



**YONGNAM HOLDINGS LIMITED**

(the “**Company**”)

(Company Registration No. 199407612N)

(Incorporated in the Republic of Singapore on 19 October 1994)

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**(1) PROPOSED ISSUE OF 19,736,836 NEW SHARES AND (2) PROPOSED ISSUE OF S\$9.5 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF NEW REDEEMABLE CONVERTIBLE BONDS TO HOLDERS OF THE EXISTING REDEEMABLE CONVERTIBLE BONDS DUE 2021**

**APPROVAL IN-PRINCIPLE IN RELATION TO THE CONVERSION SHARES**

**POTENTIAL TRANSFER OF CONTROLLING INTEREST**

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*Unless otherwise defined, capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcements.*

**1. INTRODUCTION**

The board of directors (the “**Board**” or “**Directors**”) of Yongnam Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:-

- (a) the Company’s announcement dated 4 June 2021 in relation to (1) the proposed issue of 19,736,836 new shares and (2) the proposed issue of S\$9.5 million in aggregate principal amount of new redeemable convertible bonds to holders of the existing redeemable convertible bonds due 2021;
- (b) the Company’s announcement dated 21 June 2021 in relation to the approval in-principle in relation to the Facilitation Payment Shares;
- (c) the Company’s announcement dated 22 June 2021 in relation to the completion of the proposed issue of Facilitation Payment Shares; and
- (d) the Company’s announcement dated 23 August 2021 in relation to the entry into supplemental letters to Bond Subscription Agreements.

(the “**Previous Announcements**”)

**2. APPROVAL IN-PRINCIPLE IN RELATION TO THE CONVERSION SHARES**

The Board is pleased to announce that the SGX-ST has on 17 September 2021 granted its approval in-principle (“**AIP**”) for the listing and quotation of up to 190,000,000 new ordinary shares in the capital of the Company (the “**Conversion Shares**”) to be allotted and issued to the Existing Bondholders upon the conversion of the 2021 Bonds.

The listing and quotation of the shares is subject to the following conditions:

- (a) Shareholders' approval for the Proposed Bonds Issue;
- (b) Announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which Bonds may be redeemed;

- (c) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement of units and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) A written undertaking from the Company that it will comply with Listing Rule 803;
- (e) A written confirmation from the Company that the terms of the 2021 Bonds comply with Listing Rule 829(1);
- (f) A written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1);
- (g) A written undertaking from the Company that it will comply with Listing Rule 831;
- (h) Please note the Company's obligations under Listing Rule 864(4) to notify the Exchange immediately upon any significant changes affecting any matter contained in the application, or which would be required to be included in the application if it had arisen before the application was submitted;
- (i) Shareholders' approval for the Potential Transfer of Controlling Interest (as defined below); and
- (j) A written confirmation from the Company that it will not issue the 2021 Bonds to persons prohibited under Rule 812(1) of the Listing Manual without Shareholders' approval.

The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on such date that the Bondholder is registered as the holder on record of such shares.

The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the 2021 Bonds, Conversion Shares, the Company and/or its subsidiaries.

### **3. CONDITIONS UNDER WHICH THE PRICE OF THE CONVERSION SHARES MAY BE ADJUSTED AND THE CONDITIONS UNDER WHICH THE BONDS MAY BE REDEEMED**

In accordance with the conditions of the AIP, please refer to Appendix A to this announcement for an extract of the conditions under which the conversion price of the Conversion Shares may be adjusted, and to Appendix B to this announcement for an extract of the conditions under which the 2021 Bonds may be redeemed.

### **4. THE POTENTIAL TRANSFER OF CONTROLLING INTEREST**

As at the date of this announcement, Mr. Wang Yu Hwei ("**Mr. Wang**"), one of the Existing Bondholders, has a deemed interest in 3,167,131 Shares held by Asdew Acquisitions Pte Ltd ("**Asdew**"), as he holds 99% of the share capital of Asdew.

For illustrative purposes only, assuming only Mr. Wang exercises his right to convert the 2021 Bonds, none of the other Existing Bondholders exercises their right to convert the 2021 Bonds, and only Mr. Wang is allotted and issued Conversion Shares at the minimum Conversion Price of S\$0.05 amounting to 106,400,000 Shares, Mr. Wang will be (directly and deemed) interested in an aggregate of 109,567,131 Shares, representing 15.14% of the enlarged issued share capital of the Company of 723,742,767 Shares.

Mr. Wang may thus potentially become a controlling Shareholder, depending on the exercise of the right to convert the 2021 Bonds by the Existing Bondholders. Pursuant to Rule 803 of the Listing Manual, the Company cannot issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting.

