

Extraordinary/ Special General Meeting::Voluntary

Issuer & Securities

Issuer/ Manager	ENVICTUS INTERNATIONAL HOLDINGS LIMITED
Security	ENVICTUS INTERNATIONAL HLDGLTD - SG1CF4000007 - BQD

Announcement Details

Announcement Title	Extraordinary/ Special General Meeting
Date & Time of Broadcast	01-Oct-2018 05:32:07
Status	New
Announcement Reference	SG181001XMETAR6H
Submitted By (Co./ Ind. Name)	S SURENTHIRARAJ AND KOK MOR KEAT
Designation	COMPANY SECRETARIES

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments.

Event Dates

Meeting Date and Time	19/10/2018 10:00:00
Response Deadline Date	16/10/2018 10:00:00

Event Venue(s)

Place	
Venue(s)	Venue details
Meeting Venue	Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616

Attachments
📄 Envictus - Notice of EGM.pdf 📄 Envictus - Circular to Shareholders.pdf Total size =799K

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ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

ENVICTUS

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 1 October 2018.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of the shareholders of Envictus International Holdings Limited (the "Company") will be held at Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 19 October 2018 at 10.00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: THE RIGHTS CUM WARRANTS ISSUE

That, contingent upon the passing of Ordinary Resolution 2 herein in this Notice of EGM, the non-underwritten renounceable rights issue of up to 113,534,799 new ordinary shares in the capital of the Company (the "Rights Shares") at the issue price of S\$0.16 for each Rights Share, and up to 113,534,799 free detachable warrants (the "Warrants"), with each Warrant carrying the right to subscribe for one (1) new ordinary share ("Warrant Share") in the capital of the Company at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company held by the Shareholders of the Company (the "Shareholders") as at a time and date to be determined (the "Books Closure Date"), and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded ("Rights cum Warrants Issue"), be and is hereby approved and authority be and is hereby given to the Board of Directors of the Company to:

- (a) create and issue:
 - (i) such number of Rights Shares as the Directors may determine up to 113,534,799 Rights Shares at an issue price of S\$0.16 for each Rights Share;
 - (ii) such number of Warrants as the Directors may determine up to 113,534,799 Warrants in registered form to be issued together with the Rights Shares, each such Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of S\$0.16 for each Warrant Share at any time during the period commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll (the "Deed Poll") constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit; and
 - (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (b) provisionally allot and to issue up to 113,534,799 Rights Shares with up to 113,534,799 Warrants at an issue price of S\$0.16 for each Rights Share on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company held by the Shareholders of the Company as at the Books Closure Date, and one (1) free Warrant for every one (1) Rights Share, fractional entitlements to be disregarded; and
- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
 - (i) up to 113,534,799 Warrant Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrant Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such further new ordinary shares in the capital of the Company as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(iii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may deem fit:

- (a) the provisional allotments of the Rights Shares with Warrants under the Rights cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited ("CDP") as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of four (4) Rights Share for every five (5) existing ordinary shares in the capital of the Company then held by the Shareholders, and one (1) Warrant for every one (1) Rights Share subscribed or in such other proportions as the Directors may deem fit;
- (b) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the "Foreign Shareholders");
- (c) the entitlements to the Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to Purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;
- (d) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
- (e) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distribution, the record date for which falls before the date of issue of the Rights Shares,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Shares and Warrants and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

ORDINARY RESOLUTION 2: THE WHITEWASH RESOLUTION

That contingent upon the passing of Ordinary Resolution 1 in this Notice of EGM, approval be and is hereby given as follows:

subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter of 11 September 2018, Shareholders (other than the Concert Party Group) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Undertaking Shareholders in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "Code"), in the event that the Concert Party Group's acquisition of: (a) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants; and (b) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue results in the Concert Party Group incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code.

Voting Exclusion: The Company will, in accordance with the conditional waiver by the SIC, disregard any votes cast on this resolution by the Concert Party Group. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ORDINARY RESOLUTION 3: POTENTIAL TRANSFER OF CONTROLLING INTEREST

That contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2 herein in this Notice of EGM:

- (a) approval be and is hereby given to the allotment and issuance by the Company of Rights Shares, Warrants, Warrant Shares and/or excess Rights Shares with Warrants (if any) to Mr. Khor Sin Kok, on and subject to the terms of the Rights cum Warrants Issue, to the extent that such allotment and issuance by the Company of Rights Shares and Warrants constitutes a transfer of Controlling Interest in the Company to Mr. Khor Sin Kok pursuant to Rule 803 of the Listing Manual; and
- (b) any of the Directors be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this resolution as he shall think fit and in the interests of the Company.

Voting Exclusion: Mr. Khor Sin Kok shall abstain, and shall procure that his associates abstain, from voting on resolutions approving Ordinary Resolution 3 and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 3 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

BY ORDER OF THE BOARD

S Surethiraraj @ S Suresh
Kok Mor Keat
Company Secretaries
Singapore
1 October 2018

Notes:

1. A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Share Registrar's Office at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 72 hours before the time for holding EGM.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

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

CIRCULAR DATED 1 OCTOBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your ordinary shares in the capital of Envictus International Holdings Limited (the “Company”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval-in-principle has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares (as defined herein), the Warrants (as defined herein) and the Warrant Shares (as defined herein). The Rights Shares and the Warrants will be admitted to Official List of the Main Board of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the certificates for the Rights Shares and the Warrants having been issued and the allotment letter from the CDP having been despatched.

The approval-in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the the Rights Shares, the Warrants and the Warrant Shares is not to be taken as an indication of the merits of the Rights cum Warrants Issue (as defined herein), the Rights Shares, the Warrants, the Warrant Shares, the Company and/or its subsidiaries.



ENVICTUS

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

CIRCULAR TO SHAREHOLDERS

in relation to the

- (A) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 113,534,799 NEW ORDINARY SHARES OF THE COMPANY AT AN ISSUE PRICE OF S\$0.16 FOR EACH RIGHTS SHARE WITH UP TO 113,534,799 FREE DETACHABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE AT AN EXERCISE PRICE OF S\$0.16 FOR EACH WARRANT SHARE, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF THE COMPANY HELD AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (B) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM THE UNDERTAKING SHAREHOLDERS (AS DEFINED HEREIN) FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP IN CONNECTION WITH THE RIGHTS CUM WARRANTS ISSUE; AND**
- (C) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO MR. KHOR SIN KOK PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE**

Independent Financial Adviser in relation to the Whitewash Resolution



**CIMB BANK BERHAD (13491-P)
SINGAPORE BRANCH**

(Incorporated in Malaysia)

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form	:	16 October 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	19 October 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616

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DEFINITIONS

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

- “Acquisition”** : The acquisition of 14,757,000 shares in Motivage Sdn Bhd, representing 100% of the total issued and paid-up share capital of Motivage Sdn Bhd, by Polygold Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, from Khor Sin Kok and Khor Guat Bee for RM24,000,000, of which RM5,000,000 was satisfied by way of cash and the remaining RM19,000,000 was satisfied by the allotment and issuance of an aggregate of 15,775,210 Shares to Khor Sin Kok, which was approved by Shareholders at the extraordinary general meeting of the Company held on 8 June 2018
- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Announcement”** : The announcement released by the Company on 18 June 2018 in relation to the Rights cum Warrants Issue
- “ARE”** : The application and acceptance form for Rights Shares with Warrants and excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue
- “ARS”** : The application and acceptance form for Rights Shares with Warrants to be issued to purchasers of the provisional allotments of Rights Shares with Warrants under the Rights cum Warrants Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “ATM”** : Automated teller machine of a Participating Bank
- “Authority”** : The Monetary Authority of Singapore
- “Board of Directors” or “Board”** : The board of Directors of the Company for the time being
- “Books Closure Date”** : The time and date, to be determined by the Directors, at and on which the Share Transfer Books and Register of Members of the Company will be closed to determine the provisional allotments of Rights of the Entitled Shareholders under the Rights cum Warrants Issue
- “Business Day”** : A day (other than a Saturday, Sunday or public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 1 October 2018
- “Closing Date”** : The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of, the Rights Shares with Warrants under the Rights cum Warrants Issue
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

DEFINITIONS

“Company”	:	Envictus International Holdings Limited
“Concert Parties”	:	Datin Yuen Chooi Chun, Tan San May and Datin Regina Sylvia Beltran
“Concert Party Group”	:	Comprising the Undertaking Shareholders (Dato’ Kamal Y P Tan and Dato’ Jaya J B Tan) and their Concert Parties (Datin Yuen Chooi Chun, Tan San May and Datin Regina Sylvia Beltran). Please refer to Section 4 of this Circular for further information on the Concert Party Group.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Controlling Interest”	:	The interest of Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who: (a) holds, directly or indirectly, 15.0% or more of the total number of voting shares (excluding treasury shares) in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations
“CPF Board”	:	The board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as may be amended, modified or supplemented from time to time
“CPF Funds”	:	The CPF account savings of CPF members under the CPFIS
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn
“CPF Investors”	:	Shareholders who as at the Books Closure Date are holding Shares which were subscribed for or purchased under the CPFIS using their CPF Funds
“CPF Regulations”	:	The Central Provident Fund (Investment Schemes) Regulations, as the same may be modified, amended or supplemented from time to time
“CPFIS”	:	CPF Investment Scheme
“Deed Poll”	:	The deed poll to be executed by the Company constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrantholders
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 105 to 108 of this Circular

DEFINITIONS

“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names and (iii) registered addresses are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“Excess Applications”	:	Excess applications by Entitled Shareholders of the Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants
“Excess Rights Scenario”	:	Based on the Existing Share Capital and assuming that: (i) none of the Entitled Shareholders other than the Concert Party Group subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares with Warrants; (ii) the Undertaking Shareholders subscribe for the Undertaking Rights Shares and Warrants in full pursuant to the Irrevocable Undertakings; (iii) the Concert Parties subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares with Warrants in full; and (iv) the Undertaking Shareholders subscribe for an aggregate of 17,000,000 excess Rights Shares with Warrants
“Exercise Period”	:	The period during which the Warrants may be exercised, commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to closure of the Register of Members of the Company or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warranholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll
“Exercise Price”	:	The price payable in respect of each Warrant Share upon the exercise of a Warrant shall be S\$0.16, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of 141,918,499 Shares (excluding treasury shares) as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore

DEFINITIONS

“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the Company, the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending, as the case may be, 30 September, unless otherwise stated
“Group”	:	The Company and its subsidiaries
“IFA”	:	CIMB Bank Berhad, Singapore Branch, the independent financial advisor to the Independent Directors in respect of the Whitewash Resolution
“IFA Letter”	:	The letter dated 1 October 2018 from the IFA to the Independent Directors in respect of the Whitewash Resolution, a copy of which is set out in Appendix D of this Circular
“Independent Directors”	:	The Directors who are considered independent of the Whitewash Resolution, namely Datuk Goi Seng Hui, Mah Weng Choong, Teo Chee Seng and John Lyn Hian Woon
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purposes of the Whitewash Resolution, being Shareholders other than the Concert Party Group
“Irrevocable Undertakings”	:	The Irrevocable Undertakings provided by each Undertaking Shareholder, the details of which are set out in Section 2.10 of this Circular
“Issue Price”	:	S\$0.16 for each Rights Share
“Latest Practicable Date”	:	18 September 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST as amended or modified from time to time
“Mandatory Offer”	:	Has the same meaning ascribed to it in Section 4.1 of the Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS”	:	Monetary Authority of Singapore
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that all of the Entitled Shareholders subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares with Warrants
“Minimum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that (i) none of the Entitled Shareholders other than the Undertaking Shareholders subscribe and pay for their <i>pro rata</i> entitlements of Rights Shares with Warrants; and (ii) the Undertaking Shareholders subscribe for the Undertaking Rights Shares and Warrants in full pursuant to the Irrevocable Undertakings
“Notice of EGM”	:	The notice of EGM set out on pages 105 to 108 of this Circular

DEFINITIONS

“NTA”	:	Net tangible assets
“Offer Information Statement”	:	The offer information statement, together with the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document, to be issued by the Company in connection with the Rights cum Warrants Issue
“Ordinary Resolution 1”	:	The ordinary resolution to approve the Rights cum Warrants Issue
“Ordinary Resolution 2”	:	The ordinary resolution to approve the Whitewash Resolution
“Ordinary Resolution 3”	:	The ordinary resolution to approve the Potential Transfer of Controlling Interest
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants under the Rights cum Warrants Issue
“Participating Banks”	:	The banks that will be participating in the Rights cum Warrants Issue by making available their ATMs to Entitled Depositors and persons purchasing the “nil paid” rights through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Rights Shares with Warrants and applications for excess Rights Shares with Warrants, as the case may be, to be made under the Rights cum Warrants Issue
“Potential Transfer of Controlling Interest”	:	The potential transfer of a Controlling Interest in the Company to Mr. Khor Sin Kok pursuant to the Rights cum Warrants Issue
“Proposed Resolutions”	:	Collectively, Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3
“Proxy Form”	:	The proxy form in respect of the EGM enclosed in this Circular
“Purchaser”	:	A purchaser of the Rights
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights”	:	Rights to subscribe for four (4) Rights Shares with Warrants for every five (5) Shares held by Shareholders as at the Books Closure Date
“Rights cum Warrants Issue”	:	The proposed non-underwritten renounceable rights issue by the Company of up to 113,534,799 Rights Shares at an issue price of S\$0.16 for each Rights Share with up to 113,534,799 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) Warrant Share at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded

DEFINITIONS

“Rights Share(s)”	:	Up to 113,534,799 new Shares to be allotted and issued by the Company pursuant to the Rights cum Warrants Issue
“Rights Trading Period”	:	The trading period of the Rights on a “nil-paid” basis
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”, “Warrant Agent” or “Warrant Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Share Transfer Books”	:	The share transfer books of the Company
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council
“SIC Conditions”	:	Has the same meaning ascribed to it in Section 4.4 of the Circular
“SRS”	:	The Supplementary Retirement Scheme constituted under the Income Tax (Supplementary Retirement Scheme) Regulations 2003
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their respective SRS accounts
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Shareholders who as at the Books Closure Date are holding Shares which were subscribed for or purchased under the SRS using their SRS Funds
“Subsidiaries”	:	Has the meaning ascribed to it in Section 5 of the Companies Act and “ Subsidiary ” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest in voting shares of the Company the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares in the Company
“Undertaking Shareholders”	:	Dato’ Kamal Y P Tan and Dato’ Jaya J B Tan
“Undertaking Rights Shares”	:	The 31,566,148 Rights Shares to be subscribed by the Undertaking Shareholders pursuant to the Irrevocable Undertakings
“VWAP”	:	Volume weighted average price

DEFINITIONS

- “Warrantholders”** : Registered holders of the Warrants, except where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such Warrants
- “Warrant(s)”** : Up to 113,534,799 free detachable warrants in registered form, to be allotted and issued by the Company together with the Rights Shares pursuant to the Rights cum Warrants Issue, and where the context so admits, such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank *pari passu* with the warrants to be issued together with the Rights Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), subject to the terms and conditions to be set out in the Deed Poll, each warrant entitling the holder thereof to subscribe for one (1) Warrant Share at the Exercise Price
- “Warrant Share(s)”** : Up to 113,534,799 new ordinary shares of the Company to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
- “Warrant Agency Agreement”** : The warrant agency agreement to be executed by the Company, the Warrant Agent and the Warrant Registrar, pursuant to which the Warrant Agent is appointed by the Company to act in connection with the Warrants upon the terms and conditions set out therein, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment
- “Whitewash Resolution”** : The proposed whitewash resolution for the waiver by the Independent Shareholders of their rights to receive a Mandatory Offer from the Undertaking Shareholders for all the issued Shares not already owned or controlled by them, as a result of the Concert Party Group’s acquisition of: (a) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants; and (b) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue
- “Whitewash Waiver”** : The waiver which the SIC granted on 11 September 2018 of the requirement for the Undertaking Shareholders to make a Mandatory Offer for the Company under Rule 14 of the Code in the event that the Concert Party Group incur an obligation to do so as a result of their acquisition of: (a) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants; and (b) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue, subject to the satisfaction of the SIC Conditions

DEFINITIONS

Currencies, Units and Others

“%” or “percent”	:	Percentage or per centum
“RM” or “RM cents”	:	Malaysian Ringgit and cents, respectively, being the lawful currency of Malaysia
“S\$” or “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

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

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to date and time of day in this Circular shall be a reference to Singapore date and time, unless otherwise stated.

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

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

Board of Directors:

Dato' Jaya J B Tan (Non-Executive Chairman)
Datuk Goi Seng Hui (Non-Executive Vice-Chairman)
Dato' Kamal Y P Tan (Group Chief Executive Officer)
Mah Weng Choong (Independent Director)
Teo Chee Seng (Independent Director)
John Lyn Hian Woon (Independent Director)

Registered Office:

SGX Centre II, #17-01
4 Shenton Way
Singapore 068807

1 October 2018

To: The Shareholders of the Company

Dear Shareholder,

- (A) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 113,534,799 NEW ORDINARY SHARES OF THE COMPANY AT AN ISSUE PRICE OF S\$0.16 FOR EACH RIGHTS SHARE WITH UP TO 113,534,799 FREE DETACHABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE AT AN EXERCISE PRICE OF S\$0.16 FOR EACH WARRANT SHARE, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF THE COMPANY HELD AS AT THE BOOKS CLOSURE DATE AND ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (B) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM THE UNDERTAKING SHAREHOLDERS FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP IN CONNECTION WITH THE RIGHTS CUM WARRANTS ISSUE; AND**
- (C) **THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO MR. KHOR SIN KOK PURSUANT TO THE RIGHTS CUM WARRANTS ISSUE**

1. INTRODUCTION

1.1 Rights cum Warrants Issue

On 18 June 2018, the Company announced that it is undertaking a renounceable non-underwritten rights issue (the "**Rights cum Warrants Issue**") of up to 113,534,799 new ordinary shares of the Company (the "**Rights Shares**") at an issue price of S\$0.16 for each Rights Share with up to 113,534,799 free detachable warrants (the "**Warrants**"), each warrant carrying the right to subscribe for one (1) Warrant Share at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares for every five (5) existing ordinary shares of the Company (the "**Shares**") held by shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined (the "**Books Closure Date**") and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

1.2 Extraordinary General Meeting

The Board is convening the EGM to seek Shareholders' approval for the following Proposed Resolutions:

- (a) the ordinary resolution to approve the Rights cum Warrants Issue ("**Ordinary Resolution 1**");

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

- (b) the ordinary resolution to approve the Whitewash Resolution (“**Ordinary Resolution 2**”); and
- (c) the ordinary resolution to approve the Potential Transfer of Controlling Interest (“**Ordinary Resolution 3**”).

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Resolutions and to seek Shareholders’ approval for the Proposed Resolutions set out in the Notice of EGM.

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

1.3 Inter-conditionality

Shareholders should note that:

- (a) the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional and this means that in the event that Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be passed and in the event that Ordinary Resolution 2 is not approved, Ordinary Resolution 1 will not be passed;
- (b) the passing of Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary 2 being approved and this means that in the event that either Ordinary Resolution 1 or Ordinary Resolution 2 is not approved, Ordinary Resolution 3 will not be passed; and
- (c) the passing of Ordinary Resolution 1 and Ordinary 2 are not conditional upon Ordinary Resolution 3 being approved and this means that the Company may elect to proceed with the Rights cum Warrants Issue if Ordinary Resolution 1 and Ordinary Resolution 2 are approved, even if Ordinary Resolution 3 is not approved, subject to the Company’s compliance with Rule 803 of the Listing Manual.

2. THE RIGHTS CUM WARRANTS ISSUE

2.1 Basis of the Rights cum Warrants Issue

The Company is offering, on a renounceable and non-underwritten basis, up to 113,534,799 Rights Shares at an issue price of S\$0.16 per Rights Share (the “**Issue Price**”) and up to 113,534,799 Warrants with each Warrant carrying the right to subscribe for one (1) Warrant Share at the exercise price of S\$0.16 per Warrant Share (the “**Exercise Price**”), on the basis of four (4) Rights Shares for every five (5) existing Shares held by Shareholders as at the Books Closure Date and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

Entitled Shareholders will be at liberty to accept (in full or in part), or decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ provisional allotments of Rights Shares with Warrants and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants.

The Company will also not make any allotment and issue of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Rights Shares with Warrants are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares with Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares with Warrants.

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its *pro rata* Rights Shares with Warrants entitlement) to:

- (a) avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully; or
- (b) avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of Shareholders is obtained in a general meeting.

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The extracts of the draft terms and conditions of the Warrants are set out in Appendix C of this Circular. The final terms and conditions of the Rights cum Warrants Issue will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights cum Warrants Issue and the approval of the Independent Shareholders for the Whitewash Resolution at the EGM.

The Company will not withdraw the Rights cum Warrants Issue after the commencement of ex-rights trading of the Shares.

2.2 Size of Rights cum Warrants Issue

As at the Latest Practicable Date, the issued share capital of the Company (excluding treasury shares) comprises 141,918,499 Shares (the “**Existing Share Capital**”).

(a) Minimum Subscription Scenario

Based on the Existing Share Capital and assuming that:

- (i) none of the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants;
- (ii) the Undertaking Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants in full pursuant to the Irrevocable Undertakings (as defined below),

(collectively, referred to as the “**Minimum Subscription Scenario**”),

the Company will issue 31,566,148 Rights Shares and 31,566,148 Warrants under the Rights cum Warrants Issue.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

(b) Maximum Subscription Scenario

Based on the Existing Share Capital and assuming that all of the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants (the “**Maximum Subscription Scenario**”), the Company will issue 113,534,799 Rights Shares and 113,534,799 Warrants under the Rights cum Warrants Issue.

(c) Excess Rights Scenario

Based on the Existing Share Capital and assuming that:

- (i) none of the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants (other than the Concert Party Group);
- (ii) the Undertaking Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants in full pursuant to the Irrevocable Undertakings (as defined below);
- (iii) the Concert Parties subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants in full; and
- (iv) the Undertaking Shareholders subscribe and pay for an aggregate of 17,000,000 excess Rights Shares with Warrants,

(collectively, referred to as the “**Excess Rights Scenario**”),

the Company will issue 49,745,028 Rights Shares and 49,745,028 Warrants under the Rights cum Warrants Issue.

As at the Latest Practicable Date, the Company does not have any existing warrants or other convertible securities.

2.3 Principal Terms of the Rights Shares

The principal terms of the Rights Shares are set out below:

Number of Rights Shares : Up to 113,534,799 Rights Shares (with up to 113,534,799 free detachable Warrants)

Basis of Provisional Allotment : The Rights cum Warrants Issue is made on a renounceable basis to Entitled Shareholders on the basis of four (4) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, and one (1) Warrant given for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

Issue Price : S\$0.16 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price of S\$0.16 per Rights Share and Exercise Price of S\$0.16 per Warrant Share represent a discount of approximately 57.33% to the last traded price of S\$0.375 for Shares traded on the SGX-ST on 18 June 2018, being the full market day immediately preceding the Announcement on which Shares were traded on the SGX-ST.

Eligibility to participate : Please refer to Section 2.6 entitled “Eligibility of Shareholders to Participate in the Rights Cum Warrants Issue” of this Circular.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and application, and when allotted and issued, will 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 before the date of issue of the Rights Shares.

Listing of the Rights Shares : On 3 September 2018, approval in-principle was obtained from the SGX-ST for, inter alia, the dealing in, listing of and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST, subject to certain conditions, details of which are set out under Section 2.7 of this Circular.

Acceptance and Excess Application : Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and that Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise of 100 Shares.

Scaling Down : Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its *pro rata* Rights Shares with Warrants entitlement) to: (a) avoid placing the relevant Substantial Shareholder in the position of incurring a Mandatory Offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlement fully; or (b) avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of Shareholders is obtained in a general meeting.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Use of CPF Funds : CPF Investors may use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts for the payment of the aggregate Issue Price to subscribe for the Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants.

Such CPF Investors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds will need to instruct their respective CPF Approved Banks, with which they hold their CPF Investment Accounts, to accept the provisional allotment of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions of the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

Use of SRS Funds : SRS Investors who wish to accept their provisional allotments of Rights Shares with Warrants and apply for excess Rights Shares with Warrants (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares with Warrants and apply for excess Rights Shares with Warrants (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares with Warrants and apply for excess Rights Shares with Warrants (if applicable) on their behalf. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares with Warrants directly from the market.

Governing Law : Laws of the Republic of Singapore

2.4 Principal Terms of the Warrants

The principal terms of the Warrants are set out below:

Number of Warrants : Up to 113,534,799 Warrants to be issued free together with the Rights Shares.

Basis of Provisional Allotment : One (1) free detachable Warrant with every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

Detachability and Trading : The Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system upon the listing and quotation of the Warrants on the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other number as may be notified by the Company.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Listing of the Warrants and the Warrant Shares : On 3 September 2018, approval in-principle was obtained from the SGX-ST for, inter alia, the dealing in, listing of and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST, subject to certain conditions, details of which are set out under Section 2.7 of this Circular.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the Warrant Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular.

Form and subscription rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant shall entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price in force on the relevant date of exercise of the Warrants.

Exercise Price : S\$0.16 for each Warrant Share on the exercise of a Warrant.

