the New Businesses on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such absolute discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (iii) the Directors or any of them be and are hereby authorised to exercise such absolute discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give full effect to this Resolution.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### BY ORDER OF THE BOARD

LEE BEE FONG  
Company Secretary  
Singapore, 17 May 2017

### Notes:

- a. A member of the Company entitled to attend and vote at an EGM is entitled to appoint not more than two proxies to attend and vote in his/her stead.
- b. Where a member of the Company appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each such proxy. A proxy need not be a member of the Company.
- c. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two proxies, the number and class of shares to be represented by each proxy must be stated.
- d. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- e. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's Registered Office at 80 Robinson Road #02-00 Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned meeting.
- f. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

*This Notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this Notice including the correctness of any of the figures used, statements or opinions made.*

*This Notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice including the correctness of any of the statements or opinions made or reports contained in this Notice.*

*The contact person for the Sponsor is Mr. Liao H. K.  
Telephone number: 6221 0271*

### Personal Data Privacy:

"Personal data" in this Notice of the EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport number. 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 and its proxy(ies)'s or representative'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 express 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, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) 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. You and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share register and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

**INFINIO GROUP LIMITED**

(Company Registration No. 199801660M)  
(Incorporated in the Republic of Singapore)

**PROXY FORM  
EXTRAORDINARY GENERAL MEETING**
**IMPORTANT**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy **INFINIO GROUP LIMITED** shares, the **Circular to Shareholders** is forwarded to them at the request of their CPF Approved Nominees.
3. This Proxy Form is **not valid for use by CPF/SRS investors** and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC No.)

of \_\_\_\_\_ (Address)

being a shareholder/member of **INFINIO GROUP LTD.** (the "**Company**") hereby appoint the following person(s):

| Name | Address | NRIC/ Passport Number | Proportion of Shareholdings |   |
|------|---------|-----------------------|-----------------------------|---|
|      |         |                       | No. of Shares               | % |
|      |         |                       |                             |   |

and/or (delete as appropriate)

| Name | Address | NRIC/ Passport Number | Proportion of Shareholdings |   |
|------|---------|-----------------------|-----------------------------|---|
|      |         |                       | No. of Shares               | % |
|      |         |                       |                             |   |

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 28 Kallang Place #04-03 Singapore 339158 on 1 June 2017 at 3.00 p.m., and at any adjournment thereof ("**Meeting**"). I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

| No. | ORDINARY RESOLUTIONS                                  | No. of Votes or Indicate with a Tick* |          |
|-----|-------------------------------------------------------|---------------------------------------|----------|
|     |                                                       | For*                                  | Against* |
| 1.  | APPROVAL FOR THE PROPOSED DEBT COVERSION              |                                       |          |
| 2.  | APPROVAL FOR THE PROPOSED NOTES ISSUE                 |                                       |          |
| 3.  | APPROVAL FOR THE PROPOSED DIVERSIFICATION OF BUSINESS |                                       |          |

\*All resolutions put to the vote shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant Resolution, please insert the relevant number of Shares in the boxes provided.

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

|                            |               |
|----------------------------|---------------|
| Total number of Shares in: | No. of Shares |
| (a) CDP Register           |               |
| (b) Register of Members    |               |

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

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**



**Notes:**

- (1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act), 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 Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- (2) A member, who is not a relevant intermediary, entitled to attend, speak and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
- (3) Where a member who is not a relevant intermediary appoints two proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
- (4) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chap. 50 of Singapore.

- (5) An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
- (6) Completion and return of this instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
- (7) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 not less than 48 hours before the time appointed for the Meeting.
- (8) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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 seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- (9) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution of the Company and Section 179 of the Companies Act, Chap. 50 of Singapore.
- (10) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in 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 lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (11) A Depositor shall not be regarded as a member of the Company entitled to attend the Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Meeting.
- (12) 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 Meeting.