Accordingly, the Company will be seeking Shareholders' approval for the potential transfer of controlling interest in the Company to Mr. Wang arising from the issue of Conversion Shares (the "**Potential Transfer of Controlling Interest**") at the EGM.

Mr. Wang and Asdew will abstain, and have undertaken to ensure that their associates will abstain, from voting in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest at the EGM. Further, Mr. Wang and Asdew shall decline, and shall ensure that their associates decline, to accept appointments as proxies to vote in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest for other Shareholders unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest.

## **5. FURTHER ANNOUNCEMENTS**

A circular containing further details of the Proposed Bonds Issue and the Potential Transfer of Controlling Interest, and enclosing a notice of extraordinary general meeting in connection therewith, will be despatched to shareholders in due course.

The Company will continue to keep shareholders updated and release announcements relating to the Proposed Transactions (including any material developments and progress made) as may be appropriate from time to time.

By Order of the Board

SEOW SOON YONG  
Chief Executive Officer  
20 September 2021

## APPENDIX A

The following is an extract of the conditions under which the conversion price of the Conversion Shares may be adjusted as set out in Conditions 4.3 and 4.4 of the terms and conditions of the 2021 Bonds:-

### “4.3 Adjustments to the conversion price of the Bonds into Conversion Shares

The conversion price will be subject to adjustment in the following events:

- (a) *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the number of the shares as a result of consolidation, subdivision or reclassification, the conversion price of the shares of the Issuer shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

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

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

- (b) *Capitalisation of profits or reserves*:

- (i) If and whenever the Issuer shall issue any shares credited as fully paid to the holders of the shares (the “**Shareholders**”) by way of capitalisation of profits or reserves including shares paid up out of distributable profits or reserves, save where shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Capital Distribution (as defined in **Condition 4.4(a)**), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

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

- (ii) In the case of an issue of shares by way of a Scrip Dividend where: (1) the aggregate Current Market Price (as defined in **Condition 4.4(c)**) of such shares; (2) (save where the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution exceeds the aggregate Current Market Price of such shares) the product of the then prevailing conversion price and the number of shares issued by way of such Scrip Dividend; or (3) the product of the then prevailing adjusted conversion price and the number of shares issued by way of such Scrip Dividend, exceeds the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

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

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

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

- (c) *Capital Distribution*: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (save where the conversion price falls to be adjusted under **Condition 4.3(b)** above), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

- A : is the lowest of (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which the Capital Distribution is publicly announced, (B) the then prevailing conversion price (if such prevailing conversion price exceeds the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share), and (C) the adjusted conversion price (if such prevailing adjusted conversion price exceeds the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share); and
- B : is the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share.

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

Where the Capital Distribution is by means of distribution of a cash dividend (not including dividends issued in the normal course of distribution), only such portion of cash dividend or distribution which exceeds the amounts referred to in **Condition 4.4(a)(i)** (the “**excess portion**”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in the determination of the Fair Market Value of the portion of the Capital Distribution attributable to one (1) Share.

- (d) *Rights Issues of shares or Options over shares:* If and whenever the Issuer shall issue shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any shares, in each case at: (1) the Current Market Price per share on the last Market Day preceding the date of the announcement of the terms of such issue or grant; (2) (save where such issue or grant is at more than the Current Market Price per share on the last Market Day preceding the date of the announcement of the terms of such issue or grant) the then prevailing Conversion Price; or (3) the then prevailing adjusted conversion price, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

$$A + C$$

where:

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

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

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

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

where:

- A : is the lowest of: (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which such issue or grant is publicly announced, (B) the then prevailing conversion price (if such prevailing Conversion Price exceeds the Fair Market Value on the date of such announcement of the portion of the rights attributable to one (1) share), and (C) the adjusted conversion price (if such prevailing adjusted conversion price exceeds the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) share); and
- B : is Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) share.

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

- (f) *Issues at less than Current Market Price, conversion price or adjusted conversion price of the shares in the Issuer:* If and whenever the Issuer shall issue (otherwise than as mentioned in **Condition 4.3(d)**) any shares (other than shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, shares) or issue or grant (otherwise as mentioned in **Condition 4.3(d)**) options, warrants or other rights to subscribe for or purchase shares in each case at a consideration per share which is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the terms of such issue; (2) (save where such issue is at a consideration per share which exceeds the Current Market Price on the last Market Day preceding the date of announcement of the terms of such issue) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

- A : is the aggregate number of shares immediately before the issue of such additional shares or the grant of such options, warrants or other rights to subscribe for or purchase any shares;
- B : is the number of shares which the aggregate consideration receivable for the issue of such additional shares would purchase at the highest of: (A) such Current Market Price per share, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the aggregate number of shares immediately after the issue of such additional shares.