Exercise Period : The Warrants may be exercised at any time during the period commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants ("**Exercise Period**") unless such date is a date on which the register of members of the Company is closed or is not a day on which the SGX-ST is open for securities trading ("**Market Day**"), in which case the Exercise Period shall end on the Market Day prior to the closure of the register of members or the immediate preceding Market Day (the "**Expiry Date**"), as the case may be, but excluding such period(s) as during which the register of warrantholders may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

Notice of expiry of the Warrants shall be given to all Warrantholders at least one (1) month before the Expiry Date.

Mode of payment for exercise of Warrants : Warrantholders who exercise their Warrants must pay the Exercise Price by way of (i) remittance in Singapore currency by banker's draft or cashier's order drawn on a bank in Singapore in favour of the Company for the full amount of the Exercise Price payable in respect of the Warrants exercised; or (ii) by debiting the relevant Warrantholder's CPF Investment Account with the specified CPF Approved Bank, for the credit of the Company for the full amount of the Exercise Price payable in respect of the Warrants exercised.

Adjustments : The Exercise Price and the number of Warrants to be held by each Warrantholder will be subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as set out in the Deed Poll.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Such circumstances include, without limitation, consolidation, subdivision or conversion of the Shares, capitalisation issues, rights issues and certain capital distributions.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGXNET.

Please refer to Section 5 of Appendix C of this Circular for the provisions in connection with the adjustments to the Exercise Price and number of Warrants.

Number of Warrant Shares to be issued : If all the 113,534,799 Warrants issued pursuant to the Rights cum Warrants Issue are exercised, 113,534,799 Warrant Shares will be allotted and issued by the Company subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll and the Company will have an enlarged issued share capital comprising 368,988,097 Shares.

Status of Warrant Shares : The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save that they will not be entitled to participate in any dividends, rights, allotments or other distributions, that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

Modifications : The Company may, without the consent of the Warranholders but in accordance with the terms and conditions of the Deed Poll, effect modifications to the terms and conditions of the Deed Poll including, without limitation, the terms and conditions of the Warrants, which, in the opinion of the Company, (i) is not materially prejudicial to the interests of the Warranholders or is of a formal, technical or minor nature; (ii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or (iii) is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Warrant Shares arising from the exercise thereof or meetings of Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on all Warranholders and all persons having an interest in the Warrants and shall be notified to them in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, as soon as practicable thereafter.

Without prejudice to any provision of the Deed Poll, any material alteration in the terms and conditions of the Warrants to the advantage of the Warranholders is subject to the approval of Shareholders except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

Transfer and Transmission

- : The Warrants shall be transferable in lots entitling Warrantheolders to subscribe for whole numbers of Warrant Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, inter alia, the following:
- (i) Lodgement of Certificates and Transfer Forms – a Warrantheolder whose Warrants are registered in his own name (the “**Transferor**”) shall lodge, during normal business hours on any Business Day so as to be received at the specified office of the Warrant Agent, the Transferor’s warrant certificate(s) together with an instrument of transfer (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to it;
 - (ii) Deceased Warrantheolder – the executors and administrators of a deceased Warrantheolder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Warrants are registered otherwise than in the name of CDP) or if the Warrantheolder is CDP, of a deceased Depositor, and, in the case of one or more of several such joint Warrantheolders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having title to Warrants registered in the name of a deceased Warrantheolder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and the payment of the fees and expenses set out in the Deed Poll, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased holder could have made;
 - (iii) Warrants registered in the name of CDP – where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry; and
 - (iv) Effective Date of Transfer – A Transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Warrant until the name of the transferee is entered in the Register of Warrantheolders by the Warrant Agent or the Depository Register by CDP, as the case may be.

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Winding-up : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warrantholders by way of an extraordinary resolution), the Warrantholders shall be entitled upon and subject to the conditions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Shares to which they would have been entitled pursuant to such exercise, and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Warrantholders in accordance with the conditions of the Deed Poll of the passing of any such resolution within seven (7) business days after the passing thereof. Where a Warrantholder has elected to be treated as if it had exercised its Warrants as aforesaid, it shall be liable to pay the Exercise Price in relation to such exercise.

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and cease to be valid for any purpose.

Further Issues of Securities : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such further issues of Shares or subscription rights unless otherwise resolved by the Company in general meeting.

Use of CPF Funds : CPF Investors may use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts for the payment of the aggregate Exercise Price upon the exercise of the Warrant(s). CPF Funds may not, however, be used for the purchase of the Warrants directly from the market (the listing thereof subject to there being a sufficient spread of holdings).

Use of SRS Funds : SRS Investors may use, subject to applicable SRS rules and regulations, terms and conditions that may be imposed by the SRS Approved Banks as well as the availability of SRS Funds, monies standing to the credit of their respective SRS accounts for the payment of the aggregate Exercise Price upon the exercise of the Warrant(s). SRS Funds may not, however, be used for the purchase of the Warrants directly from the market (the listing thereof subject to there being a sufficient spread of holdings).

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd.

Governing Law : Laws of the Republic of Singapore

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2.5 Conditions for the Rights cum Warrants Issue

The Rights cum Warrants Issue is, subject to, *inter alia*:

- (a) the Whitewash Waiver having been granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrants Shares being obtained at the EGM to be convened;
- (c) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares, on the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (d) the Whitewash Resolution being approved by the Independent Shareholders;
- (e) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the MAS; and
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.

2.6 Eligibility of Shareholders to Participate in the Rights cum Warrants Issue

(a) Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares with Warrants to Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders) under the Rights cum Warrants Issue.

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date.

To be Entitled Depositors, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants Entitlements. Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to effect any change in address must reach CDP not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be Entitled Scripholders, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

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with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants Entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares with Warrants Entitlements.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach Envictus International Holdings Limited, c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders may open Securities Accounts if they have not already done so and to deposit such share certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares with Warrants. Entitled Shareholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Entitled Shareholders will be entitled to participate in the Rights cum Warrants Issue and to receive the Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents, at their respective Singapore addresses.

Entitled Depositors who do not receive the Offer Information Statement or the ARE may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement or the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at a liberty to accept, decline or otherwise renounce, in part or in whole, or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. For the avoidance of doubt, only Entitled Shareholders (and not the purchasers or the renounees) shall be entitled to apply for additional Rights Shares with Warrants in excess of their provisional allotments.

Entitled Depositors, who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares with Warrants, may only do so through CDP and/or by way of an Electronic Application.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and used to satisfy applications for excess Rights Shares with Warrants (if any) or disposed or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the Listing Manual.

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Full details of the Rights cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, among others, the Proposed Resolutions being approved by Shareholders at the EGM to be convened.

All dealings in, and transactions of, the provisional allotments of Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

(b) Foreign Shareholders

The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. No provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company further reserves the right to reject any acceptances of the Warrants and/or applications for excess Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Foreign Shareholders who wish to be eligible to participate in the Rights cum Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 (if they have securities accounts with CDP) or (ii) Envictus International Holdings Limited c/o the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not later than three (3) Market Days before the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

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The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

2.7 Listing and Quotation

On 3 September 2018, approval in-principle was obtained from the SGX-ST for, inter alia, the dealing in, listing of and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST, subject to the following conditions:

- (a) the compliance with the SGX-ST’s listing requirements;
- (b) Shareholders’ approval for the Rights cum Warrants Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights cum Warrants Issue and from the exercise of the Warrants 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 the confirmation given under Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Shares;

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- (e) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings;
- (f) a written confirmation from the Company that there is a satisfactory spread of warrant holders to provide an orderly market for the Warrants in compliance with Rule 826 of the Listing Manual;
- (g) a written confirmation from the Company that the terms of the warrant issue do not permit revision of the exercise price/ratio in any form, other than in compliance with Rule 829(1) of the Listing Manual; and
- (h) a written undertaking from the Company that Rules 820, 830 and 831 of the Listing Manual will be complied with.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the Warrant Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular.

2.8 Rationale of Rights cum Warrants Issue and Use of Proceeds

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Group. The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company.

Assuming none of the Warrants that are issued pursuant to the Rights cum Warrants Issue are exercised, the amount of gross proceeds and net proceeds arising from the Rights cum Warrants Issue under each of the subscription scenarios are as follows:

Subscription Scenario	Gross Proceeds	Estimated Expenses	Net Proceeds
Maximum Subscription Scenario	S\$18.17 million	S\$0.30 million	S\$17.87 million
Minimum Subscription Scenario	S\$5.05 million	S\$0.30 million	S\$4.75 million
Excess Rights Scenario	S\$7.96 million	S\$0.30 million	S\$7.66 million

Based on the Maximum Subscription Scenario and the Excess Rights Scenario, the Company intends to use up to S\$6.62 million of the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) for the repayment of bank borrowings, with 50% of the remaining proceeds to be used for working capital and the other 50% of the remaining proceeds to be used for the funding of the expansion of the Group's existing businesses, which may include amongst others, the construction of a factory building in Pulau Indah for the manufacturing of condensed milk and the purchase of related plant and machinery in connection with the Acquisition under the Group's Dairies Division, the construction of a bakery manufacturing plant and the purchase of related equipment under the Group's Food Processing Division and the expansion of the Texas Chicken business in Indonesia and San Francisco Coffee outlets in Malaysia under the Group's Food Services Division.

Based on the Minimum Subscription Scenario, the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) will be used solely for the repayment of bank borrowings.

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The Company intends to use the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) as set out below:

Based on the Maximum Subscription Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds
Repayment of bank borrowings	S\$6.62 million	37.0%
Working capital	S\$5.625 million	31.5%
Expansion of existing businesses	S\$5.625 million	31.5%
Total	S\$17.87 million	100.0%

Based on the Minimum Subscription Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds
Repayment of bank borrowings	S\$4.75 million	100.0%
Total	S\$4.75 million	100.0%

Based on the Excess Rights Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds
Repayment of bank borrowings	S\$6.62 million	86.4%
Working capital	S\$0.52 million	6.8%
Expansion of existing businesses	S\$0.52 million	6.8%
Total	S\$7.66 million	100.0%

The additional gross proceeds arising from the exercise of all of the Warrants in the Maximum Subscription Scenario, Minimum Subscription Scenario and Excess Rights Scenario are approximately S\$18.17 million, S\$5.05 million and S\$7.96 million respectively. As and when the Warrants are exercised, the net proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments and working capital.

Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

As and when there is any significant disbursement of the proceeds raised from the Rights cum Warrants Issue, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with details on how the proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason(s) for such deviation.

As at the Latest Practicable Date, the Directors are of the opinion that barring any unforeseen circumstances:

- (a) the Group is not currently under pressure from its bankers to repay any of its existing borrowings and there are currently no arrangements made or being made for the refinancing of the Group's borrowings;

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- (b) after taking into account the Group's present bank facilities, internal resources, operating cash flows, net proceeds of the Rights cum Warrants Issue under the Maximum Subscription Scenario, the Group has sufficient resources to meet its capital commitments;
- (c) after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is not sufficient to meet its present requirements; and
- (d) after taking into consideration the Group's present bank facilities, internal resources, operating cash flows and net proceeds of the Rights cum Warrants Issue under the Maximum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements.

For the avoidance of doubt, even under the Minimum Subscription Scenario or the Excess Rights Scenario, the Company will have sufficient resources to operate as a going concern and meet its obligations as and when they fall due and, if necessary, the Company will defer and/or scale back the expansion of its existing businesses accordingly.

2.9 Underwriting

In view of the Irrevocable Undertakings and taking into consideration the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Rights cum Warrants Issue in view of the Irrevocable Undertakings.

2.10 Irrevocable Undertakings

As of the Latest Practicable Date, Dato' Kamal Y P Tan holds 19,700,214 Shares, representing approximately 13.88% of the issued share capital of the Company, while Dato' Jaya J B Tan holds 19,757,472 Shares, representing approximately 13.92% of the issued share capital of the Company. Dato' Kamal Y P Tan and Dato' Jaya J B Tan (the "**Undertaking Shareholders**"), who are Directors of the Company as well as siblings, together hold an aggregate of 39,457,686 Shares, representing approximately 27.80% of the issued share capital of the Company. The Undertaking Shareholders are directors and controlling shareholders of the Company.

To demonstrate their support for the Rights cum Warrants and to demonstrate their commitment to the Company, the Undertaking Shareholders have provided irrevocable undertakings dated 18 June 2018 to the Company (the "**Irrevocable Undertakings**") that, amongst others:

- (a) they will subscribe and pay for all their entitlement of an aggregate of 31,566,148 Rights Shares by the Closing Date;
- (b) will not sell, transfer or otherwise deal with any of the 39,457,686 Shares that they own or control as at the date of the Irrevocable Undertakings, during the period between the date of the Irrevocable Undertakings and the date of issue of the Rights Shares; and
- (c) they will vote in favour of the Rights cum Warrants Issue at the EGM (other than in respect of the Whitewash Resolution).

The Irrevocable Undertakings are subject to and conditional upon:

- (a) the Whitewash Waiver being granted by the SIC and such approval not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares, on the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;

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- (c) the approval of the Shareholders for the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrants Shares being obtained at the EGM to be convened;
- (d) the Whitewash Resolution being approved by the Independent Shareholders;
- (e) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the MAS; and
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.

Apart from the Irrevocable Undertakings, the Undertaking Shareholders may, subject to availability of excess Rights Shares with Warrants, subscribe for excess Rights Shares with Warrants in order to raise additional proceeds for the Company. For illustrative purposes only, assuming the Minimum Subscription Scenario and that the Undertaking Shareholders subscribe for all excess Rights Shares with Warrants available under the Minimum Subscription Scenario, the Undertaking Shareholders may, subject to availability, subscribe for up to 17,000,000 excess Rights Shares with Warrants. **For the avoidance of doubt, the Undertaking Shareholders have not provided any undertakings to the Company to subscribe for excess Rights with Warrants.** The Undertaking Shareholders have, however, indicated their interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, up to 17,000,000 excess Rights Shares with Warrants, subject to availability, to demonstrate their support for the Rights cum Warrants Issue.

Please refer to **Appendix B** of this Circular for the dilution effect to the shareholdings of existing Shareholders as a result of the Undertaking Shareholders fulfilling their obligations under the Irrevocable Undertakings.

Each Undertaking Shareholder has also furnished a confirmation of his financial resources from a financial institution to the Company pursuant to the Irrevocable Undertakings. For the avoidance of doubt, the confirmation of financial resources provided by each Undertaking Shareholder does not include the financial resources to required to subscribe for any excess Rights Shares with Warrants.

2.11 Review of Past Performance

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for the last three (3) financial years ended 30 September 2015, 2016 and 2017 are set out in **Appendix A** to this Circular.

2.12 Books Closure Date

Subject to the Shareholders' approval of the Rights cum Warrants Issue at the EGM, the Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights cum Warrants Issue will be announced at a later date.

3. FINANCIAL EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

3.1 Assumptions

The financial effects of the Rights cum Warrants Issue under the Minimum Subscription Scenario, the Maximum Subscription Scenario and the Excess Rights Scenario as presented herein:

- (a) are only presented for illustration purposes and are not a projection of the actual future financial performance or financial position of the Group after completion of the Rights cum Warrants Issue;

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- (b) are based on the audited consolidated financial statements of the Group for FY2017;
- (c) assume that all the Rights Shares and Warrants have been issued;
- (d) assume that all the Warrants are exercised after the completion of the Rights cum Warrants Issue;
- (e) assume that the Rights cum Warrants Issue and the Acquisition were completed on 30 September 2017 for the purposes of computing the financial effects on the share capital, NTA and gearing; and
- (f) assume that the Rights cum Warrants Issue and Acquisition were completed on 1 October 2016 for the purposes of computing the financial effects on the EPS.

3.2 Net Tangible Assets

The effects on the consolidated NTA of the Group for FY2017 will be as follows:

As at 30 September 2017

	Based on Existing Share Capital as at the Latest Practicable Date		
	Minimum Subscription Scenario	Maximum Subscription Scenario	Excess Rights Scenario
NTA as at 30 September 2017 (RM'000)	272,438	272,438	272,438
NTA after the Acquisition before issue of the Rights Shares and the Warrants (RM'000)	298,473	298,473	298,473
Number of Shares before the issue of the Rights Shares	141,918,499	141,918,499	141,918,499
NTA per Share before the issue of the Rights Shares (RM)	2.10	2.10	2.10
After the issue of the Rights Shares and the Warrants			
Add: Net proceeds from the issue of the Rights Shares (RM'000)	14,358 ⁽¹⁾	53,998 ⁽¹⁾	23,150 ⁽¹⁾
NTA after the issue of the Rights Shares (RM'000)	312,831	352,471	321,623
Number of Shares after the issue of the Rights Shares	173,484,647	255,453,298	191,663,527
NTA per Share after the issue of the Rights Shares (RM)	1.80	1.38	1.68
After the issue of the Rights Shares and the Warrants and the exercise of all the Warrants			
Add: Net proceeds from the exercise of all the Warrants (RM'000)	14,963 ⁽¹⁾	54,602 ⁽¹⁾	23,754 ⁽¹⁾
NTA after the issue of the Rights Shares and the exercise of all the Warrants (RM'000)	327,794	407,073	345,377
Number of Shares after the issue of the Rights Shares and the exercise of all the Warrants	205,050,795	368,988,097	241,408,555
NTA per Share after the issue of the Rights Shares and the exercise of all the Warrants (RM)	1.60	1.10	1.43

Notes:

- (1) Net proceeds arising from the Rights cum Warrant Issue converted based on the exchange rate of S\$1:RM3.02246 as at Latest Practicable Date.

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3.3 Loss per Share

The effects on the consolidated EPS of the Group for FY2017 will be as follows:

FY2017

	Based on Existing Share Capital as at the Latest Practicable Date		
	Minimum Subscription Scenario	Maximum Subscription Scenario	Excess Rights Scenario
Net loss attributable to the owners of the Company (RM'000)	(52,405)	(52,405)	(52,405)
Net loss attributable to the owners of the Company after the Acquisition (RM'000)	(54,015)	(54,015)	(54,015)
Adjusted net loss attributable to the owners of the Company after the completion of the Rights cum Warrants Issue (RM'000)	(54,015)	(54,015)	(54,015)
Weighted average number of Shares before the Rights cum Warrants Issue	141,918,499	141,918,499	141,918,499
Weighted average number of Shares after the issue of the Rights Shares but before the exercise of the Warrants	173,484,647	255,453,298	191,663,527
Weighted average number of Shares after the issue of the Rights Shares and the exercise of all the Warrants	205,050,795	368,988,097	241,408,555
Loss per Share before the issue of the Rights Shares and the exercise of all the Warrants (RM)	(0.38)	(0.38)	(0.38)
Loss per Share after the issue of the Rights Shares but before the exercise of the Warrants (RM)	(0.31)	(0.21)	(0.28)
Loss per Share after the issue of the Rights Shares and the exercise of all the Warrants (RM)	(0.26)	(0.15)	(0.22)

3.4 Share Capital

The effects on the share capital of the Company are as follows:

	Minimum Subscription Scenario		Maximum Subscription Scenario		Excess Rights Scenario	
	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)
As at 30 September 2017	126,143,289	46,450	126,143,289	46,450	126,143,289	46,450
Add: Shares issued in connection with the Acquisition	15,775,210	6,173	15,775,210	6,173	15,775,210	6,173
Existing Share Capital as at the Latest Practicable Date	141,918,499	52,623	141,918,499	52,623	141,918,499	52,623
Add: Rights Shares to be issued	31,566,148	4,751	113,534,799	17,866	49,745,028	7,659
Issued Share Capital after the Rights Shares are issued	173,484,647	57,374	255,453,298	70,489	191,663,527	60,282
Add: New Shares arising from the conversion of all Warrants	31,566,148	4,951	113,534,799	18,066	49,745,028	7,859
Enlarged Share Capital after the Rights Shares are issued and after the conversion of all Warrants	205,050,795	62,325	368,988,097	88,555	241,408,555	68,141

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3.5 Gearing

The effects on the gearing of the Group, being the total borrowings divided by total equity, for FY2017 and after taking into account the bank borrowings of RM37,500,000 to finance the construction of the factory building for the manufacture of condensed milk and the purchase of plant and machinery in connection with the Acquisition will be as follows:

FY2017

	Based on Existing Share Capital as at the Latest Practicable Date		
	Minimum Subscription Scenario	Maximum Subscription Scenario	Excess Rights Scenario
Before the Rights cum Warrants Issue (times)	0.53	0.53	0.53
After the issue of the Rights Shares (times)	0.51	0.46	0.50
After the exercise of the Warrants (times)	0.49	0.40	0.47

4. THE WHITEWASH RESOLUTION

4.1 Mandatory General Offer Requirement under the Code

Under Rule 14.1 of the Code, except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares ("**Mandatory Offer**"). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

4.2 Interests of the Concert Party Group and Application to the SIC

For the purposes of the Code, Dato' Kamal Y P Tan (the brother of Dato' Jaya J B Tan), Datin Yuen Chooi Chun (the spouse of Dato' Kamal Y P Tan), Tan San May (the daughter of Dato' Kamal Y P Tan), Dato' Jaya J B Tan (the brother of Dato' Kamal Y P Tan) and Datin Regina Sylvia Beltran (the spouse of Dato' Jaya J B Tan) are deemed concert parties ("**Concert Party Group**").

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

As at the Latest Practicable Date, the Concert Party Group holds in aggregate 40,931,286 Shares, representing approximately 28.84% of the Existing Share Capital. The shareholding of the Concert Party Group in the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%(⁽¹⁾)	Number of Shares	%(⁽¹⁾)
Concert Party Group				
Dato' Jaya J B Tan	19,757,472	13.92	20,927,414 ⁽²⁾	14.75
Dato' Kamal Y P Tan	19,700,214	13.88	20,984,672 ⁽³⁾	14.79
Datin Regina Sylvia Beltran	737,200	0.52	39,947,686 ⁽⁴⁾	28.15
Datin Yuen Chooi Chun	490,000	0.35	40,194,886 ⁽⁵⁾	28.32
Tan San May	246,400	0.17	–	–

Notes:

- (1) The percentage of Shares is computed based on 141,918,499 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dato' Jaya J B Tan is deemed interested in the shares held by his spouse, Dato' Kamal Y P Tan and Dato' Kamal Y P Tan's spouse.
- (3) Dato' Kamal Y P Tan is deemed interested in the shares held by his spouse, Dato' Jaya J B Tan and Dato' Jaya J B Tan's spouse.
- (4) Dato' Jaya J B Tan's spouse is deemed interested in the shares held by Dato' Jaya J B Tan, Dato' Kamal Y P Tan and Dato' Kamal Y P Tan's spouse.
- (5) Dato' Kamal Y P Tan's spouse is deemed interested in the shares held by Dato' Kamal Y P Tan, Dato' Jaya J B Tan and Dato' Jaya J B Tan's spouse.

For illustration purposes only, assuming that the Undertaking Shareholders (who are part of the Concert Party Group) subscribes and pays for their *pro rata* entitlement of Rights Shares with Warrants pursuant to the Irrevocable Undertakings, and none of the Entitled Shareholders (excluding the Undertaking Shareholders) subscribes and pays for their *pro rata* entitlement of Rights Shares with Warrants (i.e. the Minimum Subscription Scenario), the aggregate shareholding interests of the Concert Party Group and Independent Shareholders in the Company would be approximately 41.79% and 58.21% respectively following the subscription of the Rights Shares with Warrants by the Undertaking Shareholders (based on the enlarged share capital of the Company of 173,484,647 Shares immediately following the allotment and issue of 31,566,148 Rights Shares with Warrants to the Undertaking Shareholders), and approximately 50.75% and 49.25% respectively following their exercise of the Warrants (based on the enlarged share capital of the Company of 205,050,795 Shares immediately following the allotment and issue of 31,566,148 Warrant Shares to the Undertaking Shareholders).

For illustration purposes only, assuming the Excess Rights Scenario, the aggregate shareholding interests of the Concert Party Group and Independent Shareholders in the Company would be approximately 47.31% and 52.69% respectively following the subscription of the Rights Shares with Warrants and excess Rights Shares with Warrants by the Undertaking Shareholders (based on the enlarged share capital of the Company of 191,663,527 Shares immediately following the allotment and issue of 32,745,028 Rights Shares with Warrants and 17,000,000 excess Rights Shares with Warrants to the Concert Party Group), and approximately 58.17% and 41.83% respectively following their exercise of the Warrants (based on the enlarged share capital of the Company of 241,408,555 Shares immediately following the allotment and issue of 49,745,028 Warrant Shares to the Concert Party Group).

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For the avoidance of doubt, the Undertaking Shareholders have provided Irrevocable Undertakings to subscribe and pay for their entitlement of an aggregate of 31,566,148 Rights Shares, as detailed in Section 2.10 above, but have not provided any undertakings to subscribe and pay for any excess Rights Shares with Warrants. The Undertaking Shareholders are however entitled to subscribe for excess Rights Shares with Warrants, subject to availability. The Undertaking Shareholders have indicated their interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, up to 17,000,000 excess Rights Shares with Warrants, subject to availability, to demonstrate their support for the Rights cum Warrants Issue.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants.

The Undertaking Shareholders would incur an obligation make a Mandatory Offer pursuant to Rule 14 of the Code unless such obligation is waived by the SIC in the event that the aggregate voting rights of the Concert Party Group in the Company:

- (a) exceeds 30.0% as a result of the Concert Party Group subscribing for Rights Shares with Warrants (in the case of the Undertaking Shareholders, pursuant to the Irrevocable Undertakings) and excess Rights Shares with Warrants (subject to availability) and/or accepting renounceable Rights Shares with Warrants under the Rights cum Warrants Issue; and
- (b) exceeds 30.0% or increases by 1% in any period of 6 months (in the event the Concert Party Group's shareholding in the Company is between 30.0% to 50.0% as a result of the subscription of the Rights Shares with Warrants, excess Rights Shares with Warrants (subject to availability) and/or acceptance of renounceable Rights Shares with Warrants) as a result of the exercise of the Warrants.

Accordingly, the Company had on 11 July 2018 made an application to the SIC seeking a waiver of the obligations of the Undertaking Shareholders to make a Mandatory Offer for the Company under Rule 14 of the Code as a result of the Concert Party Group's subscription of the Rights Shares with Warrants, any excess Rights Shares with Warrants and the Warrants Shares pursuant to the exercise of the Warrants under the Rights cum Warrants Issue.

4.3 Potential Dilution

Please refer to Section 4.2 and **Appendix B** of this Circular for the dilution effect to the shareholdings of existing Shareholders before and after the Rights cum Warrants Issue and after the exercise of Warrants under the Minimum Subscription Scenario, the Maximum Subscription Scenario and the Excess Rights Scenario.

4.4 Whitewash Waiver

On 11 September 2018, the SIC waived the requirement for the Undertaking Shareholders to make a Mandatory Offer for the Company under Rule 14 of the Code in the event that the Concert Party Group incur an obligation to do so as a result of their acquisition of: (i) their entitlement of Rights Shares with Warrants and in aggregate up to 17,000,000 Rights Shares with Warrants in excess of their entitlements; and (ii) Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue (the "**Whitewash Waiver**"), subject to the following conditions being met (the "**SIC Conditions**"):

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Rights cum Warrants Issue, approve by way of a poll, the Whitewash Resolution to waive their rights to receive a Mandatory Offer from the Undertaking Shareholders;

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- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and parties not independent of them as well as parties not independent of the Rights cum Warrants Issue abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (i) during the period between the date of the Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights cum Warrants Issue;
 - (ii) the possible dilution effect to existing holders of voting rights as a result of the Concert Party Group's acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants (B) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to the Undertaking Shareholders as a result of their acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue;
 - (v) that the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Undertaking Shareholders at the highest price paid by the Concert Party Group for the Shares in the past six (6) months preceding the commencement of the Mandatory Offer. In this regard, specific and prominent reference should be made to this;
 - (vi) that the Undertaking Shareholders' acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue could result in the Concert Party Group holding Shares carrying over 49% of the voting rights of the Company, and the fact that the Concert Party Group would then be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a Mandatory Offer; and
 - (vii) that the Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;

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- (g) the Circular states that the Whitewash Waiver granted by the SIC is subject to the conditions stated at 4.4(a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution: (i) approval of the Whitewash Resolution must be obtained within three (3) months of the date of the SIC approval; (ii) the acquisition by the Undertaking Shareholders of the Rights Shares and Warrants must be completed within three (3) months of the date of approval of the Whitewash Resolution; and (iii) the acquisition of the Warrant Shares upon the exercise of the Warrants must be completed with five (5) years of the date of issue of the Warrants; and
- (j) the Undertaking Shareholders complying or procuring the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.

4.5 Whitewash Resolution

The Independent Shareholders are therefore asked to vote, by way of a poll, on the Whitewash Resolution as set out as Ordinary Resolution 2 in the Notice of EGM attached to this Circular.

The Board has, on behalf of the Company, appointed CIMB Bank Berhad, Singapore Branch as the IFA to advise the Independent Directors and the Independent Shareholders on the Whitewash Resolution. The recommendation of the IFA is outlined in Section 4.6 of this Circular. The letter from the IFA dated 1 October 2018 setting out their advice to the Independent Directors on the Whitewash Resolution is set out in **Appendix D** to this Circular (the "**IFA Letter**").

In connection with the Whitewash Waiver, Dato' Kamal Y P Tan and Dato' Jaya J B Tan have confirmed that they, whether by themselves or with any of the Concert Parties, have not acquired any Shares in the Company in the six (6) months period prior to the Announcement and will not acquire any Shares in the Company in the period between the same and the date on which Independent Shareholders' approval is obtained for the Whitewash Resolution at the EGM.

For the avoidance of doubt, the application to the SIC and the grant by the SIC of the Whitewash Waiver, subject to the SIC Conditions, does not amount to an undertaking by the Undertaking Shareholders or the Concert Parties to subscribe for any excess Rights Shares with Warrants. The Undertaking Shareholders have, however, indicated their interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, up to 17,000,000 excess Rights Shares with Warrants, subject to availability, to demonstrate their support for the Rights cum Warrants Issue.

4.6 Advice from the IFA

CIMB Bank Berhad, Singapore Branch has been appointed as the IFA to advise the Independent Directors in respect of the Whitewash Resolution. The IFA Letter setting out the IFA's advice to the Independent Directors in full is reproduced in **Appendix D** of this Circular.

The advice of the IFA to the Independent Directors has been extracted from the IFA Letter and is reproduced in italics below:

"Accordingly, after taking into account the above factors, we are of the opinion that, from a financial point of view, as of the date hereof, the Rights cum Warrants Issue which is the subject of the Whitewash Resolution is FAIR AND REASONABLE, and the Whitewash Resolution when considered in the context of the Rights cum Warrants Issue is not prejudicial to the interests of the Independent Shareholders. Accordingly, we advise the Independent Directors to recommend the Independent Shareholders to vote in favour of the Whitewash Resolution at the EGM."

Shareholders are advised to read and consider the above in conjunction with, and in the context of, the IFA Letter in its entirety as reproduced in **Appendix D** of this Circular.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

4.7 Advice to Independent Shareholders from the Independent Directors in relation to the Whitewash Resolution

INDEPENDENT SHAREHOLDERS SHOULD NOTE:

- (a) That by voting in favour of the Whitewash Resolution (Ordinary Resolution 2):
 - (i) they are waiving their rights to a Mandatory Offer from the Undertaking Shareholders at the highest price paid by the Concert Party Group in the past six (6) months preceding the commencement of the Mandatory Offer; and
 - (ii) they could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;
- (b) that the Undertaking Shareholders' acquisition of (i) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and (ii) new Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue could result in the Concert Party Group holding shares carrying over 49% of the voting rights of the Company and the Concert Party Group would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a Mandatory Offer; and
- (c) the inter-conditionality and conditionality of the resolutions as set out in Section 1.3 of the Circular.

5. POTENTIAL TRANSFER OF CONTROLLING INTEREST

- 5.1 Rule 803 of the Listing Manual provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in general meeting.
- 5.2 As at the Latest Practicable Date, Mr. Khor Sin Kok, the Deputy Group Chief Executive Officer of the Company and a key executive officer of the Company, has an aggregate interest in 20,649,254 Shares, representing approximately 14.55% of the Existing Issued Share Capital. His *pro rata* entitlements under the Rights cum Warrants Issue is 16,519,403 Rights Shares with Warrants. For illustrative purposes only, based on the Existing Share Capital and assuming that (i) none of the Entitled Shareholders (other than the Undertaking Shareholders and Mr. Khor Sin Kok) subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants; and (ii) the Undertaking Shareholders and Mr. Khor Sin Kok subscribe for the Undertaking Rights Shares and Warrants in full pursuant to the Irrevocable Undertakings, Mr. Khor Sin Kok will hold 37,168,657 Shares, representing 19.56% of the enlarged share capital of the Company. Assuming further that Mr. Khor Sin Kok exercises all of his 16,519,403 Warrants (and all other Warrants remain unexercised), Mr. Khor Sin Kok will hold 53,688,060 Shares, representing 26.0% of the enlarged share capital of the Company.
- 5.3 Mr. Khor Sin Kok may therefore potentially acquire a controlling interest in the Company, depending on the level of subscription for the Rights cum Warrants Issue. Accordingly, Shareholders' approval is being sought for the Potential Transfer of Controlling Interest. For the avoidance of doubt, no undertaking has been provided by Mr. Khor Sin Kok to subscribe for his Rights Shares with Warrants entitlement under the Rights cum Warrants Issue. There is no obligation on Mr. Khor Sin Kok to take up, pay, or procure the subscription or payment for his Rights Shares with Warrants entitlement under the Rights cum Warrants Issue.
- 5.4 In the event that Ordinary Resolution 3, being the ordinary resolution to approve the Potential Transfer of Controlling Interest, is not approved at the EGM, the Company will, if necessary, scale down Mr. Khor Sin Kok's application for his entitlement of Rights Shares with Warrants or excess Rights Shares with Warrants, as the case may be, such that the number of Rights Shares with Warrants or excess Rights Shares with Warrants, as the case may be, allotted and issued to Mr. Khor Sin Kok will not result in Mr. Khor Sin Kok holding more than 15.0% of the enlarged share capital of the Company after the Rights cum Warrants Issue.

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6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Proposed Resolutions.

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Dato' Jaya J B Tan	19,757,472	13.92	20,927,414 ⁽²⁾	14.75
Datuk Goi Seng Hui	11,606,664	8.18	15,912,600 ⁽³⁾	11.21
Dato' Kamal Y P Tan	19,700,214	13.88	20,984,672 ⁽⁴⁾	14.79
Mah Weng Choong	6,287,444	4.43	–	–
Teo Chee Seng	30,000	0.02	–	–
John Lyn Hian Woon	301,100	0.21	–	–

Notes:

- (1) The percentage of Shares is computed based on 141,918,499 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dato' Jaya J B Tan is deemed interested in the shares held by his spouse, Dato' Kamal Y P Tan and Dato' Kamal Y P Tan's spouse.
- (3) Datuk Goi Seng Hui is deemed interested in the shares held by Tee Yih Jia Food Manufacturing Pte Ltd.
- (4) Dato' Kamal Y P Tan is deemed interested in the shares held by his spouse, Dato' Jaya J B Tan and Dato' Jaya J B Tan's spouse.

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholders				
Dato' Jaya J B Tan	19,757,472	13.92	20,927,414 ⁽²⁾	14.75
Dato' Kamal Y P Tan	19,700,214	13.88	20,984,672 ⁽³⁾	14.79
Tee Yih Jia Food Manufacturing Pte Ltd	15,912,600	11.21	–	–
Datuk Goi Seng Hui	11,606,664	8.18	15,912,600 ⁽⁴⁾	11.21
Khor Sin Kok	20,649,254	14.55	–	–

Notes:

- (1) The percentage of Shares is computed based on 141,918,499 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dato' Jaya J B Tan is deemed interested in the shares held by Dato' Jaya J B Tan's spouse, Dato' Kamal Y P Tan and Dato' Kamal Y P Tan's spouse.
- (3) Dato' Kamal Y P Tan is deemed interested in the shares held by Dato' Kamal Y P Tan's spouse, Dato' Jaya J B Tan and Dato' Jaya J B Tan's spouse.
- (4) Datuk Goi Seng Hui is deemed interested in the shares held by Tee Yih Jia Food Manufacturing Pte Ltd.

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7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any legal or arbitration proceedings pending or threatened against the Company or any of its subsidiaries during the twelve (12) months before the Latest Practicable Date which might have or have had a significant effect on the financial position of the Group or of any facts likely to give rise to any such litigation or arbitration claim.

8. MATERIAL CONTRACTS

8.1 The Group has entered into the following material contracts outside the ordinary course of business for the period of two (2) years prior to the Latest Practicable Date:

- (a) the conditional sale and purchase agreement dated 30 October 2017 between De-luxe Food Services Sdn Bhd, a wholly-owned subsidiary of the Company and Marco Flagship Sdn Bhd and Wong Ng Moh Tian @ Wong Moh Tian for the sale of: (i) 100% of the issued and paid-up share capital in Family Bakery Sdn Bhd; and (ii) 100% of the issued and paid-up share capital in Daily Fresh Bakery Sdn Bhd with the intellectual property rights of the “Family” and “Daily Fresh” brands, for an aggregate cash consideration of RM1,500,000;
- (b) the conditional share sale agreement dated 15 November 2017 between Polygold Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, and Khor Sin Kok and Khor Guat Bee in respect of the Acquisition;
- (c) the conditional sale and purchase agreement dated 7 May 2018 between Polygold Beverages Sdn Bhd, a wholly-owned subsidiary of the Company, and Hinoki Beverages Sdn Bhd for the sale of its interest in certain property and the plant machinery, lab and other equipment and motor vehicles situated on that property for an aggregate consideration of RM15,300,000; and
- (d) the international multiple unit franchise and development agreement dated 13 June 2018 between the Company’s indirect wholly-owned subsidiary, PT. Quick Service Restaurant, and Cajun Global LLC, for the development of 80 franchised “Texas Chicken” exclusively for the territories of parts of West Java, Jakarta, Banten, Lampung, South Sumatra and Bengkulu in the country of Republic of Indonesia for 10 years from 2018 to 2027.

8.2 Save as disclosed in Section 8.1 of this Circular, the Group has not entered into any material contracts (not being a contract entered into in the ordinary course of business) outside the ordinary course of business for the period of two (2) years prior to the Latest Practicable Date.

9. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Rights cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Rights cum Warrants Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE or through the ATMs of the Participating Banks, in the case of Entitled Depositors; and
- (c) the ARS or through the ATMs of the Participating Banks, in the case of persons purchasing provisional allotments of Rights with Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

10. DIRECTORS' RECOMMENDATION

10.1 Rights cum Warrants Issue

Having considered the terms and conditions of and rationale for the Rights cum Warrants Issue, the Directors are of the opinion that the Rights cum Warrants Issue is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Rights cum Warrants Issue, as set out in the Notice of EGM.

10.2 Whitewash Resolution

The Undertaking Shareholders (Dato' Kamal Y P Tan and Dato' Jaya J B Tan) are Directors of the Company. Accordingly, they are not considered to be independent for the purposes of the Whitewash Resolution and they will abstain from making any recommendations on the Whitewash Resolution. Having considered the rationale for the Rights cum Warrants Issue and advice of the IFA, the Independent Directors are of the opinion that the Whitewash Resolution is in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of Ordinary Resolution 2 relating to the Whitewash Resolution, as set out in the Notice of EGM.

10.3 Potential Transfer of Controlling Interest

Having considered the rationale for the Rights cum Warrants Issue, the Directors are of the opinion that the Potential Transfer of Controlling Interest is in the best interests of the Company and is not prejudicial to the interests of the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 3 relating to the Potential Transfer of Controlling Interest, as set out in the Notice of EGM.

10.4 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the ordinary resolutions, should read carefully the terms and conditions, rationale and financial effects of the Rights cum Warrants Issue, and in respect of the Whitewash Resolution, consider carefully the advice of the IFA. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

11. ABSTENTION FROM VOTING

Pursuant to the Code and Whitewash Waiver, the Concert Party Group and parties not independent of them as well as parties not independent of the Rights cum Warrants Issue shall abstain, and shall procure their respective associates to abstain, from voting at the EGM on resolutions approving the Whitewash Resolution and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of the Whitewash Resolution unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolutions.

Mr. Khor Sin Kok shall abstain, and shall procure his associates to abstain, from voting at the EGM on resolutions approving the Potential Transfer of Controlling Interest, being Ordinary Resolution 3, and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 3 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolutions.

LETTER TO SHAREHOLDERS FROM THE BOARD OF THE COMPANY

12. CONSENT OF THE IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter, and all references thereto, in the form and context in which they appear in this Circular.

13. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on 19 October 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the Proposed Resolutions as set out in the Notice of EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach 50 Raffles Place, Singapore Land Tower, #32-01 Singapore 048623, not later than 72 hours before the time for holding the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

15. 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 enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Whitewash Resolution, the Potential Transfer of Controlling Interest and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information 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 these sources and/or reproduced in this Circular in its proper form and context.

16. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2015, FY2016 and FY2017;
- (c) the Irrevocable Undertakings;
- (d) the letter of consent from the IFA dated 1 October 2018; and
- (e) the draft Deed Poll constituting the Warrants.

Yours faithfully

For and on behalf of the Board of Directors of
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Dato' Jaya J B Tan
Non-Executive Chairman

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

1. Consolidated Statement of Comprehensive Income

The audited consolidated statement of comprehensive income of the Group for FY2015, FY2016 and FY2017 are set out below:

	FY2015 RM'000	FY2016 RM'000	FY2017 RM'000
Revenue	327,357	362,674	410,331
Cost of goods sold	(239,122)	(252,476)	(274,497)
Gross profit	88,235	110,198	135,834
Other operating income	21,940	24,922	16,686
Operating expenses			
- Administrative expenses	(30,925)	(37,753)	(43,322)
- Selling and marketing expenses	(43,339)	(61,589)	(92,090)
- Warehouse and distribution expenses	(24,537)	(24,881)	(26,756)
- Research and development expenses	(1,236)	(1,433)	(958)
- Other operating expenses	(4,687)	(1,750)	(33,843)
	(104,724)	(127,406)	(196,969)
Profit/(Loss) before interest and tax	5,451	7,714	(44,449)
Finance costs	(1,784)	(4,202)	(4,991)
Profit/(Loss) before income tax	3,667	3,512	(49,440)
Income tax expense	(7,229)	(2,056)	(4,101)
(Loss)/Profit for the financial year	(3,562)	1,456	(53,541)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations	27,250	(9,316)	1,051
- Net fair value (loss)/gain on available-for-sale financial assets	(120)	(15,060)	30
- Net fair value changes on available-for-sale financial assets reclassified to profit or loss	-	-	15,541
Other comprehensive income	27,130	(24,376)	16,622
Total comprehensive income for the financial year	23,568	(22,920)	(36,919)
(Loss)/Profit attributable to:			
Owners of the Company	(363)	2,863	(52,405)
Non-controlling interests	(3,199)	(1,407)	(1,136)
	(3,562)	1,456	(53,541)
Total comprehensive income attributable to:			
Owners of the Company	26,767	(20,625)	(35,659)
Non-controlling interests	(3,199)	(2,295)	(1,260)
	23,568	(22,920)	(36,919)

A review of the operations, business and financial performance of the Group is set out below:

FY2016 vs FY2015

For FY2016, the Group recorded revenue of RM362.7 million, a growth of RM 35.3 million or 10.8% compared to the preceding year of RM327.4 million. The increase in the Group's topline was mainly contributed by the better performance from the Food Services, Trading and Frozen Food, and Food Processing Divisions.

Food Services Division registered a robust growth in topline by 81.5% from RM44.4 million to RM80.6 million. This was mainly driven by Texas Chicken which continues to achieve a strong increase in revenue from RM44.4 million to RM70.2 million, representing an increase of RM25.8 million or 58.1% as a result of the opening of additional ten new restaurant outlets and improved sales performance attributed to market acceptance of its products quality, value and brand recognition. The newly acquired San Francisco Coffee business with 28 outlets has also contributed an additional RM10.4 million revenue to the Division.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Trading and Frozen Food Division recorded a marginal growth in revenue of RM1.3 million or 0.8%, from RM169.3 million to RM170.6 million mainly due to improved sales in its retail and proprietary sectors.

Food Processing Division has achieved overall marginal growth in sales by RM0.4 million or 0.5%, from RM74.7 million to RM75.1 million. This was primarily driven by better performance of Contract Packing for Dairy and Juice based drinks business which has contributed significant sales growth of RM7.1 million due to greater sales volume and improved sales mix. However, the Division was impacted by the slower growth in its bakery business, a drop of RM3.5 million or 8.0% on the back of a weak economy, lower consumer spending and stiff competition. The beverages business has also recorded a reduction in revenue of RM3.2 million due to lower export and local sales resulting from the continued slower China economy and ongoing price wars amongst the local competitors.

The growth in sales of Nutrition Division was unfavourably impacted by stronger competition in the Australian route channel due to the multitude of American brands that flooded into the market, initially supported by the weaker USD/AUD FX rate over 2015 compounded by the online trading competitor which also took advantage of cheaper US brands.

The Group gross profit margin improved from 27.0% to 30.4% year-on-year on the back of price increases in certain products, lower food costs due to higher rebates and better stock management from Food Services Division.

Other income of RM24.9 million comprises mainly from a gain on disposal of land and building in Indonesia of RM9.6 million, RM5.7 million foreign exchange gain and income arising from held-for-trading investments of RM5.0 million.

Operating expenses increased for the year from RM104.7 million to RM127.4 million, an increase of RM22.7 million or 21.7%. This was principally due to higher selling and marketing expenses and administrative expenses, which increased by RM18.3 million or 42.1% and RM6.8 million or 22.1% respectively mainly due to the costs associated with opening of new Texas Chicken restaurant outlets and inclusion of operating costs of the newly acquired San Francisco Coffee business. Other operating expenses represent mainly the RM1.2 million write off of the renovation and equipment as a result of relocation of restaurant outlets and office. The comparative figures of other operating expenses include RM4.6 million fair value loss on held-for-trading investments.

Finance costs increased by RM2.4 million or more than 100%, from RM1.8 million to RM4.2 million mainly from the drawdown of borrowings to finance the acquisition of corporate office building and new business, additional trade line and hire purchase facilities for the new restaurant outlets.

The Group's effective tax rate was at 58.5% mainly arising from the additional tax charge as a result of increase in profit generated by certain subsidiaries and the non-availability of group relief for losses incurred by certain subsidiaries. This was offset against the adjustment for over-provision of tax by certain subsidiaries. The higher tax expense in the previous year was mainly due to reversal of deferred tax assets by New Zealand subsidiaries.

Overall, the Group registered a profit after tax of RM1.5 million as compared to the loss after tax of RM3.6 million reported in the previous financial year.

FY2017 vs FY2016

For FY2017, the Group recorded a revenue of RM410.3 million, a growth of RM47.6 million or 13.1% compared to the preceding year of RM362.7 million. The increase in the Group's topline was mainly contributed by the Food Services Division.

Food Services Division continues to register a robust growth in top line by RM48.5 million or 60.2%, from RM80.6 million to RM129.1 million. This was driven mainly by Texas Chicken which achieved a strong increase in revenue from RM70.2 million to RM99.9 million, representing an increase of RM29.7 million or 42.3% as a result of the improvement in sales of existing outlets and the opening of eleven new restaurant outlets since FY 2016 to 39 stores. The improved sales performance of Texas Chicken was attributed to market acceptance of its products quality, value and brand recognition. San Francisco Coffee chain with 37 stores and the newly acquired Delicious restaurants business have also contributed an additional RM12.6 million and RM6.2 million revenue, respectively to the Division.

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Food Processing Division has achieved overall growth in sales by RM1.1 million or 1.5%, from RM75.1 million to RM76.2 million. This was primarily driven by better performance of Contract Packing for Dairy and Juice based drinks business which has contributed significant sales growth of RM6.1 million or 35.7%, from RM17.1 million to RM23.2 million on the back of higher sales volume from its existing and new customers. However, the Division was impacted by the beverages business which recorded a decline in revenue of RM5.5 million or 31.1%, from RM17.7 million to RM12.2 million amid lower export and local sales resulting from the continued slowdown of China market and the ongoing price war amongst the local competitors.

Trading and Frozen Food Division registered a marginal growth in revenue of RM0.3 million or 0.2%, from RM170.6 million to RM170.9 million despite the weak consumers' sentiment and the ever increasing food costs and the shortages of meat and dairy products.

However, the improved performance of the three divisions was impacted by lower revenue contribution from the Nutrition Division which reported a decline in revenue of RM2.1 million or 5.8%, from RM36.3 million to RM34.2 million. For some period now Nutrition Division has lost market share in the traditional distribution channel primarily due to more competitively priced US brands as well as a significant increase in dealings by Australian and New Zealand brands as they compete to retain market share. Additionally, market share is down in the key New Zealand supermarket channel which is due to aggressive competitor promotional programmes. The Malaysian sales channel has significantly dropped due to weak market sentiment.

The Group's gross profit margin improved from 30.4% to 33.1% year-on-year on the back of higher sales contribution from the Food Services Division which derives higher margin from their products.

Other operating income was recorded at RM16.7 million, a reduction of RM8.2 million or 33.0%. This was mainly due to the one-off gain of RM9.6 million on the disposal of land and building in Indonesia in the previous corresponding year. Other operating income comprises mainly the income from held-for-trading investments of RM6.1 million, reversal of over-provision of incidental costs on disposal of subsidiaries of RM2.8 million, foreign currency fluctuation gain of RM1.9 million and rental income from corporate building of RM1.6 million.

Overall, operating expenses were higher at RM197.0 million from RM127.4 million, an increase of RM69.6 million or 54.6%. This was mainly due to the impairment loss for a quoted investment amounting to RM32.9 million (which includes RM15.6 million fair value adjustment previously recognized in the fair value reserve now recycled to the profit or loss) in Yamada Green Resources Limited ("**Yamada**"). Yamada has applied for trading suspension of its quoted securities on the Singapore Exchange on 6 September 2017 due to various factors including its inability to produce its financial statements and a fire incident that has destroyed certain financial documents and IT/Computer hardware. In addition, the increase in operating expenses was also due to higher selling and marketing expenses and administrative expenses, which increased by RM30.5 million or 49.5% and RM5.6 million or 14.8%, respectively to support the expansion of Texas Chicken restaurants and San Francisco Coffee Chain businesses, as well as inclusion of operating costs of the newly acquired Delicious restaurant business.