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

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

- (g) *Other Issues at less than Current Market Price, conversion price or adjusted Conversion Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this **Condition 4.3(g)**, the issue by the Issuer or any subsidiary (otherwise than as mentioned in **Conditions 4.3(d), (e) or (f)** above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any subsidiary) any other company, person or entity of any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per share which is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the terms of issue of such securities; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Market Day preceding the date of announcement of the terms of issue of such securities) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price.

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

- A : is the aggregate number of shares immediately before such alteration;
- B : is the number of shares which the aggregate consideration receivable by the Issuer for the shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would have obtained had such conversion or exchange or exercise of the right of subscription been effected at the highest of: (A) the Current Market Price per share at the time of such alteration, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and



C : is the maximum number of shares to be issued had such conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto been effected at the initial conversion or exchange or subscription price or rate.

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

- (h) *Modification of Rights of Conversion etc:* Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in **Condition 4.3(g)** (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of shares available on conversion, exchange or subscription following the modification) is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the proposals for such modification; (2) (save where such modification results in the consideration per share exceeding the Current Market Price on the last Market Day preceding the date of announcement of the proposals for such modification) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price.

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

- A : is the aggregate number of shares immediately before such alteration;
- B : is the number of shares which the aggregate consideration (if any) receivable by the Issuer for the shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities (in each case so modified) would have obtained had such conversion or exchange or exercise (in each case so modified) been effected at the highest of: (A) the Current Market Price per share at the time of such alteration, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the maximum number of shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate, but giving credit in such manner as a Licensed FA or a leading bank in Singapore selected by the Issuer and approved in writing by the Bondholders (acting as an expert) considers appropriate (if at all) for any previous adjustment under this **Condition 4.3(h)** or **Condition 4.3(g)**.

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

- (i) *Other Offers to Shareholders:* The issue, sale or distribution by or on behalf of the Issuer or any subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60.0 per cent. of the

shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the conversion price falls to be adjusted under **Conditions 4.3(d), (e), (f), or (g)**).

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

where:

- A : is the lowest of: (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which such issue is publicly announced, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- B : is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) Share.

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

- (j) *Other Events*: If the Issuer determines that an adjustment should be made to the conversion price as a result of one (1) or more events or circumstances not referred to in this **Condition 4.3** (for avoidance of doubt, such events or circumstances include situations where no dilution of the holdings of the existing shareholders of the Issuer occurs or has occurred), the Issuer shall at its own expense request an independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to determine as soon as practicable what adjustment (if any) to the conversion price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the conversion price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination in each case, so as to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to this **Condition 4.3** have already resulted or will result in an adjustment to the conversion price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the conversion price, such modification (if any) shall be made to the operation of the provisions of this **Condition 4.3** as may be advised by an independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in its opinion appropriate to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give the intended result.

#### 4.4 For the purposes of these Conditions:

- (a) “**Capital Distribution**” means: (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of shares or other securities credited as fully or partly paid (other than shares credited as fully paid by way of capitalisation of reserves)); and (ii) any cash dividend or distribution of any kind by the Issuer for any financial period (not including dividends issued in the normal course of distribution).
- (b) “**Closing Price**” for the Shares for any Market Day shall be the average closing market price quoted by the SGX-ST for the last 10 Market Days before such Market Day.
- (c) “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the Closing Prices quoted by the SGX-ST for one (1) Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Market Days ending on the Market Day immediately preceding such date; provided that if at any time during the said 20 Market Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:
- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

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

and provided further that:

- (a) if such Closing Prices are not available on each of the 20 Market Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two (2) such Closing Prices); and
- (b) if only one (1) or no such Closing Price is available in the Relevant Period, then the Current Market Price shall be determined in good faith by a Licensed FA or a leading bank in Singapore (acting as an expert) appointed by the Issuer and approved by the Bondholders in writing.