Finance costs increased by RM0.8 million or 19.0%, from RM4.2 million to RM5.0 million was mainly due to higher bank borrowings to part finance the acquisition of Pulau Indah land and the investment in quoted investment, coupled with an additional hire purchase facilities utilised to finance the set-up costs of the new restaurant outlets.

The Group recorded an income tax expense of RM 4.1 million mainly due to profits generated by certain subsidiaries and the non-availability of group relief for losses incurred by certain subsidiaries.

Overall, the Group registered a loss after tax of RM53.5 million, from a profit after tax of RM1.5 million in the previous corresponding year.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

2. Statement of Financial Position

The audited statement of financial position of the Group as at 30 September 2015, 30 September 2016, and 30 September 2017 are set out below:

	← Audited as at 30 September →		
	2015 RM'000	2016 RM'000	2017 RM'000
Non-current assets			
Property, plant and equipment	99,252	195,930	256,871
Investment properties	–	23,702	27,563
Available-for-sale financial assets	165	17,041	242
Deferred tax assets	964	1,067	721
Intangible assets	15,090	30,667	32,842
Deposits for purchase of property, plant and equipment	36,359	–	–
	151,830	268,407	318,239
Current assets			
Inventories	37,637	43,723	44,644
Trade and other receivables	59,594	56,669	59,252
Tax recoverable	776	2,291	573
Held-for-trading investments	115,629	57,278	23,413
Fixed deposits	255	13,821	14,225
Cash and bank balances	96,471	45,561	35,664
	310,362	219,343	177,771
Non-current assets classified as held for sale	4,366	–	–
	314,728	219,343	177,771
Current liabilities			
Trade and other payables	34,653	46,054	47,857
Bank borrowings	42,343	48,525	42,807
Finance lease payables	3,554	5,672	7,316
Current income tax payable	892	425	178
	81,442	100,676	98,158
Net current assets	233,286	118,667	79,613
Non-current liabilities			
Provision for restoration costs	–	864	1,353
Bank borrowings	4,275	26,409	72,411
Finance lease payables	10,045	15,049	16,538
Deferred tax liabilities	3,402	2,553	2,270
	17,722	44,875	92,572
Net assets	367,394	342,199	305,280
Capital and reserves			
Share capital	111,406	111,406	111,406
Treasury shares	(183)	(183)	(183)
Foreign currency translation reserve	40,219	31,791	33,400
Fair value reserve	(667)	(15,727)	(7)
Share options reserve	9,507	9,507	9,507
Other reserves	(2,168)	(4,562)	(4,562)
Accumulated profits	215,419	218,282	165,294
Equity attributable to the owners of the Company	373,533	350,514	314,855
Non-controlling interests	(6,139)	(8,315)	(9,575)
Total equity	367,394	342,199	305,280

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

A review of the financial positions of the Group for the relevant periods is set out below:

30 September 2016 vs 30 September 2015

Under non-current assets, the increase of RM120.4 million in property, plant and equipment, and investment property (net of depreciation charges) was mainly attributed to the acquisition of land and building of RM102.5 million (inclusive of deposits paid of RM36.4 million) and the set up costs of the new restaurant outlets. The Group's investment in available-for-sale financial assets registered a fair value loss of RM15.1 million. Intangible assets increased by RM15.6 million largely due to recognition of goodwill and brand arising from acquisition of subsidiaries amounting to RM15.1 million. These have resulted in the overall increase in non-current assets by RM116.6 million.

Inventories have increased by RM6.1 million resulting from higher stock holding in line with the increase in sales and expansion of restaurant business. Trade and other receivables declined by RM2.9 million as a result of higher collections and shorter credit term given to customers. The net proceeds of RM57.2 million from the disposal of held-for-trading investments together with part of cash and bank balances were utilised for the acquisition of land and building, set up costs for new outlets, acquisition of investments and placement of fixed deposits. These have resulted the overall current assets decreased by RM95.4 million.

The Group's current liabilities increased by RM19.2 million mainly due to higher purchases of RM7.0 million, payables from a newly acquired subsidiary of RM4.4 million, additional financing of RM6.2 million for the acquisition of subsidiaries and working capital, and additional RM2.1 million hire purchase facilities to finance new restaurant outlets.

The Group's non-current liabilities increased by RM27.2 million largely due to additional financing for the acquisition of corporate office building and acquisition of subsidiaries.

30 September 2017 vs 30 September 2016

Non-current assets overall increased by RM49.8 million. Property, plant and equipment increased by RM60.9 million largely attributed to the construction of factory buildings and set up costs for the new restaurant outlets of RM56.9 million and RM23.1 million, respectively. Investment properties increased by RM3.9 million due mainly to the reclassification from property, plant and equipment for the land and building leased out to third party. Intangible assets increased by RM2.2 million was mainly from the identified goodwill and brand value of RM1.7 million arising from the acquisition of Delicious restaurant business. The Group's investment in available-for-sale financial assets declined significantly by RM16.8 million following the recognition of impairment loss arising from the trading suspension of the quoted investment listed on the Singapore Exchange.

Inventories increased by RM0.9 million was mainly attributable to higher stock holding in line with the increase in sales and additional new restaurant outlets from Food Services Division. Trade and other receivables were higher by RM2.6 million due principally to deposits and prepayments paid for setting up the new restaurant outlets, and inclusion of the receivables of a newly acquired subsidiary. Part of the cash and bank balances together with the RM39.3 million proceeds from the disposal of held-for-trading investments were utilised for the construction of factory buildings, set up costs for new restaurant outlets and acquisition of a subsidiary. These have resulted in the reduction of the current assets by RM41.6 million.

Overall, the Group's current liabilities declined by RM2.5 million. Bank borrowings were reduced by RM5.7 million due to lower usage of trade line facilities during the financial year. The increase in finance lease payables by RM1.6 million was largely utilised to finance the set up costs for new restaurant outlets. The construction of factory buildings and set-up costs of the new restaurant outlets has resulted the trade and other payables to increase by RM1.8 million.

The Group's non-current liabilities increased by RM47.7 million primarily attributed to higher bank borrowings of RM46.0 million to finance the construction of factory buildings. In addition, the finance lease payables has also increased by RM1.5 million to finance mainly the set-up costs of new restaurant outlets.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

3. Consolidated Statements of Cash Flow

The audited consolidated statements of cash flows of the Group for FY2015, FY2016 and FY2017 are set out below:

	FY2015 RM'000	FY2016 RM'000	FY2017 RM '000
Operating activities			
Profit/(Loss) before income tax	3,667	3,512	(49,440)
Adjustments for:			
Allowance for doubtful receivables	300	449	679
Allowance for doubtful receivables no longer required, now written back	(294)	(435)	(256)
Allowance for write-down of inventories	350	285	1,136
Amortisation of intangible assets	362	546	547
Depreciation of property, plant and equipment	12,244	15,990	22,777
Depreciation of investment properties	–	431	482
Dividend income	(3,411)	(3,375)	(2,321)
Fair value loss/(gain) on held-for-trading investments, net	4,634	(217)	(3,417)
Foreign currency exchange gain, net	(1,944)	(5,153)	(1,591)
Gain on disposal of held-for-trading investments	(1,767)	(802)	(298)
Gain on disposal of assets held for sale	–	(9,559)	–
Loss/(Gain) on disposal of property, plant and equipment	1,828	(156)	(331)
Finance costs	1,784	4,202	4,991
Interest income	(1,177)	(1,587)	(1,284)
Inventories written off	–	173	1,286
Impairment on loss on available-for-sale financial asset	–	–	32,870
Property, plant and equipment written off	27	1,466	685
Reversal of allowance for write-down of inventories	–	–	(285)
Write back of impairment on property, plant and equipment	(3,598)	(13)	–
Operating profit before working capital changes	13,005	5,757	6,230
Working capital changes:			
Inventories	2,177	(5,629)	(2,730)
Trade and other receivables	(10,105)	5,737	2,735
Trade and other payables	(12,302)	5,868	(4,588)
Cash (used in)/generated from operations	(7,225)	11,733	1,647
Interest paid	(721)	(1,514)	(1,259)
Income tax paid, net	(8,436)	(5,332)	(2,477)
Net cash (used in)/generated from operating activities	(16,382)	4,887	(2,089)
Investing activities			
Acquisition of held-for-trading investments	(261,097)	(1,059)	–
Acquisition of available-for-sale financial assets	–	(32,123)	–
Acquisition of subsidiaries, net of cash acquired	–	(17,456)	(139)
Adjustment amount of sale proceeds from disposal of subsidiaries	57,417	–	–
Deposits paid for purchase of property, plant and equipment	(36,359)	–	–
Dividends received	3,411	3,375	2,321
Interest received	1,177	1,587	1,284
Net changes in fixed deposits pledged to bank	–	–	247
Proceeds from disposal of held-for-trading investments	158,803	57,242	39,311
Proceeds from disposal of assets held for sale	–	14,426	–
Proceeds from disposal of property, plant and equipment	2,912	563	622
Purchase of intangible assets	(908)	(938)	(975)
Purchase of investment property	–	(24,133)	–
Purchase of property, plant and equipment	(8,152)	(58,359)	(80,322)
Net cash used in investing activities	(82,796)	(56,875)	(37,651)

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3. Consolidated Statements of Cash Flow (Cont'd)

	FY2015 RM'000	FY2016 RM'000	FY2017 RM '000
Financing activities			
Acquisition of non-controlling interests	–	(3,772)	–
Net changes in fixed deposits pledged to banks	(252)	–	–
Interest paid	(1,063)	(2,688)	(3,732)
Repayment of finance lease obligations	(2,972)	(4,476)	(6,565)
Repayment of bank borrowings	(14,650)	(85,000)	(85,508)
Drawdown of bank borrowings	54,575	112,152	125,992
Net cash generated from financing activities	35,638	16,216	30,187
Net change in cash and cash equivalents	(63,540)	(35,772)	(9,553)
Cash and cash equivalents at the beginning of the financial year	144,047	96,471	58,323
Effect of exchange rate changes	15,964	(2,376)	103
Cash and cash equivalents at the end of the financial year	96,471	58,323	48,873
Cash and cash equivalents comprise the following:			
Cash and bank balances	96,471	45,561	35,664
Unpledged fixed deposits	–	13,551	13,654
Bank overdraft	–	(789)	(445)
	96,471	58,323	48,873

A review of the cash flow position for the Group for FY2015, FY2016 and FY2017 is set out below:

FY2016 vs FY2015

The Group registered a net decrease in cash and cash equivalents of RM35.8 million for the current yearended 30 September 2016.

Net cash generated from operating activities amounted to RM4.9 million which was derived from cash generated from operations of RM5.8 million, collection from receivables of RM5.7 million and increase in payables of RM5.9 million, and partially utilised for funding of inventories of RM5.6 million.

For the investing activities, the Group utilised RM137.8 million mainly for the purchase of property, plant and equipment, and investment property, investment in an available-for-sale financial assets and acquisition of subsidiaries. Cash amounting to RM77.2 million were largely raised from sale of held-for-trading investments and assets held for sale. These resulted in net cash utilised of RM60.6 million in the investing activities.

Net cash generated from financing activities of RM20.0 million arose from the drawdown of bank borrowings of RM112.2 million to partially fund the corporate office building, acquisition of subsidiaries and working capital. This amount was reduced by RM92.2 million utilised for settlement on trade line facilities, repayment of hire purchase creditors, term loans and interest paid.

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FY2017 vs FY2016

The Group recorded a net decrease in cash and cash equivalents of RM9.6 million for the current financial year ended 30 September 2017.

The profit generated from operations and collection from trade and other receivables amounted to RM6.2 million and RM2.7 million, respectively. These were utilised for the settlement of trade and other payables of RM4.5 million, built-up of inventories of RM2.7 million, income tax payment of RM2.5 million and interest payment of RM1.3 million which resulted in net cash used in operating activities of RM2.1 million.

For investing activities, the Group utilised RM81.4 million mainly for the purchase of property, plant and equipment. Cash amounting to RM43.8 million were largely raised from the sale of held-for-trading investments, dividend and interest received. These resulted in net cash utilised of RM37.6 million in the investing activities.

For financing activities, the Group has drawdown the bank borrowings of RM126.0 million to finance the construction of factory buildings and additional trade line facilities taken. This amount was reduced by RM95.8 million for the settlement of bank borrowings, hire purchase payables and interest. These resulted the net cash generated in financing activities of RM30.2 million.

4. Working Capital

The working capital of the Group as at 30 September 2015, 30 September 2016 and 30 September 2017 are set out below:

	← Audited as at 30 September →		
	2015	2016	2017
	RM'000	RM'000	RM'000
Total current assets	310,362	219,343	177,771
Total current liabilities	81,442	100,676	98,158
Net working capital	228,920	118,667	79,613

A review of the working capital of the Group as at 30 September 2015, 30 September 2016 and 30 September 2017 is set out below:

30 September 2016 vs 30 September 2015

The Group's working capital declined by RM110.3 million to RM118.7 million as at 30 September 2016 (30 September 2015: RM228.9 million). The decrease was mainly due to disposal of held-for-trading investments together with part of cash and bank balances were utilised for the acquisition of land and building, set up costs for new outlets, acquisition of investments and placement of fixed deposits.

30 September 2017 vs 30 September 2016

The Group's working capital declined by RM39.1 million to RM79.6 million as at 30 September 2017 (30 September 2016: RM118.7 million). The decrease was mainly due to disposal of held-for-trading investments together with part of cash and bank balances were utilised for the construction of factory buildings, set up costs for new restaurant outlets and acquisition of a subsidiary.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

For illustrative purposes only, depending on the level of subscription of the Rights cum Warrants Issue, the potential dilution effects of the Rights cum Warrants Issue on existing Shareholders after the completion of the Rights cum Warrants Issue is set out below:

(a) Minimum Subscription Scenario

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants and after the exercise of the Warrants ⁽⁶⁾)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	100,987,213	71.16%	100,987,213 ⁽¹⁾	58.21%	100,987,213	49.25%
Concert Party Group comprising:	40,931,286	28.84%	72,497,434 ⁽²⁾	41.79%	104,063,582	50.75%
- <i>Undertaking Shareholders</i>	39,457,686	27.80%	71,023,834 ⁽³⁾	40.94%	102,589,982	50.03%
- <i>Concert Parties</i>	1,473,600	1.04%	1,473,600 ⁽⁴⁾	0.85%	1,473,600	0.72%
Total	141,918,499	100.00%	173,484,647	100.00%	205,050,795	100.00%

Notes:

- (1) Under the Minimum Subscription Scenario, no Rights Shares with Warrants shall be issued to the Independent Shareholders upon completion of the Rights cum Warrants Issue.
- (2) Under the Minimum Subscription Scenario, an aggregate of 31,566,148 Rights Shares with Warrants shall be issued to the Concert Party Group upon completion of the Rights cum Warrants Issue, comprising 31,566,148 Rights Shares with Warrants issued to the Undertaking Shareholders and 0 Rights Shares with Warrants issued to the Concert Parties.
- (3) Under the Minimum Subscription Scenario, an aggregate of 31,566,148 Rights Shares with Warrants shall be issued to the Undertaking Shareholders upon completion of the Rights cum Warrants Issue.
- (4) Under the Minimum Subscription Scenario, an aggregate of 0 Rights Shares with Warrants shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (5) Assuming the exercise of 31,566,148 Warrants issued to the Undertaking Shareholders pursuant to the Rights cum Warrants Issue under the Minimum Subscription Scenario.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(b) Maximum Subscription Scenario

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants and after the exercise of the Warrants ⁽⁵⁾)	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	100,987,213	71.16%	181,776,984 ⁽¹⁾	71.16%	262,566,755	71.16%
Concert Party Group comprising:	40,931,286	28.84%	73,676,314 ⁽²⁾	28.84%	106,421,342	28.84%
- <i>Undertaking Shareholders</i>	39,457,686	27.80%	71,023,834 ⁽³⁾	27.80%	102,589,982	27.80%
- <i>Concert Parties</i>	1,473,600	1.04%	2,652,480 ⁽⁴⁾	1.04%	3,831,360	1.04%
Total	141,918,499	100.00%	255,453,298	100.00%	368,988,097	100.00%

Notes:

- (1) Under the Maximum Subscription Scenario, 80,789,771 Rights Shares with Warrants shall be issued to the Independent Shareholders upon completion of the Rights cum Warrants Issue.
- (2) Under the Maximum Subscription Scenario, an aggregate of 32,745,028 Rights Shares with Warrants shall be issued to the Concert Party Group upon completion of the Rights cum Warrants Issue, comprising 31,566,148 Rights Shares with Warrants issued to the Undertaking Shareholders and 1,178,880 Rights Shares with Warrants issued to the Concert Parties.
- (3) Under the Maximum Subscription Scenario, an aggregate of 31,566,148 Rights Shares with Warrants shall be issued to the Undertaking Shareholders upon completion of the Rights cum Warrants Issue.
- (4) Under the Maximum Subscription Scenario, an aggregate of 1,178,880 Rights Shares with Warrants shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (5) Assuming that only the Undertaking Shareholders exercise the 31,566,148 Warrants issued to them pursuant to the Rights cum Warrants Issue under the Maximum Subscription Scenario.

APPENDIX B – SHAREHOLDING EFFECTS OF THE RIGHTS CUM WARRANTS ISSUE

(c) Excess Rights Scenario

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants and 17,000,000 Excess Rights Shares with Warrants)		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares with Warrants and 17,000,000 excess Rights Shares with Warrants and after the exercise of the Warrants(5))	
	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital	Number of Shares	% of Issued Share Capital
Independent Shareholders	100,987,213	71.16%	100,987,213 ⁽¹⁾	52.69%	100,987,213	41.83%
Concert Party Group comprising:	40,931,286	28.84%	90,676,314⁽²⁾	47.31%	140,421,342	58.17%
- <i>Undertaking Shareholders</i>	39,457,686	27.80%	88,023,834 ⁽³⁾	45.93%	136,589,982	56.58%
- <i>Concert Parties</i>	1,473,600	1.04%	2,652,480 ⁽⁴⁾	1.38%	3,831,360	1.59%
Total	141,918,499	100.00%	191,663,527	100.00%	241,408,555	100.00%

Notes:

- (1) Under the Excess Rights Scenario, no Rights Shares with Warrants shall be issued to the Independent Shareholders upon completion of the Rights cum Warrants Issue.
- (2) Under the Excess Rights Scenario, an aggregate of 32,745,028 Rights Shares with Warrants and 17,000,000 excess Rights Shares with Warrants shall be issued to the Concert Party Group upon completion of the Rights cum Warrants Issue, comprising 31,566,148 Rights Shares with Warrants and 17,000,000 excess Rights Shares with Warrants issued to the Undertaking Shareholders and 1,178,880 Rights Shares with Warrants and 0 excess Rights Shares with Warrants issued to the Concert Parties.
- (3) Under the Excess Rights Scenario, an aggregate of 31,566,148 Rights Shares with Warrants and 17,000,000 excess Rights Shares with Warrants shall be issued to the Undertaking Shareholders upon completion of the Rights cum Warrants Issue.
- (4) Under the Excess Rights Scenario, an aggregate of 1,178,880 Rights Shares with Warrants and 0 excess Rights Shares with Warrants shall be issued to the Concert Parties upon completion of the Rights cum Warrants Issue.
- (5) Assuming the exercise of 49,745,028 Warrants issued to the Concert Party Group pursuant to the Rights cum Warrants Issue under the Excess Rights Scenario.

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

The warrants (the “**Warrants**”) to subscribe for new ordinary shares in the capital of Envictus International Holdings Limited (the “**Company**”), are issued in conjunction with the renounceable non-underwritten rights issue of up to 113,534,799 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.16 per Rights Share (the “**Issue Price**”) with up to 113,534,799 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Warrant Share**”) at the exercise price of S\$0.16 per Warrant Share, on the basis of four (4) Rights Share for every five (5) existing ordinary shares in the capital of the Company (“**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors, at and on which the Register of Members of the Company will be closed to determine the provision allotment of entitled Shareholders (the “**Books Closure Date**”), fractional entitlements to be disregarded, and one (1) Warrant given for every one (1) Rights Share subscribed (the “**Rights cum Warrants Issue**”).

The Rights cum Warrants Issue is undertaken pursuant to specific Shareholders’ approval granted during the extraordinary general meeting (“**EGM**”) held on 19 October 2018. The issue of the Warrants has also been authorised by resolutions of the board of Directors (the “**Directors**”) passed on 18 June 2018.

Copies of the Deed Poll are available for inspection at the specified office of the warrant agent referred to in Condition 4.6 (the “**Warrant Agent**”). The holders of the Warrants (the “**Warrantholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Deed Poll.

The statements in these Terms and Conditions of the Warrants (the “**Conditions**”) are an extract of the Deed Poll, and are subject to the provisions of the Deed Poll:

1. DEFINITIONS

In the terms and conditions contained herein (except where such definition shall be inconsistent with the subject matter or context), the words and expressions set out below shall have the meanings set out against them:

“**Act**” means the Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time;

“**Additional Warrants**” means such further warrants as may be required or permitted to be issued by the Company in accordance with Condition 5 (such further warrants to rank *pari passu* with the Original Warrants and for all purposes to form part of the same series), each such Additional Warrant entitling the holder thereof to subscribe for one (1) New Share at such price as may be determined in accordance with Condition 5, upon and subject to the Conditions;

“**Approved Bank**” means any reputable bank, merchant bank, financial institution or holder of a capital market services licence in Singapore that is regulated, licensed or approved by the Monetary Authority of Singapore as may be selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company or, in the event of their being unable or unwilling to carry out any action required of them pursuant to the Deed Poll or these Conditions, such other auditors as may be nominated by the Company;

“**CDP**” or “**Depository**” means The Central Depository (Pte) Limited and any other corporation which agrees with the Company to act as Depository in respect of the Warrants including its successors in title and, where the context requires, shall include any person specified by it, in a notice given to the Company, as its nominee;

“**Company**” means Envictus International Holdings Limited;

“**Conditions**” means the terms and conditions of the Warrants as the same may from time to time be modified in accordance with the provisions set out herein and therein and “**Condition**” refers to the relative numbered paragraphs of the Conditions;

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

“**CPF**” means the Central Provident Fund;

“**CPF Act**” means the Central Provident Fund Act, Chapter 36 of Singapore, as the same may be modified, amended or supplemented from time to time;

“**CPF Approved Bank**” means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations;

“**CPF Board**” means the Board of the CPF established pursuant to the CPF Act;

“**CPF Investment Account**” means an account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, *inter alia*, payment of the Exercise Price arising from the exercise of each Warrant;

“**CPF Regulations**” means the Central Provident Fund (Investment Schemes) Regulations as the same may be modified, amended or supplemented from time to time;

“**Depositor**” means a person being a Depository Agent or a holder of a Securities Account maintained with CDP but does not include a holder of a sub-account maintained with a Depository Agent;

“**Depository Agent**” means an entity registered with CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others;

“**Depository Register**” means the register maintained by CDP in respect of the Warrants registered in the name of CDP and held by CDP for the Depositors;

“**Directors**” means the Board of Directors including alternate directors for the time being of the Company;

“**Dollars**” and “**S\$**” mean the lawful currency of Singapore;

“**Entitled Shareholders**” means the holders of the Shares whose names appear in the Register of Members and Depositors with Shares entered against their respective names in the Depository Register in each case;

“**Exercise Date**” means in relation to the exercise of any Warrant, the Market Day (falling within the Exercise Period) on which the applicable conditions described in Condition 4 are fulfilled, or, if fulfilled on different days, on which the last of such conditions is fulfilled PROVIDED ALWAYS that if any such Market Day falls on a date when the Register of Members is closed, the Exercise Date will be the following Market Day on which such register is open;

“**Exercise Notice**” means in relation to any Warrant the relevant form (for the time being current) for exercising the Warrants, copies of which may be obtained from the Company or the Warrant Agent;

“**Exercise Period**” means the period during which the Warrants may be exercised commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring on the day immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or the Warrant Register is closed or is not a Market Day, in which event, the exercise period shall end on the date prior to the closure of the Register of Members and/or the Warrant Register or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Register may be closed pursuant to the terms and conditions of the Warrants as set out in this Deed Poll;

“**Exercise Price**” means S\$0.16, being the sum payable in respect of each New Share for which a Warrantholder will be entitled to subscribe upon exercise of a Warrant, such price subject to such adjustments under certain circumstances as may be required in accordance with Condition 5;

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

“Expiration Date” means the last day of the relevant Exercise Period, provided that if such last day falls on a day other than a Market Day, then the Market Day immediately preceding the last day shall be the **“Expiration Date”**;

“Last Dealt Price” means, in relation to a Share on a relevant Market Day, the last dealt price-per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on SGX-ST;

“Market Day” means a day on which SGX-ST is open for securities trading;

“New Shares” means new ordinary shares in the capital of the Company to be issued upon exercise of the Warrants, credited as fully paid, including, where the context admits, such new Shares arising from the exercise of any further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants set out in the Deed Poll. Such New Shares shall rank for any dividends, rights, allocations, or other distributions, the record date for which falls on or after the relevant Exercise Date. For the purposes of this definition, **“record date”** means, in relation to any dividends, rights, allocations or other distributions, the date on which as at the close of business Shareholders must be registered in order to participate in such dividends, rights, allocations or other distributions;

“Notice” means a notice given or to be given in accordance with Condition 11;

“Original Warrants” means the Warrants in registered form to be issued pursuant to the Deed Poll by the Company, each Warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price upon and subject to the Conditions;

“Register of Members” means the register of members containing the names and addresses of the members of the Company kept at the registered office of the Company;

“Registrar” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person, firm or company as may from time to time be appointed by the Company and as for the time being maintains in Singapore the Register of Members;

“Securities Account” means a securities account maintained by a Depositor with CDP, but not including the securities accounts maintained with a Depository Agent;

“SGX-ST” means Singapore Exchange Securities Trading Limited;

“Share(s)” means ordinary share(s) in the capital of the Company;

“Special Account” means the account maintained by the Company with a bank in Singapore for the purpose of crediting money paid by exercising Warranholders in satisfaction of the Exercise Price in relation to the Warrants exercised by exercising Warranholders;

“Special Resolution” means a resolution passed at a meeting of the Warranholders duly convened and held and carried by a majority consisting of not less than three-fourths (3/4th) of the votes cast thereon;

“SRS” means Supplemental Retirement Scheme;

“SRS Approved Banks” means approved banks in which SRS members hold their accounts under the SRS;

“SRS Funds” means monies standing to the credit of the SRS account of SRS members under the SRS;

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

“unexercised” means, in relation to the Warrants, all the Warrants which have been issued pursuant to the resolutions referred to in Recital (A) of the Deed Poll and also the Additional Warrants (if any), for so long as the Warrants shall not have lapsed in accordance with Conditions 3 or 6 and other than (i) those which have been exercised in accordance with their terms; (ii) those mutilated or defaced Warrants in respect of which replacement Warrants have been duly issued pursuant to Condition 9; and (iii) those for the purpose of ascertaining the number of Warrants unexercised at any time (but not for the purpose of ascertaining whether any Warrants are unexercised) those Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Warrants have been issued pursuant to Condition 9, PROVIDED ALWAYS that for the purposes of (a) the right to attend and vote at any meeting of Warrantholders and (b) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 8 and paragraphs 1, 3, 4 and 8 of Schedule 2 of the Deed Poll, those Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not unexercised;

“Warrant Agency Agreement” means the warrant agency agreement to be executed by the Company, the Warrant Agent and the Registrar, pursuant to which the Warrant Agent is appointed by the Company to act in connection with the Warrants upon the terms and conditions set out therein, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

“Warrant Certificates” means the certificates (in registered form) to be issued in respect of the Warrants in or substantially in the form set out in Schedule 1 of the Deed Poll as may from time to time modified in accordance with the Conditions;

“Warrantholders” means, in relation to any Warrant, the person or persons for the time being registered in the Warrant Register as the holder or joint holders of that Warrant, except that where the registered holder is CDP, it shall mean the persons named in the Depository Register against which such Warrants are credited;

“Warrant Agent” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person, firm or company as for the time being maintains in Singapore the Warrant Register and as may from time to time be appointed by the Company under the Warrant Agency Agreement;

“Warrant Register” means the register of Warrantholders required to be maintained pursuant to Condition 4.7; and

“Warrants” means the Original Warrants, the Additional Warrants (if any), and for the time being remaining unexercised or, as the context may require, a specific number thereof and includes any replacement Warrant issued pursuant to Condition 9.

2. FORM, TITLE AND REGISTER

2.1 The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Condition 10. The Warrant Agent will maintain the Warrant Register on behalf of the Company and except as required by law:

- (a) the person in whose name a Warrant is registered (other than CDP); and
- (b) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account,

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

will be deemed to be and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any irregularity or error in the records of CDP or any express notice to the Company or Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

- 2.2 If two (2) or more persons are entered in the Warrant Register or (as the case may be) the records maintained by CDP as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- (a) the Company shall not be bound to register more than two (2) persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or trustees of a deceased Warranthead;
 - (b) joint holders of any Warrant whose names are entered in the Warrant Register or (as the case may be) the relevant records maintained by CDP shall be treated as one Warranthead;
 - (c) the Company shall not be bound to issue more than one (1) Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Warrant Register shall be sufficient delivery to all; and
 - (d) the joint holders of any Warrant whose names are entered in the Warrant Register or (as the case may be) the relevant records maintained by CDP shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Warrant as well as in connection with the exercise of any such Warrant.

3. EXERCISE RIGHTS

- 3.1 Upon and subject to these Conditions, each Warranthead shall have the right, by way of exercise of each Warrant held by the Warranthead, at any time during the Exercise Period, in the manner set out in Condition 4 and otherwise on the terms and subject to these Conditions, to subscribe for one (1) New Share at the Exercise Price (subject to adjustments in accordance with Condition 5) on the Exercise Date (as defined in Condition 4.3) applicable to such Warrant. No fraction of a Share shall be allotted.
- 3.2 At the expiry of the Exercise Period, any Warrants which have not been exercised in accordance with Condition 4 shall lapse and cease to be valid for any purpose.
- 3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.
- 3.4 New Shares allotted and issued upon exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the relevant Exercise Date (subject as aforesaid), *pari passu* in all respects with the then existing Shares of the Company. For the purpose of this Condition 3.4, “**Record Date**” means, in relation to any dividends, rights, allocations or other distributions, the date at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in dividends, rights, allocations or other distributions.
- 3.5 The Company shall, not later than one (1) month before the expiry of the Exercise Period:
- (a) give notice to the Warrantheads in accordance with Condition 11 of the expiry of the Exercise Period and notify the same to SGX-ST; and

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

- (b) take reasonable steps to despatch to the Warrantheolders notices in writing to their addresses recorded in the Warrant Register or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Without prejudice to the generality of the foregoing, Warrantheolders who acquire Warrants after notice of the expiry of the Exercise Period has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with Condition 11. For the avoidance of doubt, neither the Company nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

4. PROCEDURE FOR EXERCISE OF WARRANTS

4.1 Lodgement Conditions

4.1.1 In order to exercise the Warrant(s), a Warrantheolder must before 3.00 p.m. on any Market Day and before 5.00 p.m. on the Expiration Date, during the Exercise Period:

- (a) lodge, so as to be received at the specified office of the Warrant Agent, the relevant Warrant Certificate(s) registered in the name of the exercising Warrantheolder or CDP (as the case may be) for exercise at the specified office for the time being of the Warrant Agent together with the Exercise Notice (copies of which may be obtained from the Warrant Agent or the Company) in respect of the Warrants represented thereby, duly completed and signed by or on behalf of the exercising Warrantheolder and duly stamped in accordance with any law for the time being in force relating to stamp duty PROVIDED ALWAYS that the Warrant Agent may dispense with or defer the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of CDP;
- (b) furnish such evidence (if any) as the Warrant Agent may require to determine or verify the due execution of the Exercise Notice by or on behalf of the exercising Warrantheolder (including every joint Warrantheolder, if any) or otherwise to ensure the due exercise of the Warrants;
- (c) pay the Exercise Price in accordance with the provisions of Condition 4.2;
- (d) pay any deposit or other fees or expenses for the time being chargeable by and payable to CDP (if any) and any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrant(s) as the Warrant Agent may require; and
- (e) if applicable, pay any fees for certificates for the New Shares to be issued, submit any necessary documents required in order to effect, and pay the expenses of the registration of the New Shares in the name of the exercising Warrantheolder or CDP (as the case may be) and the delivery of certificates for the New Shares to the place specified by the exercising Warrantheolder in the Exercise Notice or to CDP (as the case may be).

4.1.2 Any exercise by a Warrantheolder in respect of Warrants registered in the name of CDP shall be further conditional upon:

- (a) that number of Warrants so exercised being credited to the “Free Balance” of the Securities Account of the Warrantheolder and remaining so credited until the relevant Exercise Date; and
- (b) the relevant Exercise Notice specifying that the New Shares to be issued on exercise of the Warrants are to be credited to the Securities Account of the exercising Warrantheolder; or

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

- (c) in the case where funds standing to the credit of a CPF Investment Account are to be used for payment of the Exercise Price arising from the exercise of each Warrant, by crediting such Shares to the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice,

failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Warrants are registered in the name of CDP irrevocably authorise the Company and the Warrant Agent to obtain from CDP and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these Conditions and the Deed Poll and to take such steps as may be required by CDP (including the steps set out in CDP's "Guidelines to the Procedures for Exercise of Warrants/TSRs (Warrants)" as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder, Provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the records of and information supplied by CDP.

- 4.1.3 Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any monies tendered in connection with the exercise of the Warrant(s) in accordance with Condition 4.2 may not be withdrawn without the prior written consent of the Company.

4.2 Payment of Exercise Price

- 4.2.1 Payment of the Exercise Price shall be made at the specified office for the time being of the Warrant Agent by way of (i) remittance in Singapore currency by banker's draft or cashier's order drawn on a bank in Singapore and/or (if applicable, where the use of CPF funds for payment of the Exercise Price is allowed by the CPF Board) debiting the CPF Investment Account with the CPF Approved Bank, for the credit of the Special Account for the full amount of the monies payable in respect of the Warrant(s) exercised under Condition 4.1 and/or debiting the SRS account with the SRS Approved Bank (subject to the availability of SRS Funds); and/or any combination of the above, as specified in the Exercise Notice.

PROVIDED ALWAYS that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirements for the time being applicable.

- 4.2.2 Any payment under this Condition 4.2 shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (a) the name of the exercising Warrantholder, (b) the number of Warrants exercised and (c) if the relevant Warrant Certificate is registered in the name of a person other than CDP, the certificate number(s) of the Warrant Certificate(s) in respect of the Warrant(s) being exercised or, where the Warrant Certificates are registered in the name of CDP, the Securities Account number(s) of the exercising Warrantholder which is to be debited with the Warrants being exercised.

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4.2.3 If the payment of the Exercise Price fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may be delayed accordingly or be treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported exercise of all the relevant Warrants lodged with the Warrant Agent is less than the full amount of all the monies payable under Condition 4.1, the Warrant Agent shall not treat the relevant amount so received or any part thereof as payment of such monies or any part thereof or forward the same to the Company, and the whole of such relevant payment shall remain in the Special Account unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 and Condition 4.4 below in an amount sufficient to cover the deficiency. The Company shall not be held responsible for any loss arising from the retention of any such payment by the Warrant Agent.

4.2.4 Payment of the Exercise Price received by the Warrant Agent will be delivered to the Company in accordance with the Warrant Agency Agreement in payment for the New Shares to be delivered in consequence of the exercise of such Warrants.

4.3 Exercise Date

4.3.1 The relevant Warrant shall (provided that the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date relating to that Warrant.

4.3.2 The relevant Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates registered in the name of CDP, such Warrant Certificates shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

4.4 Non-fulfilment of Lodgement Conditions

4.4.1 If payment of the Exercise Price is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount payable under Condition 4.1 or the conditions set out in Condition 4.1 or Condition 4.2 have not then all been fulfilled in relation to the exercise of such Warrants, pending recognition of such payment or full payment or, as the case may be, fulfilment of the conditions set out in Conditions 4.1 and 4.2, such payment will (if the Exercise Date in respect of such Warrants had not by then occurred) be returned, without interest, to the Warrantholder on (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent, or (ii) the expiry of the Exercise Period, whichever is the earlier. So long as the relevant Exercise Date has not occurred, any such payment (excluding any interest, if any, accrued thereon) will continue to belong to the Warrantholder but may only be withdrawn within the abovementioned fourteen (14) day period with the prior consent in writing of the Company.

4.4.2 The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable) and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice together with such payment to the exercising Warrantholder by ordinary post at the risk and expense of such Warrantholder. The Company and/or the Warrant Agent will be entitled to deduct or otherwise recover any applicable handling charges and out-of-pocket expenses from the exercising Warrantholder.

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4.5 Allotment of New Shares, Issue of Warrant Certificates and Status of New Shares

- 4.5.1 A Warrantholder exercising Warrants which are registered in the name of CDP must have the delivery of the New Shares arising from the exercise of such Warrants effected by crediting such New Shares to the Securities Account(s) of such Warrantholder or, as the case may be, the nominee company of the CPF Approved Bank as specified in the Exercise Notice. A Warrantholder exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the New Shares arising from the exercise of such Warrants or to have the delivery of such New Shares effected by crediting such New Shares to his Securities Account(s) with CDP (in which case such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by CDP) or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such New Shares at his address specified in the Warrant Register.
- 4.5.2 The Company will allot and issue the New Shares arising from the exercise of the relevant Warrants by a Warrantholder in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:
- (a) where such Warrantholder has (or is deemed to have) elected in the Exercise Notice to receive physical certificates in respect of the New Shares arising from the exercise of the relevant Warrants, the Company shall despatch the physical certificates, as soon as practicable but in any event not later than seven (7) Market Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice (or the Warrant Register, as the case may be) and at the risk of such Warrantholder; and
 - (b) where the delivery of New Shares arising from the exercise of the relevant Warrants is to be effected by the crediting of the Securities Account(s) of such Warrantholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Market Days after the relevant Exercise Date despatch the certificates relating to such New Shares in the name of, and to, CDP for the credit of the Securities Account(s) of such Warrantholder as specified in the Exercise Notice.
- 4.5.3 Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warrantholder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (or, failing which, to his address specified in the Warrant Register) and at the risk of that Warrantholder and where such Warrantholder exercises part only (and not all) of his Warrants registered in the name of CDP, the number of Warrants represented by the Warrant Certificate registered in the name of CDP shall be deemed to have been reduced for all purposes by the number of Warrants so exercised. Without prejudice to the foregoing, the Company may, in exchange for the existing Warrant Certificate(s), deliver to CDP a balancing Warrant Certificate in the name of CDP in respect of any Warrants remaining unexercised.
- 4.5.4 The New Shares will rank for any dividends, rights, allotments or other distributions, the Record Date for which shall fall on or after the relevant Exercise Date. Subject as aforesaid, the New Shares shall rank *pari passu* in all other respects with the then existing Shares. For the purpose of this Condition 4.5, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date on which as at the close of business, Shareholders must be registered with the Company, in order to participate in such dividends, rights, allotments or other distributions.

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4.6 Warrant Agent

4.6.1 The name of the initial Warrant Agent and its specified office is set out below and on the Warrant Certificate. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent PROVIDED ALWAYS THAT it will at all times maintain a Warrant Agent approved in writing by CDP having a specified office in Singapore, so long as any of the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the name or specified office of the Warrant Agent will be given to the Warrantheolders in accordance with Condition 11.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd

Specified office : 50 Raffles Place
Singapore Land Tower, #32-01
Singapore 048623

4.7 Register of Warrantheolders

4.7.1 The Warrant Agent will maintain a register containing particulars of the Warrantheolders (other than Warrantheolders who are Depositors) and such other information relating to the Warrants as the Company may require (the “**Warrant Register**”). The Warrant Register may be closed during such periods when the register of transfers and the Register of Members are deemed to be closed and during such periods as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants held by any Warrantheolder or during such other periods as the Company may determine. Notice of the closure of the Warrant Register and (if applicable) the Depository Register will be given to the Warrantheolders in accordance with Condition 11.

4.7.2 Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Warrant Register (where the registered holder of a Warrant is a person other than CDP) or the Depository Register (where CDP is the registered holder of a Warrant) or any statement or certificate issued by CDP to the Company or any Warrantheolder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantheolders, the number of Warrants to which any such Warrantheolders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Company shall be in default in respect of the Warrants or any of the terms and conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).

4.7.3 Except as required by law:

- (a) the person in whose name a Warrant is registered (other than CDP); and
- (b) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account;

will be deemed and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of the relevant Warrant Certificate or any express notice to the Company or Warrant Agent or any other related matter) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

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5. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF WARRANTS

- 5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank (at the option of the Company unless otherwise stated herein) in accordance with Condition 5.2, which adjustment shall be certified by the Auditors. The Exercise Price and the number of Warrants held by each Warrantholder shall subject to Conditions 5.3 and 5.4 from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:
- 5.1.1 an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not and including any capital redemption reserve fund) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);
 - 5.1.2 a Capital Distribution (as defined below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
 - 5.1.3 an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights;
 - 5.1.4 an issue (otherwise than pursuant to a rights issue available to all Shareholders, requiring an adjustment under Condition 5.1.3 above, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below); or
 - 5.1.5 any consolidation, subdivision or conversion of Shares.

For the purposes of these Conditions, the “**Auditors**” means the auditors for the time being of the Company or, in the event of their being unable or unwilling to carry out any action required of them pursuant to the Deed Poll or these Conditions, such other auditors as may be nominated by the Company.

- 5.2 Subject to these Conditions (and in particular Condition 5.3) and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.1.1 to 5.1.5 or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or the Auditors shall determine):
- 5.2.1 If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times P$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

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where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

P = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, “**record date**” in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

5.2.2 If and whenever:

(a) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(b) the Company shall make any offer or invitation to its Shareholders under which they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Condition 5.2.2(b) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:

C = the average of the Last Dealt Prices on the five (5) Market Days immediately before the date on which the Capital Distribution (as defined below), or any offer or invitation referred to in Condition 5.2.2(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2.2(b) above, the value of the rights attributable to one Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5.2.2 above, the fair market value, as determined by an Approved Bank (with the concurrence of the Auditors), of that portion of the Capital Distribution (as defined below) or of the nil paid rights attributable to one Share;

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P = as in P above; and

W = as in W above.

For the purpose of definition (i) of “D” above the “**value of the rights attributable to one Share**” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights.

For the purposes of Conditions 5.1.2 and 5.2.2(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2.2(a).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 5.2.2(b) above.

For the purposes of this Condition 5, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

- 5.2.3 If and whenever the Company makes any allotment to its Shareholders as provided in Condition 5.2.1 above and also makes any offer or invitation to its Shareholders as provided in Condition 5.2.2(b) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

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Where:

B = as in B above;

C = as in C above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions.

- 5.2.4 If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2.2(b) or 5.2.3 other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90%) of the average Last Dealt Price on SGX-ST on the five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on SGX-ST for that day or on a day which is not a Market Day, on the prior Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{M + N}{M + O} \times P$$

where:

M = the number of Shares in issue at the close of business on SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

N = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such average Last Dealt Price for the five (5) Market Days immediately preceding the date on which the issue price of such Shares is determined (exclusive of expenses);

O = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on SGX-ST on the Market Day before the date on which the issue is announced, or (failing any such announcement) before the date on which the Company determines the offering price of such Shares.

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For the purpose of Conditions 5.1.4 and 5.2.4, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and shall be the aggregate consideration receivable by the Company on payment in full for such Shares, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- 5.2.5 If, and whenever, consolidation, subdivision or conversion of the shares occurs, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B_1} \times P$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B_1}{A} \times W$$

where:

A = as in A above;

B₁ = the aggregate number of issued and fully paid up shares immediately after such consolidation or sub-division or conversion;

P = as in P above; and

W = as in W above,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation, subdivision or conversion becomes effective.

- 5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants held by each Warrantholder will be required in respect of:

- 5.3.1 an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for shares to officers, including directors, or employees of the Company or any of its Subsidiaries pursuant to any purchase or option scheme approved by the Shareholders in general meeting;
- 5.3.2 an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- 5.3.3 any issue by the Company of Shares pursuant to the exercise of any of the Warrants and any other warrants or the conversion of any convertible securities previously issued by the Company;
- 5.3.4 any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights, issued subsequent to the issue of Warrants, whether by itself or together with any other issues; or
- 5.3.5 any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.

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- 5.4 If any offer or invitation for Shares is made otherwise than by the Company to the Shareholders, then the Company shall so far as it is able to, procure that at the same time an offer or invitation is made to the then Warrantheolders as if their rights to subscribe for New Shares had been exercised the day immediately preceding the date on which as at the close of business Shareholders must be registered in order to participate in such offer or invitation on the basis then applicable, provided always that the failure by the Company to procure that an offer or invitation is so made as aforesaid shall not be a breach by the Company of its obligations under these Conditions or the Deed Poll.
- 5.5 Any adjustment to the Exercise Price will be rounded upwards to the nearest point one (0.1) cent. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5.2 above by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than point one (0.1) cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 5.6 Any adjustment to the number of Warrants held by each Warrantheolder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warrantheolder shall be made unless (a) it has been certified to be in accordance with Condition 5.2 above by the Auditors and (b) approval has been granted by SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (the “**First Adjustment**”) made to the Exercise Price or the number of Warrants held by each Warrantheolder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warrantheolder shall at the discretion of the Company be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank may consider appropriate.
- 5.7 Notwithstanding the provisions referred to in this Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants held by each Warrantheolder provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants held by each Warrantheolder should be made notwithstanding that no such adjustment is required or contemplated under the said provisions, the Company may at its discretion appoint an Approved Bank to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank to be in its opinion appropriate.
- 5.8 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheolders in accordance with Condition 11 that the Exercise Price and/or the number of Warrants held by each Warrantheolder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at the specified office for the time being of the Warrant Agent:
- 5.8.1 a signed copy of the certificate of the Auditors certifying the adjustment to the Exercise Price and/or the number of Warrants; and
- 5.8.2 a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Warrants and the effective date of such adjustment,

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and shall, on request and at the expense of the Warrantholder, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants held by each Warrantholder, the Company will, as soon as practicable but not later than seven (7) Market Days after the effective date of such adjustment (or such longer period as the SGX-ST may permit), despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, to his address appearing in the Warrant Register or, in respect of Warrants registered in the name of CDP, to CDP provided that if additional Warrants are issued to each Warrantholder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrantholder is readjusted pursuant to Condition 5.5, such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Bank may consider appropriate.

- 5.9 If the Directors, the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 5.10 Without prejudice to the generality of Condition 5.7, if the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into Shares, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank and the Directors shall determine that an adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrantholder shall be adjusted accordingly.
- 5.11 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued, subject to and with the benefit of the Deed Poll and these Conditions, on such terms and conditions as the Directors may from time to time think fit.
- 5.12 In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decisions shall be conclusive and binding on the Company, the Warranholders and all other persons having an interest in the Warrants.
- 5.13 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder other than in accordance with the provisions of this Condition 5 shall be subject to the approval of SGX-ST and agreed to by the Company, the Auditors and the Approved Bank. Any adjustment made pursuant to Condition 5 shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company to the SGX-ST.
- 5.14 Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of SGX-ST. For the avoidance of doubt, no approval or consent of the Warranholders shall be required for such buyback of any classes of shares and there shall be no adjustments to the Exercise Price and number of Warrants by reason of such buy-back of any classes of shares.

6. WINDING UP OF THE COMPANY

- 6.1 If an effective resolution is passed during the Exercise Period for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warranholders by way of a Special Resolution, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Warrants.

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- 6.2 In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled upon and subject to the Deed Poll and the Conditions, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all payments payable under Conditions 4.1 and 4.2, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantholders in accordance with the Deed Poll and the Conditions of the passing of any such resolution within seven (7) days after the passing thereof.
- 6.3 Subject to the foregoing, if the Company is wound up for any other reasons, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

7. FURTHER ISSUES

Subject to the Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.

8. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- 8.1 Schedule 2 of the Deed Poll sets out the provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Special Resolution of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Company or Warrantholders holding not less than twenty per cent. (20%) of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing a Special Resolution shall be two (2) or more Warrantholders present in person or by proxy duly appointed by Warrantholders holding or representing not less than fifty per cent. (50%) of the Warrants for the time being unexercised.
- 8.2 At any adjourned meeting, two (2) or more persons present being or representing Warrantholders whatever the number of Warrants so held or represented shall form a quorum, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including cancelling the subscription rights constituted by the Warrants or changing the exercise period) the necessary quorum for pressing a Special Resolution shall be two (2) or more persons or representing not less than seventy-five per cent. (75%) or at any adjournment of such meeting over fifty per cent. (50%) of the Warrants for the time being remaining unexercised. A Special Resolution duly passed at any meeting of Warrantholders shall be binding on all Warrantholders, whether or not they were present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders.
- 8.3 The Company may, without the consent of the Warrantholders but in accordance with the terms of the Deed Poll, effect any modification to the Warrants, the Deed Poll or the Warrant Agency Agreement which, in the opinion of the Company:
- 8.3.1 is not materially prejudicial to the interests of the Warrantholders;
- 8.3.2 is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or the rules and regulations of SGX-ST; and/or

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8.3.3 is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of new Shares arising from the exercise of the Warrants or meetings of the Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on SGX-ST.

Any such modification shall be binding on the Warranholders and all persons having an interest in the Warrants and shall be notified to them in accordance with Condition 11 as soon as practicable thereafter.

8.4 Notwithstanding Condition 8.3 above, no material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholders and prejudicial to Shareholders shall be made unless first approved by the Shareholders in general meeting, and, if necessary, SGX-ST.

8.5 Except where the alterations are made pursuant to these Conditions (including but not limited to alterations made pursuant to and in accordance with Condition 5 above or Condition 8.3 or Condition 8.4 above), the Company shall not:

8.5.1 extend the Exercise Period;

8.5.2 issue new warrants to replace the Warrants;

8.5.3 change the Exercise Price; or

8.5.4 change the exercise ratio of the Warrants.

9. REPLACEMENT OF WARRANT CERTIFICATES

If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, it may, subject to applicable law and at the discretion of the Company, be replaced upon request by the Warranholder at the specified office for the time being of the Warrant Agent on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate in respect of the Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Warrants at the time of the replacement thereof), advertisement, undertaking and otherwise as the Company and/or the Warrant Agent may require. Mutilated or defaced Warrant Certificates must be surrendered to the Warrant Agent before replacements will be issued. The replacement Warrant Certificate will be issued to the registered holder of the Warrant Certificate replaced.