- (d) **“Dividend”** means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:
- (i) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of shares or other property or assets, then, the Dividend in question shall be treated as a Dividend of (a) the cash Dividend so announced or (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of shares elected therefor, regardless of whether any such election is made) if the Current Market Price of such Shares or the Fair Market Value of other property or assets is greater than the cash Dividend so announced; and
  - (ii) any issue of shares falling within **Condition 4.3(b)** shall be disregarded.
- (e) **“Fair Market Value”** means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, acting as experts; provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five (5) Market Days on the relevant market commencing on the first such Market Day such options, warrants or other rights are publicly traded.
- (f) **“Market Day”** means a day on which the Singapore Exchange Securities Trading Limited (**“SGX-ST”**) is open for trading of securities.
- (g) **“Relevant Period”** means the period beginning on the 30<sup>th</sup> Market Day prior to the record day for the first dividend or distribution, and ending on the Market Day immediately preceding the record date for the latest dividend or distribution, which when aggregated with any intervening dividends or distributions, causes an adjustment to the conversion price to be made pursuant to **Condition 4.3**.
- (h) On any adjustment, the relevant conversion price, if not an integral multiple of a tenth of one (1) Singapore cent, shall be rounded down to the nearest tenth of one (1) Singapore cent. No adjustment shall be made to the conversion price where such adjustment (rounded down if applicable) would be less than one (1) per cent. of the conversion price then in effect.
- (i) Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 18** as soon as practicable after the determination thereof.

- (j) The conversion price may not be reduced so that, on conversion of Bonds, Conversion Shares would be issued in a manner and at a value not permitted by applicable law.
- (k) Where more than one (1) event which gives or may give rise to an adjustment to the conversion price occurs within such a short period of time that in the opinion of a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in such bank's opinion appropriate in order to give such intended result.
- (l) No adjustment involving an increase in the conversion price will be made, except in the case of a consolidation of the shares as referred to in **Condition 4.3(a)** or to correct an error.
- (m) If the Issuer fails to select a Licensed FA or a leading bank when required for the purposes of **Condition 4.3**, the Bondholders may select such Licensed FA or bank."

## APPENDIX B

The following is an extract of the conditions under which the 2021 Bonds may be redeemed as set out in Conditions 7.1, 7.3, 7.4, 7.5 and 7.6 of the terms and conditions of the 2021 Bonds.

### “7.1 Maturity and partial redemption

Unless previously redeemed, converted or purchased and cancelled as provided in these Conditions, the Issuer will redeem each Bond at 100.0 per cent. of its principal amount on the date falling one (1) year after the date of issue of such Bond (the “**Maturity Date**”).

At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all or some, of the Bonds at their principal amount (plus any accrued and unpaid interest). Any partial redemption of the Bonds shall be made proportionately in respect of all outstanding Bonds held by Bondholders at the time of issuance of the aforesaid notice.

The Bonds may not be redeemed, in whole or in part, other than in accordance with this **Condition 7** (but without prejudice to **Condition 9**).

### 7.3 Redemption for taxation reasons

- (a) At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at their principal amount plus interest accrued at the rate of seven (7) per cent. per annum from the date of issue of such Bonds up till the date of expiry of the aforesaid notice (“**Tax Redemption Date**”), if (i) the Issuer satisfies the Bondholders immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 8** as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Agreement, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Bondholders (A) a certificate signed by two (2) directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (B) an opinion of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 8** and the Bondholders shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.
- (b) Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds at their principal amount plus interest accrued at the rate of seven (7) per cent. per annum from the date of issue of such Bonds up till the date of expiry of the aforesaid notice.

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

#### 7.4 Delisting Put Right

- (a) In the event the Shares cease to be listed or admitted to trading on the Mainboard of the SGX-ST ( "**Delisting**") each Bondholder shall have the right (the "**Delisting Put Right**"), at such Bondholder's option, to require the Issuer to redeem all (but not less than all) of such Bondholder's Bonds on the 20<sup>th</sup> Market Day after notice referred to under **Condition 7.4(b)** below has been given to Bondholders regarding the Delisting or, if such notice is not given, the 20<sup>th</sup> Market Day after the Delisting (the "**Delisting Put Date**") at their principal amount (the "**Delisting Put Price**").
- (b) Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to Bondholders (in accordance with **Condition 18**) and the SGX-ST stating:
- (i) the Delisting Put Date;
  - (ii) the date of such Delisting and, briefly, the events causing such Delisting;
  - (iii) the date by which the Purchase Notice (as defined below) must be given;
  - (iv) the Delisting Put Price and the method by which such amount will be paid;
  - (v) briefly, the Conversion Right and the then current Conversion Price;
  - (vi) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Put Right or Conversion Right; and
  - (vii) that a Purchase Notice, once validly given, may not be withdrawn.
- (c) To exercise its rights to require the Issuer to redeem its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a "**Purchase Notice**"), in the then current form obtainable from the Issuer or the Registrar, to the Registrar on any Market Day at the location of the Registrar on such day and which day is not less than 10 Market Days prior to the Delisting Put Date.

- (d) A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which are the subject of the Purchase Notices delivered as aforesaid on the Delisting Put Date.

#### **7.5 Redemption following exercise of a put option**

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

#### **7.6 Redemption upon Event of Default**

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