10. TRANSFER AND TRANSMISSION OF WARRANTS

10.1 Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling the Warranholder to subscribe for whole numbers of New Shares and so that no person shall be recognised by the Company as having title to Warrants entitling the holder thereof to subscribe for a fractional part of a New Share or otherwise than as the sole or joint holder of the entirety of such New Share.

10.2 Subject to applicable law and the Conditions, a Warrant which is not registered in the name of CDP may only be transferred in accordance with the following provisions of this Condition 10.2:

10.2.1 a Warranholder whose Warrants are registered in the name of a person other than CDP (the "**Transferor**") shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor's Warrant Certificate(s) together with a transfer form as prescribed by the Company from time to time (the "**Transfer Form**") duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll, provided that the Company and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a Warranholder of the Warrants until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent;

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

- 10.2.2 the Transferor shall furnish such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the transferring Warrantholder;
- 10.2.3 the Transferor shall pay the expenses of, and submit any necessary documents required in order to effect the delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;
- 10.2.4 the Transfer Form shall be accompanied by the registration fee (such fee being for the time being a sum of S\$2.00 (excluding any goods and services tax) for each Warrant Certificate to be transferred) which shall be payable by cash or cheque together with any stamp duty and any goods and services tax (if any) specified by the Warrant Agent to the Transferor, such evidence as the Warrant Agent may require to determine and verify the due execution of the Transfer Form and payment of the expenses of, and submit, such documents as the Warrant Agent may require to effect delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;
- 10.2.5 if the Transfer Form has not been fully or correctly completed by the Transferor or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Transferor accompanied by written notice of the omission(s) or error(s) and requesting the Transferor to complete and/or amend the Transfer Form and/or to make the requisite payment; and
- 10.2.6 if the Transfer Form has been fully and correctly completed, the Warrant Agent shall as agent for and on behalf of the Company:
- (a) register the person named in the Transfer Form as transferee in the Warrant Register as registered holder of the Warrant in place of the Transferor;
 - (b) cancel the Warrant Certificate(s) in the name of the Transferor; and
 - (c) issue new Warrant Certificate(s) in respect of the Warrants registered in the name of the transferee.
- 10.3 With respect to Warrants registered in the name of CDP, any transfer of such Warrants shall be effected subject to and in accordance with the Conditions, applicable law and the rules of CDP as amended from time to time and where the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the CDP by way of book-entry. A Depositor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Depository Register by CDP.
- 10.4 The executors and administrators of a deceased Warrantholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses referred to in Conditions 10.2.3 and 10.2.4. Conditions 10.2 and 10.3 shall apply *mutatis mutandis* to any transfer of the Warrants by such persons.
- 10.5 A Transferor or Depositor, as the case may be, shall be deemed to remain a Warrantholder of the Warrant until the name of the transferee is entered in the Warrant Register by the Warrant Agent or in the Depository Register by CDP, as the case may be.

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10.6 Where the transfer relates to part only (but not all) of the Warrants represented by a Warrant Certificate, the Company shall deliver or cause to be delivered to the Transferor at the cost of the Transferor, a Warrant Certificate in the name of the Transferor in respect of any Warrants not transferred.

11. NOTICES

Each Warrantholder is required to nominate an address in Singapore for service of notices and documents by giving a notice in writing to the Company and the Warrant Agent, failing which such Warrantholder shall not be entitled to receive any notices or documents. Notices to Warrantholders may be sent by ordinary post to their respective addresses so nominated (and in the case of joint holdings, to the Warrantholder whose name appears first in the Warrant Register or, where applicable, the relevant record of CDP in respect of joint holdings) or be given by advertisement in a leading daily English language newspaper in circulation in Singapore. Such notices shall be deemed to have been given in the case of posting, on the date of posting and in the case of advertisement, on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made. If such advertisement is not practicable, notice can be given in such manner as the Company and the Warrant Agent may agree in writing.

All notices required to be given pursuant to these Conditions shall also be announced by the Company on SGXNET on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

12. NOTICE OF EXPIRATION DATE

The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warrantholders in accordance with Condition 11, of the Expiration Date. Additionally, the Company shall not later than one (1) month before the Expiration Date, take reasonable steps to notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered by post to the address of the Warrantholder as recorded in the Warrant Register, or in the case of Warrant holders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Market Day after posting.

13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

The Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, as may be modified, re-enacted, amended, supplemented or reconstituted from time to time, shall not under any circumstances apply to any provision of the Deed Poll and/or any term or condition of the Warrants and any person who is not a party to the Deed Poll shall have no right whatsoever to enforce any provision of the Deed Poll and/or any term or condition of the Warrants.

14. GOVERNING LAW

The Warrants and these Conditions shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company submits and each Warrantholder is deemed to irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Republic of Singapore for all purposes in relation to the Warrants and these Conditions but the foregoing shall not prevent or restrict any of them from enforcing any judgment obtained from a Singapore court in any other jurisdiction.

APPENDIX C – TERMS AND CONDITIONS OF WARRANTS

Notes:

- (1) The attention of Warrantheolders is drawn to Rule 14 of the Singapore Code on Take-overs and Mergers and sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore. In general terms, these provisions regulate the acquisition of effective control of public companies. Warrantheolders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warrantheolder should note that he may be under an obligation to extend a takeover offer for the Company if:
 - (a) he intends to acquire, by exercise of the Warrants or otherwise, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of the Company; or
 - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights of the Company; and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1%).
- (2) The attention of the Warrantheolders is drawn to Condition 3.2 of the Terms and Conditions of the Warrants relating to restrictions on the exercise of the Warrants.
- (3) A Warrantheolder who, after exercise of this Warrant, has an interest in not less than five per cent. (5%) of the aggregate of the nominal amount of the issued share capital of the Company, is under an obligation to notify the Company of his interest in the manner set out in section 82 of the Act and section 135 of the Securities and Futures Act, Chapter 289 of Singapore.

APPENDIX D – LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

1 October 2018

To: **The Independent Directors (as defined herein)**
Envictus International Holdings Limited
SGX Centre II, #17-01,
4 Shenton Way,
Singapore 068807

Dear Sirs,

LETTER FROM CIMB BANK BERHAD, SINGAPORE BRANCH TO THE INDEPENDENT DIRECTORS OF ENVICTUS INTERNATIONAL HOLDINGS LIMITED (THE “COMPANY”) IN RESPECT OF THE WHITELASH RESOLUTION IN RELATION TO THE RIGHTS CUM WARRANTS ISSUE (AS DEFINED HEREIN)

1. INTRODUCTION

On 18 June 2018 (the “**Announcement Date**”), the board of directors (the “**Board of Directors**”) of Envictus International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announced (the “**Announcement**”), *inter alia*, that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue (“**Rights cum Warrants Issue**”) of up to 113,534,799 new ordinary shares of the Company (the “**Rights Shares**”) at an issue price of S\$0.16 for each Rights Share (the “**Issue Price**”) with up to 113,534,799 free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Warrant Share**”) at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the issued share capital of the Company (“**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at a books closure date to be determined (the “**Books Closure Date**”), with one (1) Warrant for every one (1) Rights Share subscribed by the Shareholders, fractional entitlements to be disregarded.

As a demonstration of their support for the Rights cum Warrants Issue and commitment to the Company, Dato’ Kamal Y P Tan and Dato’ Jaya J B Tan (collectively referred to herein as the “**Undertaking Shareholders**”), who collectively hold 39,457,686 Shares, representing approximately 27.80% of the issued share capital of the Company, and who are directors and controlling shareholders of the Company as well as siblings, have provided irrevocable undertakings dated 18 June 2018 to the Company (the “**Irrevocable Undertakings**”) that, amongst others;

- (a) they will subscribe and pay for all their entitlement of an aggregate of 31,566,148 Rights Shares by the closing date of the Rights cum Warrants Issue (the “**Closing Date**”);
- (b) will not sell, transfer or otherwise deal with any of the 39,457,686 Shares that they own or control as at the date of the Irrevocable Undertakings, during the period between the date of the Irrevocable Undertakings and the date of issue of the Rights Shares; and

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- (c) they will vote in favour of the Rights cum Warrants Issue at the EGM (other than in respect of the Whitewash Resolution) (as defined below).

The Undertaking Shareholders will also furnish a confirmation of their financial resources from a financial institution to the Company pursuant to the Irrevocable Undertakings.

Apart from the Irrevocable Undertakings, the Undertaking Shareholders have indicated to the Board of Directors that they may subscribe for in aggregate up to 17,000,000 excess Rights Shares with Warrants. For the avoidance of doubt, the Undertaking Shareholders have not provided any undertakings to the Company to subscribe for excess Rights Shares with Warrants.

As at the Latest Practicable Date (as defined below), the direct interest of Dato' Kamal Y P Tan, Dato' Jaya J B Tan, Datin Yuen Chooi Chun (the spouse of Dato' Kamal Y P Tan), Tan San May (the daughter of Dato' Kamal Y P Tan) and Datin Regina Sylvia Beltran (the spouse of Dato' Jaya J B Tan) are set out below:

	Direct Interest	
	Number of Shares	% ⁽¹⁾
Dato' Jaya J B Tan	19,757,472	13.92
Dato' Kamal Y P Tan	19,700,214	13.88
Datin Yuen Chooi Chun	490,000	0.35
Tan San May	246,400	0.17
Datin Regina Sylvia Beltran	737,200	0.52
Total	40,931,286	28.84

Note:

- 1 The percentage of Shares is computed based on 141,918,499 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date (the “**Existing Share Capital**”).

For the purposes of the Singapore Code on Take-overs and Mergers (“**Code**”), Dato' Kamal Y P Tan, Dato' Jaya J B Tan, Datin Yuen Chooi Chun, Tan San May and Datin Regina Sylvia Beltran are deemed concert parties (the “**Concert Party Group**”). For avoidance of doubt, the Irrevocable Undertakings provided by the Undertaking Shareholders does not include the direct interests of 490,000 Shares, 246,400 Shares and 737,200 Shares held by Datin Yuen Chooi Chun, Tan San May and Datin Regina Sylvia Beltran respectively.

As the Concert Party Group collectively hold 28.84% of the Existing Share Capital, the fulfilment of the obligations of the Undertaking Shareholders under their Irrevocable Undertakings, namely the subscription and payment for their *pro rata* entitlements of Rights Shares, as well as the potential subscription and payment of excess Rights Shares with Warrants and the subsequent potential subscription and payment for the Warrant Shares arising from the exercise of their Warrants, may result in the Concert Party Group acquiring 30.0% or more of the voting rights in the Company or increasing their aggregate shareholdings in the Company by 1% or more within a period of six (6) months, thereby triggering a mandatory general offer for the remaining shares not already owned by the Concert Party Group pursuant to Rule 14 of the Code (the “**Mandatory Take-over Offer**”).

Accordingly, applications were made to the Securities Industry Council (the “**SIC**”) on 11 July 2018 for the grant of the whitewash waiver for the Undertaking Shareholders to make a Mandatory Take-over Offer (the “**Whitewash Waiver**”). The SIC had on 11 September 2018 exempted the Undertaking Shareholders from the requirement under Rule 14 of the Code to make a Mandatory Take-over Offer as a result of the Concert Party Group acquiring their entitlements of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and the Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue. The SIC's approval for the Whitewash Waiver is subject to the satisfaction of certain conditions as set out in Section 4.4 of the Circular.

APPENDIX D – LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS

In connection with the Rights cum Warrants Issue, CIMB Bank Berhad, Singapore Branch (“**CIMB**”) has been appointed as the independent financial adviser to advise the directors of the Company (“**Directors**”), namely Datuk Goi Seng Hui, Mah Weng Choong, Teo Chee Seng and John Lyn Hian Woon, who are considered independent of the Whitewash Resolution (collectively referred to herein as the “**Independent Directors**”).

The IFA Letter sets out, *inter alia*, our evaluation of the financial terms of the Rights cum Warrants Issue and the Whitewash Resolution and our advice thereon. It forms part of the circular dated 1 October 2018 issued by the Company to its Shareholders setting out, *inter alia*, details of the Rights cum Warrants Issue and the Whitewash Resolution, as well as the recommendation of the Independent Directors in respect thereof (the “**Circular**”).

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

To ensure that this letter is comprehensive and concise, details contained in the Circular and the Rights cum Warrants Issue Announcement, where necessary or relevant are not wholly reproduced, but instead, are referenced to or summarised throughout this letter. We recommend that the Independent Directors advise Shareholders to read these contextual references and summaries with due care.

2. TERMS OF REFERENCE

CIMB is not and was not involved in any aspect of the negotiations entered into by the Company or in the deliberations leading up to the decision of the Directors to, *inter alia*, undertake the Rights cum Warrants Issue, or the deliberations leading up to the decision of the Undertaking Shareholders to provide the Irrevocable Undertakings. Accordingly, we do not, by this IFA Letter, warrant the merits of the Rights cum Warrants Issue, the Irrevocable Undertakings and the Whitewash Resolution, other than to express an opinion on whether the Rights cum Warrants Issue which is the subject of the Whitewash Resolution is fair and reasonable, and advise the Independent Directors on the recommendation to be made to the Independent Shareholders (as defined in the Circular) in relation to the Whitewash Resolution.

We have confined our evaluation to the financial terms of the Rights cum Warrants Issue and the Whitewash resolution and our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Rights cum Warrants Issue and the Whitewash Resolution or the future prospects of the Company and its subsidiaries (the “**Group**”) and we have not made such evaluation or comment. However, we may draw upon the views of the Directors and/or the management of the Company (the “**Management**”) (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We have not been requested, and we do not express any opinion on the relative merits of the Rights cum Warrants Issue and the Whitewash Resolution as compared to any other alternative transaction. We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares.

We have held discussions with the Directors and the Management and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the Management and the Company’s other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such enquiries and exercised our judgment as we deem necessary on such information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate

APPENDIX D – LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS

in all material respects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to the Group, the Rights cum Warrants Issue and the Whitewash Resolution have been disclosed to us, that such information is fair and accurate in all material respects and that there are no other material facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

Our analysis and opinion is based upon market, economic, industry, monetary and other conditions prevailing as at 18 September 2018 (the “**Latest Practicable Date**”), as well as the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of the Group. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Rights cum Warrants Issue and the Whitewash Resolution which may be released or published by or on behalf of the Company after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, any Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised in relation to the preparation of the Circular (other than this letter). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter).

3. INFORMATION ON THE RIGHTS CUM WARRANTS ISSUE

As set out in Section 2 of the Circular, *inter alia*, the key terms and conditions of the Rights cum Warrants Issue are as follows:

3.1 Basis of the Rights Cum Warrants Issue

The Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Shareholders (as defined in the Circular), on the basis of four (4) Rights Shares for every five (5) existing Shares held by the Entitled Shareholders as at the Books Closure Date, and one (1) Warrant for every one (1) Rights Shares subscribed, with each Warrant carrying the right to subscribe for one (1) Warrant Share, fractional entitlements to be disregarded.

3.2 Size of the Rights Cum Warrants Issue

Based on the Existing Share Capital, assuming that (i) none of the Entitled Shareholders other than the Undertaking Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants; and (ii) the Undertaking Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants in full pursuant to the Irrevocable Undertakings (the “**Minimum Subscription Scenario**”), the Company may issue up to 31,566,148 Rights Shares and up to 31,566,148 Warrants under the Rights cum Warrants Issue.

Based on the Existing Share Capital, assuming that all of the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants (including the Undertaking Shareholders pursuant to the Irrevocable Undertakings) (the “**Maximum Subscription Scenario**”), the Company may issue up to 113,534,799 Rights Shares and up to 113,534,799 Warrants under the Rights cum Warrants Issue.

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Based on the Existing Share Capital and assuming that (i) none of the Entitled Shareholders other than the Concert Party Group subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants; (ii) the Undertaking Shareholders subscribe for the Undertaking Rights Shares and Warrants in full pursuant to the Irrevocable Undertakings; (iii) the Concert Parties (as defined in the Circular) subscribe and pay for their *pro rata* entitlements of Rights Shares with Warrants in full; and (iv) the Undertaking Shareholders subscribe and pay for an aggregate of 17,000,000 excess Rights Shares with Warrants (the “**Excess Rights Scenario**”), the Company may issue up to 49,745,028 Rights Shares and up to 49,745,028 Warrants under the Rights cum Warrants Issue.

3.3 The Issue Price and Exercise Price

The Issue Price for each Rights Share is S\$0.16 and the Exercise Price for each Warrant is S\$0.16.

Each of the Issue Price and Exercise Price represents a discount of:

- (i) approximately 57.33% to the closing price of S\$0.375 per Share on 18 June 2018, being the last market day for which the Shares were traded preceding the Announcement Date; and
- (ii) approximately 42.74% to the theoretical ex-rights price of S\$0.28 per Share (before taking into account the exercise of the Warrants).

3.4 The Rights Shares and Warrants

The Rights Shares with Warrants are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

The Warrants will be detached from the Rights Shares upon issue, and will be issued in registered form. The Warrants will be listed and traded separately on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) under the book-entry (scripless) settlement system, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Accordingly, the Warrants may not be listed and quoted on the SGX-ST if there is an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants. In such event, Warranholders (as defined in the Circular) will not be able to trade their Warrants on the SGX-ST.

Subject to the terms and conditions to be set out in a deed poll constituting the Warrants (the “**Deed Poll**”), each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price, at any time during the period commencing on the date falling twelve (12) months from the date of issue and expiring on the day immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants (the “**Exercise Period**”), unless such date is a date on which the register of members of the Company is closed or is not a market day, in which case the Exercise Period shall end on the market day prior to the closure of the register of members or the immediate preceding market day, as the case may be, but excluding such period(s) as during which the register of warranholders may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

The Warrants that remained unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The Company will make an announcement of the expiry of the Exercise Period, and send a notice of expiry to all holders of the Warrants, at least one (1) month before the expiry date.

The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll, and the appropriate announcements on the adjustments will be made by the Company.

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The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Warrant Shares.

Further details of the principal terms of the Rights Shares and the principal terms of the Warrants are set out in Sections 2.3 and 2.4 of the Circular, respectively, and Shareholders are advised to read the information carefully.

3.5 Conditions for the Rights cum Warrants Issue

Shareholders should note that the Rights cum Warrants Issue is subject, *inter alia*, to the following conditions:

- (a) the Whitewash Waiver having been granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrant Shares being obtained at the EGM to be convened;
- (c) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares, on the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (d) the Whitewash Resolution being approved by the Independent Shareholders;
- (e) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the Monetary Authority of Singapore; and
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.

Further details of the conditions imposed by SGX-ST pursuant to the grant of the approval-in-principle and the conditions imposed by SIC pursuant to the grant of the Whitewash Waiver are set out in Sections 2.7 and 4.4 of the Circular, respectively, and Shareholders are advised to read the information carefully.

3.6 Listing and Quotation

The Company had on 3 September 2018, obtained the approval in-principle from the SGX-ST for, *inter alia*, the dealing in, listing of and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST pursuant to the Rights cum Warrants Issue, subject to the satisfaction of certain conditions as set out in Section 2.7 of the Circular.

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3.7 The Irrevocable Undertaking

As set out in Section 1 of this IFA Letter, the Undertaking Shareholders had provided Irrevocable Undertakings to the Company to subscribe and pay for their entitled Right Shares pursuant to the Rights cum Warrants Issue, in accordance with the following number of Shares set out in the table:

	Direct Interest	
	Number of Shares	% ⁽¹⁾
Dato' Jaya J B Tan	19,757,472	13.92
Dato' Kamal Y P Tan	19,700,214	13.88
Total	39,457,686	27.80

Note:

1 The percentage of Shares is computed based on the Existing Share Capital.

In aggregate, the number of Shares subjected to the Irrevocable Undertaking provided by the Undertaking Shareholders is 39,457,686 Shares. Accordingly, the Undertaking Shareholders will subscribe for 31,566,148 Rights Shares pursuant to the Irrevocable Undertaking.

Under the Irrevocable Undertaking, the Undertaking Shareholders have undertaken that:

- (a) they will subscribe and pay for all their entitlement of an aggregate of 31,566,148 Rights Shares by the Closing Date;
- (b) will not sell, transfer or otherwise deal with any of the 39,457,686 Shares that they own or control as at the date of the Irrevocable Undertakings, during the period between the date of the Irrevocable Undertakings and the date of issue of the Rights Shares; and
- (c) they will vote in favour of the Rights cum Warrants Issue at the EGM (other than in respect of the Whitewash Resolution).

The Irrevocable Undertakings is subject to conditions as detailed in Section 2.10 of the Circular.

Apart from the Irrevocable Undertakings, the Undertaking Shareholders have indicated their interest to the Board of Directors to subscribe and pay for, and/or procure the subscription and payment for, up to 17,000,000 excess Rights Shares with Warrants, subject to availability, to demonstrate their support for the Rights cum Warrants Issue. For the avoidance of doubt, the Undertaking Shareholders have not provided any undertakings to the Company to subscribe for excess Rights Shares with Warrants.

We note from Section 2.10 of the Circular that each Undertaking Shareholder has furnished a confirmation of his financial resources from a financial institution to the Company pursuant to the Irrevocable Undertakings.

3.8 Abstention from making recommendation and voting

Dato' Kamal Y P Tan and Dato' Jaya J B Tan has abstained from making recommendations to Shareholders in respect of the Whitewash Resolution.

Pursuant to the Whitewash Waiver, the Concert Party Group and parties not independent of them as well as parties not independent of the Rights cum Warrants Issue shall abstain, and shall procure their respective associates to abstain, from voting at the EGM on the ordinary resolution relating to the Whitewash Resolution.

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The Concert Party Group and parties not independent of them, and their respective associates, shall also refrain from accepting nomination as proxies for any Shareholder to vote in respect of the ordinary resolution relating to the Whitewash Resolution, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the said resolution.

4. THE WHITEWASH RESOLUTION

As at the Latest Practicable Date, the Concert Party Group hold an aggregate of 40,931,286 Shares, representing approximately 28.84% of the Existing Share Capital.

Based on the Minimum Subscription Scenario, subscription of the Rights Shares and the exercise of the Warrants by the Undertaking Shareholders pursuant to the Irrevocable Undertakings may result in the Concert Party Group holding 30.0% or more of the voting rights of the Company or increasing their aggregate shareholding in the Company by 1% or more within a period of 6 months as follows:

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares) ⁽¹⁾		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of the Warrants) ⁽²⁾	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Independent Shareholders	100,987,213	71.16	100,987,213	58.21	100,987,213	49.25
Concert Party Group	40,931,286	28.84	72,497,434	41.79	104,063,582	50.75
Total	141,918,499	100.00	173,484,647	100.00	205,050,795	100.00

Notes:

- Under the Minimum Subscription Scenario, only the Undertaking Shareholders subscribe and pay for their *pro rata* entitlements of 31,566,148 Right Shares with Warrants, hence, only 31,566,148 Rights Shares with 31,566,148 Warrants are issued to the Undertaking Shareholders upon completion of the Rights cum Warrants Issue.
- Assuming that the Undertaking Shareholders exercise the 31,566,148 Warrants that were issued pursuant to the Rights cum Warrants Issue under the Minimum Subscription Scenario

In the Excess Rights Scenario, the potential subscription and payment of *pro rata* entitlements of Rights Shares with Warrants and excess Rights Shares with Warrants and the subsequent potential subscription and payment for the Warrant Shares arising from the exercise of the Warrants, may also result in the Concert Party Group holding 30.0% or more of the voting rights of the Company or increasing their aggregate shareholding in the Company by 1% or more within a period of 6 months as follows:

	Before the Rights cum Warrants Issue		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares) ⁽¹⁾		After the Rights cum Warrants Issue (Upon the issue and allotment of the Rights Shares and after the exercise of the Warrants) ⁽²⁾	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Independent Shareholders	100,987,213	71.16	100,987,213	52.69	100,987,213	41.83
Concert Party Group	40,931,286	28.84	90,676,314	47.31	140,421,342	58.17
Total	141,918,499	100.00	191,663,527	100.00	241,408,555	100.00

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Notes:

- 1 Under the Excess Rights Scenario, only the Concert Party Group subscribe and pay for their *pro rata* entitlements of 32,745,028 Right Shares with Warrants, and the Undertaking Shareholders subscribe and pay for 17,000,000 excess Rights Shares with Warrants, hence, 49,745,028 Rights Shares with 49,745,028 Warrants are issued to the Undertaking Shareholders upon completion of the Rights cum Warrants Issue.
- 2 Assuming that the Undertaking Shareholders exercise the 49,745,028 Warrants that were issued pursuant to the Rights cum Warrants Issue under the Excess Rights Scenario

Accordingly, the Company had on, 11 July 2018, applied to the SIC for the Whitewash Waiver. The SIC had on 11 September 2018, granted the Whitewash Waiver subject to the following conditions being met (the “**SIC Conditions**”):

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Rights cum Warrants Issue, approve by way of a poll, the Whitewash Resolution to waive their rights to receive a mandatory general offer from the Undertaking Shareholders;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and parties not independent of them as well as parties not independent of the Rights cum Warrants Issue abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (i) during the period between the date of the Announcement and the date Shareholders’ approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights cum Warrants Issue;
 - (ii) the possible dilution effect to existing holders of voting rights as a result of the Concert Party Group’s acquisitions of (A) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to the Undertaking Shareholders as a result of their acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue;

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- (v) that the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a mandatory general offer from the Undertaking Shareholders at the highest price paid by the Concert Party Group for the Shares in the past six (6) months preceding the commencement of the offer. In this regard, specific and prominent reference should be made to this;
- (vi) that the Undertaking Shareholders' acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate of up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrant Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue could result in the Concert Party Group holding Shares carrying over 49% of the voting rights of the Company and the fact that the Concert Party Group would then be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a mandatory general offer;
- (vii) that the Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;
- (g) the Circular states that the Whitewash Waiver granted by the SIC is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution; (i) approval of the Whitewash Resolution must be obtained within three (3) months of the date of the SIC approval; (ii) the acquisition by the Undertaking Shareholders of the Rights Shares and Warrants must be completed within three (3) months of the date of approval of the Whitewash Resolution; and (iii) the acquisition of the Warrant Shares upon the exercise of the Warrants must be completed with five (5) years of the date of issue of the Warrants; and
- (j) the Undertaking Shareholders complying or procuring the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.

The Independent Shareholders are therefore asked to vote, on a poll, on the Whitewash Resolution set out as Ordinary Resolution 2 in the Notice of EGM, included in the Circular.

INDEPENDENT SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE WHITEWASH RESOLUTION:

- (a) **the Concert Party Group's acquisition of (A) their entitlement of the Rights Shares with Warrants and in aggregate of up to 17,000,000 excess Rights Shares with Warrants and (B) the Warrant Shares upon the exercise of the Warrants acquired during the Rights cum Warrants Issue, could result in the Concert Party Group holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued capital and that the Concert Party Group would thereafter be free to acquire further Shares in the Company without incurring any obligation under Rule 14 of the Code to make a general offer;**
- (b) **they will be waiving their rights to receive a mandatory general offer under Rule 14 of the Code from the Undertaking Shareholders, which the Concert Party Group would otherwise have been obliged to make at the highest price paid or agreed to be paid by them for the Shares in the six (6) months preceding the commencement of the Rights cum Warrants Issue; and**

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- (c) they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Rights Shares and the Warrants.

INDEPENDENT SHAREHOLDERS SHOULD ALSO NOTE THAT the passing of the resolution to approve the Rights cum Warrants Issue are contingent upon, amongst others, the Whitewash Resolution being passed. In view of this, in the event that the Whitewash Resolution is not passed by the Independent Shareholders, the Rights cum Warrants Issue will not take place.

5. EVALUATION OF THE WHITEWASH RESOLUTION

In our evaluation of the Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (i) the Rights Shares being offered to Entitled Shareholders on a renounceable and *pro rata* basis;
- (ii) the historical financial information of the Group ;
- (iii) the rationale for the Rights cum Warrants Issue and use of proceeds;
- (iv) assessment of the Issue Price and the Exercise Price;
- (v) financial effects of the Rights cum Warrants Issue; and
- (vi) the other relevant considerations.

5.1 The Rights Shares being offered to Entitled Shareholders on a renounceable and *pro rata* basis

Entitled Shareholders will be provisionally allotted Rights Shares with Warrants under the Rights cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors (as defined below), trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares with Warrants, and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. The Rights Shares with Warrants are payable in full upon acceptance and application by Entitled Shareholders.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholder's provisional allotments of Rights Shares with Warrants and will, together with the provisional allotment of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders (as defined in the Circular) who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless approved by Shareholders at a general meeting.

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Accordingly, Independent Shareholders will not be disadvantaged or prejudiced relative to the Concert Party Group in the allocation of their application for their entitlements of Rights Shares with Warrants and the excess Rights Shares with Warrants pursuant to the Rights cum Warrants Issue.

Shareholders should note that the shareholding of the Concert Party Group will not increase in the event that all Entitled Shareholders subscribe for their *pro rata* entitlements of the Rights Shares.

Notwithstanding that Shareholders who do not subscribe for their *pro rata* entitlements will suffer dilution in their shareholdings, we note that they will be able to sell and monetise their rights entitlements during the Rights Trading Period (as defined in the Circular) and will not be unduly prejudiced.

5.2 Historical Financial Information of the Group

The salient historical financial information of the Group for the last 3 financial years ended 30 September 2015, 2016 and 2017 (“FY2015”, “FY2016” and “FY2017” respectively) and the 9-month financial periods ended 30 June 2017 and 30 June 2018 (“9M2017” and “9M2018” respectively) is set out below:

Consolidated Statement of Comprehensive Income

RM'000	Audited			Unaudited	
	FY2015	FY2016	FY2017	9M2017	9M2018
Revenue	327,357	362,674	410,331	305,358	313,022
Gross profit	88,235	110,198	135,834	103,502	114,749
Profit/(Loss) before income tax	3,667	3,512	(49,440)	(6,712)	(17,410)
Profit/(Loss) for the financial year/period	(3,562)	1,456	(53,541)	(8,323)	(17,609)
Profit/(Loss) attributable to owners of the Company for the financial year/period	(363)	2,863	(52,405)	(7,647)	(16,954)

Statements of Financial Position

RM'000	Audited			Unaudited
	As at 30 September 2015	As at 30 September 2016	As at 30 September 2017	As at 30 June 2018
Current assets	314,728	219,343	177,771	157,137
Current liabilities	(81,442)	(100,676)	(98,158)	(107,403)
Working Capital ⁽¹⁾	233,286	118,667	79,613	49,734
Non-current assets	151,830	268,407	318,239	357,008
Non-current liabilities	(17,722)	(44,875)	(92,572)	(103,746)
Total Equity	367,394	342,199	305,280	302,996
Total Borrowings	(60,217)	(95,655)	(139,072)	(150,770)

Note:

1 Working Capital is computed as the difference between the Group's current assets and current liabilities.

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Consolidated Statement of Cash Flows

RM'000	Audited			Unaudited	
	FY2015	FY2016	FY2017	9M2017	9M2018
Net cash (used in)/generated from operating activities	(16,382)	4,887	(2,089)	(6,305)	2,825
Net cash used in investing activities	(82,796)	(56,875)	(37,651)	(29,474)	(11,866)
Net cash generated from/(used in) financing activities	35,638	16,216	30,187	22,737	(21,742)
Net change in cash and cash equivalents	(63,540)	(35,772)	(9,553)	(13,042)	(30,783)
Cash and cash equivalents at the beginning of the financial year/period	144,047	96,471	58,323	58,323	48,872
Effect of exchange rate changes	15,964	(2,376)	103	213	(435)
Cash and cash equivalents at the end of the financial year/period	96,471	58,323	48,873	45,494	17,654

Source: Company's filings

Please refer to the management's discussion and analysis of the historical financial information of the Group, as set out in Appendix A – Financial Information and Review of Past Performance of the Circular, for FY2015, FY2016 and FY2017 and the Company's announcement on the unaudited financial results for 9M2018 announced on 10 August 2018.

We note the following from the historical financial information of the Group for FY2015, FY2016, FY2017, 9M2017 and 9M2018:

- (i) the Group's revenue has increased from RM327.4 million for FY2015 to RM410.3 million for FY2017 mainly contributed by the Group's expansion of the Group's Food Services Division driven by the performance of the "**Texas Chicken**" business, the "**San Francisco Coffee**" business and the newly acquired "**Delicious**" business, whilst the Group's loss attributable to Shareholders has increased from RM0.4 million for FY2015 to RM52.4 million for FY2017 mainly due to higher selling and marketing expenses and administrative expenses to support the expansion of the "**Texas Chicken**" business and the "**San Francisco Coffee**" business, as well as the inclusion of the operating costs of the "**Delicious**" business. The Company also recognised an impairment loss of RM32.9 million for a quoted investment for FY2017;
- (ii) the Group's revenue has increased from RM305.4 million for 9M2017 to RM313.0 million for 9M2018 mainly due to better performance from the Group's Food Services Division and revenue contribution from the Group's new Dairies Division, whilst the Group's loss attributable to Shareholders has increased from RM7.6 million for 9M2017 to RM17.0 million for 9M2018 due to higher selling and marketing expenses to support the expansion of the "**Texas Chicken**" business and the "**San Francisco Coffee**" business, as well as the inclusion of the operating costs of the "**Delicious**" business and the Group's new Dairies Division;
- (iii) the Group's cash and cash equivalents has been steadily decreasing from RM96.5 million as at FY2015 to RM17.7 million as at 9M2018 largely due to net cash used in investing activities mainly for the purchase of property, plant and equipment, whilst the Group's total bank borrowings and finance lease payables has increased from an aggregate of RM60.2 million as at FY2015 to an aggregate of RM150.8 million as at 9M2018 mainly to fund the corporate office building and the construction of factory buildings, set-up costs for the new stores, acquire subsidiaries and for working capital; and

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- (iv) the Group's working capital has decreased from RM233.3 million as at FY2015 to RM49.7 million as at 9M2018.

5.3 The rationale for the Rights cum Warrants Issue and the use of proceeds

The full text of the rationale for the Rights cum Warrants Issue and use of proceeds from the Rights Shares and the exercise of the Warrants is set out in Section 2.8 of the Circular. **It is not within our terms of reference to comment or express an opinion on the merits of the Rights cum Warrants Issue or the future prospects of the Group after the Rights cum Warrants Issue.** Please refer to Section 2 of this IFA Letter for our terms of reference.

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Group. The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company.

Assuming none of the Warrants that are issued pursuant to the Rights cum Warrants Issue are exercised, the amount of gross proceeds and net proceeds arising from the Rights cum Warrants Issue under each of the subscription scenarios are as follows:

Subscription Scenario	Gross Proceeds	Estimated Expenses	Net Proceeds
Maximum Subscription Scenario	S\$18.17 million	S\$0.30 million	S\$17.87 million
Minimum Subscription Scenario	S\$5.05 million	S\$0.30 million	S\$4.75 million
Excess Rights Scenario	S\$7.96 million	S\$0.30 million	S\$7.66 million

Based on the Maximum Subscription Scenario and Excess Rights Scenario, the Company intends to use up to S\$6.62 million of the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) for the repayment of bank borrowings, with 50% of the remaining proceeds to be used for working capital and the other 50% of the remaining proceeds to be used for the funding of the the expansion of the Group's existing businesses, which may include amongst others, the construction of a factory building in Pulau Indah for the manufacturing of condensed milk and the purchase of related plant and machinery in connection with the Acquisition (as defined in the Circular) under the Group's Dairies Division, the construction of a bakery manufacturing plant and the purchase of related equipment under the Group's Food Processing Division and the expansion of the Texas Chicken business in Indonesia and San Francisco Coffee outlets in Malaysia under the Group's Food Services Division.

Based on the Minimum Subscription Scenario, the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) will be used solely towards for the repayment of bank borrowings.

The Company intends to use the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) as set out below:

Based on the Maximum Subscription Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds (%)
Repayment of bank borrowings	S\$6.62 million	37.0
Working capital	S\$5.625 million	31.5
Expansion of existing businesses	S\$5.625 million	31.5
Total	S\$17.87 million	100.0

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Based on the Minimum Subscription Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds (%)
Repayment of bank borrowings	S\$4.75 million	100.0
Total	S\$4.75 million	100.0

Based on the Excess Rights Scenario		
Use of Proceeds	Amount of Net Proceeds	Percentage of Net Proceeds (%)
Repayment of bank borrowings	S\$6.62 million	86.4
Working capital	S\$0.52 million	6.8
Expansion of existing businesses	S\$0.52 million	6.8
Total	S\$7.66 million	100.0

The additional gross proceeds arising from the exercise of all of the Warrants in the Maximum Subscription Scenario, Minimum Subscription Scenario and Excess Rights Scenario are approximately S\$18.17 million, S\$5.05 million and S\$7.96 million respectively. As and when the Warrants are exercised, the net proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments and working capital.

Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

We note that the Company intends to use the net proceeds from the Rights cum Warrants Issue (not taking into account the proceeds from the exercise of the Warrants) in the following order: (i) repayment of bank borrowings of up to S\$6.62 million; and (ii) the remaining proceeds will be split and used equally for working capital and the expansion of existing businesses. For illustrative purposes only, assuming that the net proceeds from the Rights cum Warrants Issue (not taking into account the proceeds from the exercise of the Warrants) is S\$10.0 million, S\$6.62 million will be used for the repayment of bank borrowings, the remaining net proceeds of S\$3.38 million will be split and used equally, where S\$1.69 million and S\$1.69 million will respectively be used for working capital and the expansion of existing businesses.

We note that the Group's cash and cash equivalents has decreased from FY2015 to 9M2018, whilst the Group's total bank borrowings and finance lease payables has increased from FY2015 to 9M2018, and the Group's working capital has decreased from FY2015 to 9M2018, as set out in Section 5.2 of this IFA Letter.

We note that as set out in Section 2.8 of the Circular, the Directors are of the opinion that barring any unforeseen circumstances, after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is not sufficient to meet its present requirements in the absence of the Rights cum Warrants Issue. However, we also note that even under the Minimum Subscription Scenario, the Company will have sufficient resources to operate as a going concern and meet its obligations as and when they fall due and, if necessary, the Company will defer and/or scale back the expansion of its existing businesses accordingly.

Based on the above, the rationale for the Rights cum Warrants Issue and the proposed use of proceeds appears to be in line with the development and future plans of the Group.

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5.4 Assessment of the Issue Price and the Exercise Price

In assessing the Issue Price and the Exercise price we have considered the following:

- (i) historical trading performance of the Shares on the SGX-ST;
- (ii) the net asset value (“NAV”) and the net tangible asset (“NTA”) per Share of the Group;
- (iii) comparison of the terms of the Rights cum Warrants Issue with the salient statistics of selected completed rights issues of shares by companies listed on the SGX-ST; and
- (iv) the valuation of the Warrants based on the Black-Scholes model which is a common methodology used in the calculation of call options, a financial instrument similar to warrants and the terms of the Warrants.

5.4.1 Historical trading performance of the Shares

We have compared the Issue Price and the Exercise Price to the historical price performance of the Shares and considered the historical trading volume of the Shares.

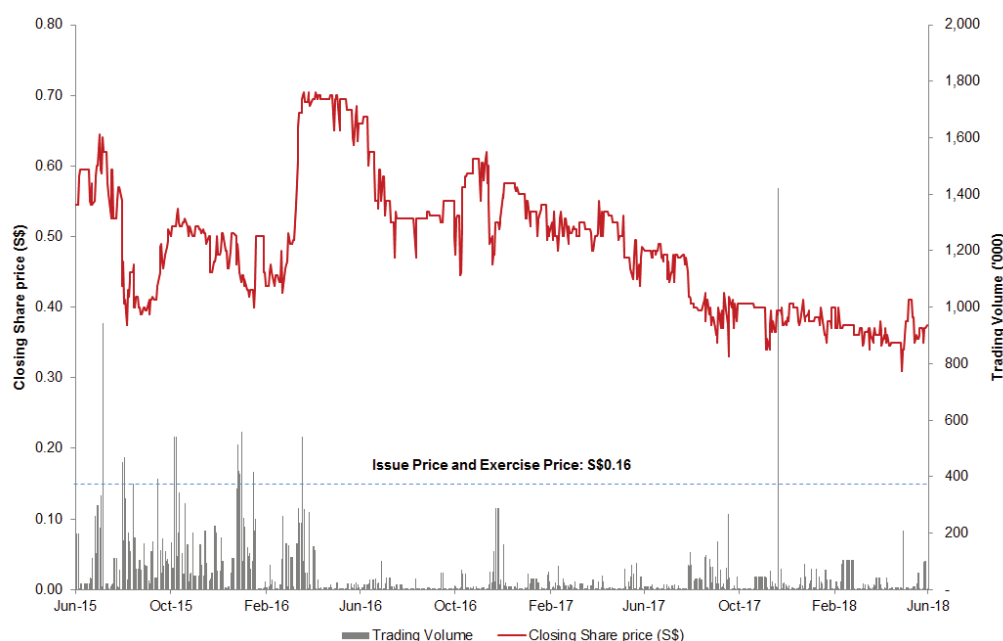
Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication of its future trading performance. The price performance of the Shares may be due to market factors and other individual factors which may not be easily isolated and identified with certainty.

5.4.1.1 Price performance and trading activity of the Shares

In assessing the Issue Price and the Exercise Price, we have taken into consideration the historical market price performance of the Shares and the historical trading volume of the Shares over a reasonable period, during which the market price of the Shares may ordinarily reflect public investors’ valuation of the Shares, based on publicly available information.

Share price performance

We set out below the daily closing prices and trading volume of the Shares for the period between 19 June 2015 (being the date falling 3 years prior to the Announcement Date (as defined hereinafter)) to 18 June 2018 (being the last full trading day on which the Shares were traded prior to the release of the Rights cum Warrants Issue Announcement) (the “**Last Trading Day**”).

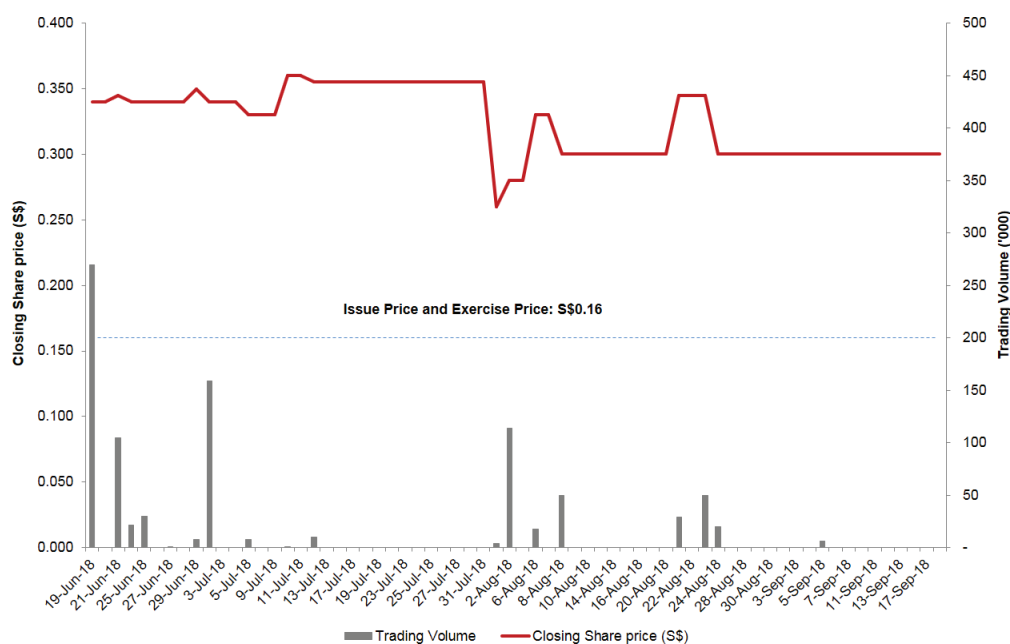


Source: Bloomberg L.P. and the Company's filings

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We note that between June 2015 and August 2015, the market price of the Shares displayed significant volatility, fluctuating between a high of S\$0.645 on 20 July 2015 and a low of S\$0.375 on 24 August 2015. Between September 2015 to March 2016, the market price of the Shares traded within a band of S\$0.39 to S\$0.54. The market price of the Shares then saw a sharp appreciation from a low of S\$0.420 on 10 March 2016 to a high of S\$0.705 on 7 April 2016. The market price of the Shares has been trending downwards since May 2016 to June 2018, falling from a high of S\$0.695 on 24 May 2016 to a low of S\$0.310 on 16 May 2018. The market price of the Shares has been trading in a narrower band of S\$0.31 to S\$0.41 in the last 6-months prior to the date of the Announcement.

We set out below the daily closing prices and trading volume of the Shares for the period between the 19 June 2018 (being the first full trading day on which the Shares were traded after the release of the Rights cum Warrants Issue Announcement) and the Latest Practicable Date.



Source: Bloomberg L.P.

We note that the market price of the Shares fell from S\$0.375 on 18 June 2018 to S\$0.34 on 19 June 2018 after the Company made the Announcement and the total trading volume on 19 June 2018 was 269,300 Shares. The market price of the Shares has since traded between a band of S\$0.26 to S\$0.36 from 19 June 2018 to the Latest Practicable Date. As at the Latest Practicable Date, the Issue Price and the Exercise Price are both below the market price of the Shares of S\$0.30.

Price discount and trading volume

We set out below the discount implied by the Issue Price and the Exercise Price over the historical volume-weighted average transacted prices (“**VWAP**”) and historical average daily trading volume (“**ADTV**”) of the Shares for the various periods over from 19 June 2015 (being the date falling 3 years prior to the Announcement Date) to the Latest Practicable Date (the “**Period Under Review**”).

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	VWAP ⁽¹⁾ (S\$)	(Discount) / Premium of Issue Price and Exercise Price to VWAP (%)	Highest price (S\$)	Lowest price (S\$)	ADTV ⁽²⁾ (‘000)	ADTV as a percentage of free float ⁽³⁾ (%)
Periods prior to the Announcement Date						
Last 3 years	0.4793	(66.62)	0.7050	0.3000	64.7	0.0666
Last 2 years	0.4211	(62.01)	0.6800	0.3000	30.6	0.0582
Last 1 year	0.3758	(57.42)	0.4950	0.3000	37.6	0.0719
Last 6 months	0.3673	(56.44)	0.4100	0.3100	24.6	0.0495
Last 3 months	0.3540	(54.80)	0.4100	0.3100	23.2	0.0505
Last 1 month	0.3577	(55.27)	0.4100	0.3500	29.4	0.0761
Periods after the Announcement Date						
Up to the Latest Practicable Date	0.3248	(50.74)	0.3750	0.2250	50.2	0.1261
As at the Last Traded Day ⁽⁴⁾	0.3000	(46.67)	0.3000	0.3000	6.4	0.0134

Source: Bloomberg L.P.

Notes:

- 1 The historical VWAPs are rounded to the nearest four (4) decimal places for the purpose of calculating the corresponding discount.
- 2 The ADTV of the Shares is calculated based on the total volume of the Shares traded during the period divided by the number of trading days during that period.
- 3 Based on the public float of the Shares during each relevant period.
- 4 The Shares were last traded on 5 September 2018 (the “**Last Traded Day**”)

During the 1-year period prior to the release of the Announcement, the Shares were traded on 61.7% of total market days of the SGX-ST.

We note the following:

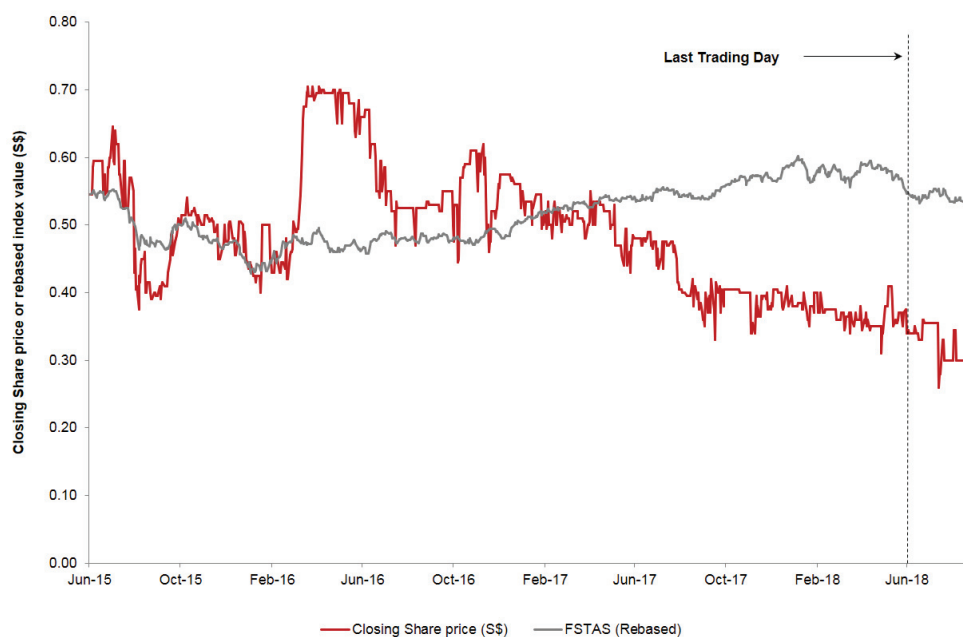
- (i) during the 3-year period prior to the Announcement, the intra-day market prices of the Shares ranged between a low of S\$0.3000 and a high of S\$0.7050. The Issue Price and the Exercise Price represents a discount of approximately 46.7% and 77.3% to the lowest intra-day market price of the Shares and the highest intra-day market price of the Shares respectively;
- (ii) during the period after the release of the Announcement and the Latest Practicable Date, the intra-day market prices of the Shares ranged between a low of S\$0.2250 and a high of S\$0.3750. The Issue Price and the Exercise Price represents a discount of approximately 28.9% and 57.3% to the lowest intra-day market price of the Shares and the highest intra-day market price of the Shares respectively;
- (iii) the Issue Price and the Exercise Price represents a discount of approximately 55.3%, 54.8%, 56.4%, 57.4%, 62.0% and 66.6% to the VWAP of the Shares for the 1-month, 3-month, 6-month, 12-month, 2-year and 3-year periods prior to the release of the Announcement respectively;

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- (iv) the Issue Price and the Exercise Price represents a discount of approximately 50.7% to the VWAP of the Shares during the period after the release of the Announcement and the Latest Practicable Date; and
- (v) the Issue Price and the Exercise Price represents a discount of approximately 46.7% to the VWAP of the Shares as at the Last Traded Day.

5.4.1.2 Price performance of the Shares relative to the broad market performance

To gauge the price performance of the Shares relative to the general price performance of the stock market, we set out below the market price movement of the Shares against the FTSE Straits Times All Share Index (“**FSTAS**”) for the Period Under Review.



Source: Bloomberg L.P.

Note:

- 1 The FTSAS is a modified market-capitalization weighted index comprising of all companies within the top 98 percent by full market capitalization of the SGX Mainboard universe (i.e. large cap, midcap and small cap indices combined).

We note the following:

- (i) between June 2015 to February 2017, the Shares generally outperformed the FTSAS; and
- (ii) between February 2017 to September 2018, the Shares generally trended downwards and underperformed the FTSAS.

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5.4.2 NAV and NTA of the Group

Based on the Company's unaudited consolidated financial statements as at 30 June 2018, the unaudited consolidated NAV of the Group as at 30 June 2018 was approximately RM303.0 million (equivalent to approximately S\$102.4 million⁽¹⁾) or approximately RM2.14 per Share (equivalent to approximately S\$0.72 per Share⁽¹⁾), while the unaudited consolidated NTA of the Group as at 30 June 2018 was approximately RM266.4 million (equivalent to approximately S\$90.0 million⁽¹⁾) or approximately RM1.88 per Share (equivalent to approximately S\$0.63 per Share⁽¹⁾).

The table below sets out the discount of the Issue Price and Exercise Price over the NAV per Share and NTA per Share as at 30 June 2018.

	NAV	NTA
As at 30 June 2018 (S\$ million) ⁽¹⁾	102.4	90.0
NAV / NTA per Share (S\$) ⁽²⁾	0.72	0.63
Premium / (Discount) implied by the Issue Price and the Exercise Price (%)	(77.8)	(74.8)

Source: Company's filings

Notes:

- 1 Converted at a SGD/RM foreign exchange rate of 2.9598 as of 29 June 2018.
- 2 Based on the Company's issued and paid-up share capital comprising 141,918,499 Shares (excluding treasury shares) as at 30 June 2018.

Based on the above, we note that the Issue Price and Exercise Price represents a discount of approximately 77.8% to the NAV per Share and a discount of approximately 74.8% to the NTA per Share as at 30 June 2018.

In addition, we have computed the Adjusted NAV (as defined herein) and Adjusted NTA (as defined herein) of the Group as at 30 June 2018, by adjusting the Group's respective NAV and NTA of the Group as at 30 June 2018 for the potential issuance of 113,534,799 Rights Shares and the exercise of 113,534,799 Warrants based on the Maximum Subscription Scenario.

The table below sets out the discount of the Issue Price and Exercise Price over the Adjusted NAV per Share and Adjusted NTA per Share as at 30 June 2018.

	Adjusted NAV	Adjusted NTA
As at 30 June 2018 (S\$ million) ⁽¹⁾	138.4	126.1
Adjusted NAV / NTA per Share (S\$) ⁽²⁾	0.38	0.34
Premium / (Discount) implied by the Issue Price and the Exercise Price (%)	(57.3)	(53.2)

Notes:

- 1 Converted at a SGD/RM foreign exchange rate of 2.9598 as of 29 June 2018.
- 2 Based on the Company's issued and paid-up share capital comprising 368,988,097 Shares (excluding treasury shares), taking into account the Company's issued and paid-up share capital comprising 141,918,499 Shares (excluding treasury shares) as at 30 June 2018, the issue of 113,534,799 Rights Shares and the exercise of 113,534,799 Warrants.

Based on the above, we note that the Issue Price and Exercise Price represents a discount of approximately 57.3% to the Adjusted NAV per Share and a discount of approximately 53.2% to the Adjusted NTA per Share as at 30 June 2018.

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We note that the tangible assets of the Group as at 30 June 2018 comprise mainly: (i) property, plant and equipment (approximately 57.3% of total assets); (ii) trade and other receivables (approximately 15.1% of total assets); (iii) inventories (approximately 7.8% of total assets); (iv) cash and bank balances (approximately 7.4% of total assets) and (v) investment properties (approximately 4.6% of total assets). We further note that there are intangible assets of RM36.6 million (approximately 7.1% of total assets) comprising mainly goodwill, trademarks, computer software and franchise fees.

5.4.3 **Comparison of the terms of the Rights cum Warrants Issue with the salient terms of selected completed rights issues of shares by companies listed on the SGX-ST**

In assessing the Issue Price and the Exercise Price, we have also looked at the salient terms of selected completed renounceable (i) rights issues of shares cum warrants and (ii) rights issues of shares by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST ("**Comparable Transactions**"), that were announced since 1 January 2017 and up to the Latest Practicable Date.

Shareholders should note that the terms of the Comparable Transactions which has been extracted from publicly available information are unique and that these companies may not be identical to the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policies, financial performance, operation and financial leverage, future prospects and other relevant criteria. Hence, any inference that can be drawn from the comparison between the terms of the Rights cum Warrants Issue and the Comparable Transactions is necessarily limited and serves only as an illustrative guide and should not be conclusively relied upon.

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We set out in the table below, a comparison of the relevant terms of the Rights cum Warrants Issue against the Comparable Transactions.

Name of Company	Announcement Date	Basis	Premium/ (Discount) of issue price to share price prior to the announcement (%)	Premium/ (Discount) of issue price to the theoretical ex-rights price ⁽¹⁾ ("TERP") (%)	Premium/ (Discount) of exercise price of warrants to TERP (%)	Premium/ (Discount) of issue price to the theoretical ex-rights ex-warrants price ⁽²⁾ ("TEREWP") (%)	Premium/ (Discount) of exercise price of warrants to TEREWP (%)
LifeBrandz Ltd	24-Jan-17	2 rights shares with 2 warrants for every 1 existing share	(42.4)	(19.7)	60.6	(35.4)	29.3
Ley Choon Group Holdings Ltd	24-Feb-17	1 rights share for every 1 existing share	(68.8)	(52.4)	n.a. ⁽³⁾	(52.4)	n.a. ⁽³⁾
3Cnergy Limited ⁽⁶⁾	13-Mar-17	1 rights share with 2 warrants for every 3 existing shares	34.0	23.5	84.3	(3.6)	43.9
Nutryfarm International Ltd	30-Mar-17	1 rights share for every 2 existing shares	(54.5)	(44.4)	n.a. ⁽³⁾	(44.4)	n.a. ⁽³⁾
Advanced Systems Automation Limited ^{(6),(7)}	31-Mar-17	5 rights shares for every 1 existing share	(82.0)	(43.2)	n.a. ⁽³⁾	(43.2)	n.a. ⁽³⁾
Pan-United Corporation Ltd	03-May-17	1 rights share for every 4 existing shares	(41.1)	(35.8)	n.a. ⁽³⁾	(35.8)	n.a. ⁽³⁾
Koh Brothers Eco Engineering Limited	15-May-17	2 rights shares with 2 warrants for every 5 existing shares	(39.6)	(31.9)	11.5	(33.6) ⁽⁴⁾	8.7
Maxi-Cash Financial Services Ltd	16-May-17	1 rights share for every 6 existing shares	(6.6)	(5.7)	n.a. ⁽³⁾	(5.7)	n.a. ⁽³⁾
Viking Offshore and Marine Limited	18-May-17	2 rights shares with 1 warrant for every 5 existing shares	(33.3)	(26.3)	2.3	(26.5)	2.0
Vashion Group Ltd	25-May-17	10 rights shares for every 1 existing share with 1 warrant for every 2 rights shares	(75.0)	(21.4)	(21.4)	(15.8)	(15.8)

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Name of Company	Announcement Date	Basis	Premium/ (Discount) of issue price to share price prior to the announcement (%)	Premium/ (Discount) of issue price to the theoretical ex-rights price ⁽¹⁾ ("TERP") (%)	Premium/ (Discount) of exercise price of warrants to TERP (%)	Premium/ (Discount) of issue price to the theoretical ex-rights price ⁽²⁾ ("TEREWP") (%)	Premium/ (Discount) of exercise price of warrants to TEREWP (%)
China Medical (International) Group Limited	07-Jun-17	3 rights shares with 3 warrants for every 1 existing share	(80.0)	(50.0)	(50.0)	(36.4)	(36.4)
Amplefield Limited ⁽⁶⁾	30-Jun-17	3 rights shares with 2 warrants for every 1 existing share	(5.7)	(1.5)	(1.5)	(1.0)	(1.0)
CFM Holdings Limited	30-Jun-17	6 rights shares for every 7 existing shares	(50.0)	(35.0)	n.a. ⁽⁹⁾	(35.0)	n.a. ⁽⁹⁾
Asia-Pacific Strategic Investments Limited ^{(6), (7)}	12-Sep-17	2 rights shares with 2 warrants for every 1 existing share	(25.0)	(10.0)	(10.0)	(6.3)	(6.3)
CWX Global Limited (f.k.a. Loyz Energy Limited)	30-Sep-17	1 rights share for every 1 existing share with 1 warrant for every 4 rights shares	(35.7)	(21.7)	30.4	(24.3)	26.2
Jubilee Industries Holdings Limited	11-Oct-17	1 rights share with 1 warrant for every 2 existing shares	(4.3)	(2.9)	(2.9)	(2.2)	(2.2)
F J Benjamin Holdings Ltd ⁽⁶⁾	23-Oct-17	3 rights shares with 6 warrants for every 5 existing shares	(22.2)	(15.2)	(3.0)	(14.0)	(1.8)
Vallianz Holdings Limited ⁽⁶⁾	06-Nov-17	1 rights share with 2 warrants for every 1 existing share	0.0	0.0	0.0	0.0	0.0
Maxi-Cash Financial Services Ltd	09-Nov-17	1 rights share for every 10 existing shares	(5.9)	(5.4)	n.a. ⁽⁹⁾	(5.4)	n.a. ⁽⁹⁾
Progen Holdings Limited ⁽⁶⁾	11-Dec-17	1 rights share for every 2 existing shares	(36.6)	(27.8)	n.a. ⁽⁹⁾	(27.8)	n.a. ⁽⁹⁾
MDR Limited ^{(5), (6)}	12-Dec-17	2 rights shares with 18 warrants for every 1 existing share	(62.4)	(35.6)	(65.8) / (62.3) / 139.7	(37.7)	(66.9) / (63.5) / 132.0

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Name of Company	Announcement Date	Basis	Premium/ (Discount) of issue price to share price prior to the announcement (%)	Premium/ (Discount) of issue price to the theoretical ex-rights price ⁽¹⁾ ("TERP") (%)	Premium/ (Discount) of exercise price of warrants to TERP (%)	Premium/ (Discount) of issue price to the theoretical ex-rights ex-warrants price ⁽²⁾ ("TEREWP") (%)	Premium/ (Discount) of exercise price of warrants to TEREWP (%)
LifeBrandz Ltd	18-Dec-17	2 rights shares for every 1 existing share	(55.9)	(29.7)	n.a. ⁽³⁾	(29.7)	n.a. ⁽³⁾
Raffles Education Corporation Limited	18-Dec-17	3 rights shares for every 10 existing shares	(44.0)	(37.7)	n.a. ⁽³⁾	(37.7)	n.a. ⁽³⁾
JB Foods Limited	20-Dec-17	1 rights share for every 3 existing shares	(56.9)	(49.7)	n.a. ⁽³⁾	(49.7)	n.a. ⁽³⁾
SingHaiyi Group Ltd	26-Dec-17	1 rights share for every 2 existing shares	(16.7)	(11.8)	n.a. ⁽³⁾	(11.8)	n.a. ⁽³⁾
MTQ Corporation Limited ⁽⁶⁾	30-Jan-18	2 rights shares for every 5 existing shares with 1 warrant for every 4 rights shares	(50.0)	(41.7)	(35.8)	(40.2)	(34.3)
Pine Capital Group Limited	07-Feb-18	25 rights shares with 8 warrants for every 100 existing shares	(37.5)	(32.4)	(45.9)	(30.5)	(44.4)
Rich Capital Holdings Limited (f.k.a. Infinito Group Limited)	14-Feb-18	1 rights share for every 1 existing share	(22.2)	(12.5)	n.a. ⁽³⁾	(12.5)	n.a. ⁽³⁾
Global Yellow Pages Limited	14-Feb-18	1 rights share for every 5 existing shares	25.0	20.0	n.a. ⁽³⁾	20.0	n.a. ⁽³⁾
Global Dragon Limited (f.k.a. TMC Education Corporation Limited)	27-Feb-18	3 rights shares for every 1 existing share	(31.1)	(10.1)	n.a. ⁽³⁾	(10.1)	n.a. ⁽³⁾
Singapore Medical Group Limited ⁽⁶⁾	01-Mar-18	1 rights share for every 20 existing shares	(14.3)	(13.7)	n.a. ⁽³⁾	(13.7)	n.a. ⁽³⁾
3Cnergy Limited ⁽⁶⁾	02-Mar-18	1 rights share for every 1 existing share	(45.0)	(29.0)	n.a. ⁽³⁾	(29.0)	n.a. ⁽³⁾
Hotel Royal Limited	11-May-18	1 rights share for every 5 existing shares	(25.0)	(21.7)	n.a. ⁽³⁾	(21.7)	n.a. ⁽³⁾

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Name of Company	Announcement Date	Basis	Premium/ (Discount) of issue price to share price prior to the announcement (%)	Premium/ (Discount) of issue price to the theoretical ex-rights price ⁽¹⁾ ("TERP") (%)	Premium/ (Discount) of exercise price of warrants to TERP (%)	Premium/ (Discount) of issue price to the theoretical ex-rights ex-warrants price ⁽²⁾ ("TEREWP") (%)	Premium/ (Discount) of exercise price of warrants to TEREWP (%)
Moya Holdings Asia Limited	22-May-18	1 rights share for every 2 existing shares	0.0	0.0	n.a. ⁽³⁾	(0.0)	n.a. ⁽³⁾
Ocean Sky International Limited	22-May-18	1 rights share with 1 warrant for every 2 existing shares	(26.2)	(19.1)	(11.3)	(16.8)	(8.7)
Lowest (discount) / Highest premium			34.0	23.5	139.7	20.0	132.0
Highest (discount)			(82.0)	(52.4)	(65.8)	(52.4)	(66.9)
Mean			(35.7)	(21.7)	(3.0)	(24.3)	(2.0)
Median			(32.5)	(21.5)	(3.7)	(22.0)	(6.7)
The Company	18 June 2018	4 rights shares with 4 warrants for every 5 existing shares	(57.3)	(42.7)	(42.7)	(34.1)	(34.1)

Source: Bloomberg L.P., announcements, circulars and/or offer information statements of the respective companies and CIMB's analysis

Notes:

- TERP is obtained by the following formula

$$\frac{\text{(number of existing shares to rights shares X last trade price)} + \text{(number of rights shares X issue price)}}{\text{(number of existing shares to rights shares + number of rights shares)}}$$
- TEREWP is obtained by the following formula

$$\frac{\text{(number of existing shares to rights shares X last trade price)} + \text{(number of rights shares X issue price)} + \text{(number of warrants X exercise price)}}{\text{(number of existing shares to rights shares + number of rights shares + number of warrants)}}$$

3 n.a. denotes not applicable

4 Computed based on the 1st Tranche Exercise Period (as defined in the Koh Brothers Eco Engineering Limited's Offer Information Statement dated 20 October 2017)

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- 5 Based on MDR Limited's offer information statement for its rights cum warrants issue dated 22 May 2018, the warrants were issued on the basis of nine (9) free warrants for every one (1) rights share subscribed, where the nine (9) warrants are split equally into three separate tranches with different exercise prices and exercise periods. The highest discount of the exercise price of the warrants to TERP and to TEREWP of 65.8% and 66.9% respectively, were used in the computation of the mean and median premium/(discount) of the respective Comparable Transactions' exercise price to their respective TERP and TEREWP.
- 6 A whitewash resolution in relation to the respective Comparable Transaction was passed.
- 7 The respective Comparable Transaction was partially underwritten.
- 8 The respective Comparable Transaction was underwritten.

We note the following:

- (i) The discount of the Issue Price to the last transacted Share price prior to the Announcement of 57.3%, is within the range and above the mean and median discount of the Comparable Transactions of 35.7% and 32.5% respectively;
- (ii) The discount of the Issue Price to the TERP of the Shares of 42.7%, is within the range and above the mean and median discount of the Comparable Transactions of 21.7% and 21.5% respectively;
- (iii) The discount of the Exercise Price to the TERP of the Shares of 42.7%, is within the range and above the mean and median discount of the Comparable Transactions of 3.0% and 3.7% respectively;
- (iv) The discount of the Issue Price to the TEREWP of the Shares of 34.1%, is within the range and above the mean and median discount of the Comparable Transactions of 24.3% and 22.0% respectively; and
- (v) The discount of the Exercise Price to the TEREWP of the Shares of 34.1%, is within the range and above the mean and median discount of the Comparable Transactions of 2.0% and 6.7% respectively.

5.4.4 Value and terms of the Warrants

Based solely on the Exercise Price of S\$0.16 and the theoretical ex-rights price of the Shares of S\$0.28 (based on the last transacted price of the Shares of S\$0.375 preceding the Announcement) and without consideration of the exercise period, the warrants would be in-the-money and would have an intrinsic value of S\$0.12.

However, given that the Warrants are exercisable over a 3-year period commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring on the day immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants, there is time value to the Warrants in addition to the aforesaid intrinsic value. In this regard, we have considered the valuation of the Warrants using the theoretical value of the Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call warrants. The theoretical value of the Warrants is a function of, *inter alia*, the Exercise Price *vis-à-vis* the current price of the underlying Shares, the life period of the Warrants, the nature of the call option as to whether it is a European call option (which is only exercisable on a predetermined exercise date) or an American call option (which can be exercised at any time prior to the expiry of the Warrant), the risk-free interest rate and the price volatility of the underlying Shares. Accordingly, the theoretical value of the Warrants computed based on the Black-Scholes model may fluctuate significantly depending on the inputs to the above factors, and the actual market value of the Warrants may deviate significantly from the theoretical value of the Warrants.

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Based on the risk-free interest rate and the price volatility of the Shares, as provided by Bloomberg L.P., the Exercise Price of S\$0.16, the theoretical ex-rights price of the Shares of S\$0.28 (based on the last transacted price of the Shares of S\$0.375 preceding the Announcement), the 3-year option period, as well as taking into account that the Warrants can be exercised at any time commencing on the date falling twelve (12) months from the date of issue of the Warrants to its expiry, the theoretical value of the Warrants as computed by Bloomberg L.P. based on the Black-Scholes model would be approximately S\$0.19.

It should be noted that the theoretical value of the Warrants using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensure or will trade at or close to the theoretical value as suggested by the Black-Scholes model. The computation of the theoretical value of the Warrants are for illustrative purposes only and does not purport to be an indication of the actual value of the Warrants after the completion of the Rights cum Warrants Issue.

As stated in Section 3.4 of this IFA Letter, the Warrants may not be listed and quoted on the SGX-ST if there is an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants. Accordingly, there is no assurance that the Warrants will be listed on the SGX-ST.

5.5 Financial effects of the Rights cum Warrants Issue

The financial effects of the Rights cum Warrants Issue on the Company and the Group have been set out in Section 3 of the Circular and Shareholders are advised to read the information carefully, in particular the assumptions relating to the preparation of the financial effects. The financial effects are for illustrative purposes only and do not purport to be an indication or projection of the financial results and financial position of the Company and the Group after the completion of the Rights cum Warrants Issue. We set out below the summary of the financial effects on the Rights cum Warrants Issue:

- (i) NTA per Share – In the Maximum Subscription Scenario, the NTA per share of the Group as at 30 September 2017 would decrease from RM2.10⁽¹⁾ to RM1.38 after the issue of the Rights Shares and the Warrants and would decrease further to RM1.10 after the exercise of all the Warrants. In the Minimum Subscription Scenario, the NTA per share of the Group as at 30 September 2017 would decrease from RM2.10 to RM1.80 after the issue of the Rights Shares and the Warrants and would decrease further to RM1.60 after the exercise of all the Warrants. In the Excess Rights Scenario, the NTA per share of the Group as at 30 September 2017 would decrease from RM2.10 to RM1.68 after the issue of the Rights Shares and the Warrants and would decrease further to RM1.43 after the exercise of all the Warrants;
- (ii) Loss per Share – In the Maximum Subscription Scenario, the loss per Share of the Group for FY2017 would decrease from RM0.38⁽²⁾ to RM0.21 after the issue of the Rights Shares and the Warrants and would decrease further to RM0.15 after the exercise of all the Warrants. In the Minimum Subscription Scenario, the loss per Share of the Group for FY2017 would decrease from RM0.38 to RM0.31 after the issue of the Rights Shares and the Warrants and would decrease further to RM0.26 after the exercise of all the Warrants. In the Excess Rights Scenario, the loss per Share of the Group for FY2017 would decrease from RM0.38 to RM0.28 after the issue of the Rights Shares and the Warrants and would decrease further to RM0.22 after the exercise of all the Warrants;

1 Computed based on NTA per Share of the Group as at 30 September 2017 and adjusted for the Acquisition but before the issue of the Rights Shares and the Warrants.

2 Computed based on the net loss per share attributable to the owners of the Company for FY2017 and adjusted for the Acquisition but before the issue of the Rights Shares and the Warrants.

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- (iii) Share capital – In the Maximum Subscription Scenario, the Existing Share Capital would increase from S\$52.6 million⁽³⁾ comprising 141,918,499 Shares as at the Latest Practicable Date to S\$70.5 million comprising 255,453,298 Shares after the issue of the Rights Shares and would increase further to S\$88.6 million comprising 368,988,097 Shares after the issue of the Rights Shares and the exercise of all the Warrants. In the Minimum Subscription Scenario, the Existing Share Capital would increase from S\$52.6 million comprising 141,918,499 Shares as at the Latest Practicable Date to S\$57.4 million comprising 173,484,647 Shares after the issue of the Rights Shares and would increase further to S\$62.3 million comprising 205,050,795 Shares after the issue of the Rights Shares and the exercise of all the Warrants. In the Excess Rights Scenario, the Existing Share Capital would increase from S\$52.6 million comprising 141,918,499 Shares as at the Latest Practicable Date to S\$60.3 million comprising 191,663,527 Shares after the issue of the Rights Shares and would increase further to S\$68.1 million comprising 241,408,555 Shares after the issue of the Rights Shares and the exercise of all the Warrants; and
- (iv) Gearing – In the Maximum Subscription Scenario, the gearing of the Group would decrease from 0.53 times⁽⁴⁾ as at 30 September 2017 to 0.46 times after the issue of the Rights Shares and would decrease further to 0.40 times after the exercise of all the Warrants. In the Minimum Subscription Scenario, the gearing of the Group would decrease from 0.53 times as at 30 September 2017 to 0.51 times after the issue of the Rights Shares and would decrease further to 0.49 times after the exercise of all the Warrants. In the Excess Rights Scenario, the gearing of the Group would decrease from 0.53 times as at 30 September 2017 to 0.50 times after the issue of the Rights Shares and would decrease further to 0.47 times after the exercise of all the Warrants.

5.6 Other Relevant Considerations

5.6.1 Inter-conditionality of the resolutions at the EGM

Shareholders should note that:

- (a) the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional and this means that in the event that Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be passed and in the event that Ordinary Resolution 2 is not approved, Ordinary Resolution 1 will not be passed;
- (b) the passing of Ordinary Resolution 3 is conditional on Ordinary Resolution 1 and Ordinary 2 being approved and this means that in the event that either Ordinary Resolution 1 or Ordinary Resolution 2 is not approved, Ordinary Resolution 3 will not be passed; and
- (c) the passing of Ordinary Resolution 1 and Ordinary 2 are not conditional upon Ordinary Resolution 3 being approved and this means that the Company may elect to proceed with the Rights cum Warrants Issue if Ordinary Resolution 1 and Ordinary Resolution 2 are approved, even if Ordinary Resolution 3 is not approved, subject to the Company's compliance with Rule 803 of the Listing Manual.

It is pertinent to note that Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional upon one another. If either Ordinary Resolution 1 or Ordinary Resolution 2 is not approved, the Rights cum Warrants Issue will not take place.

3 Computed based on the share capital of the Company as at 30 September 2017 and adjusted for the Acquisition but before the issue of the Rights Shares and the Warrants.

4 Computation includes the bank borrowings of RM37.5 million used to finance the construction of the factory building for the manufacture of condensed milk and the purchase of plant and machinery in connection with the Acquisition.

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5.6.2 Dilution impact of the Rights cum Warrants Issue on the Independent Shareholders

As at the Latest Practicable Date, the Concert Party Group hold an aggregate of 40,931,286 Shares, representing approximately 28.84% of the Existing Share Capital. Pursuant to the Rights cum Warrants Issue and under the Minimum Subscription Scenario, the Concert Party Group may potentially have an aggregate shareholding interest in the Company of up to approximately 41.79% in the event that only the Undertaking Shareholders subscribe for their *pro rata* entitlements in full and none of the other Shareholders subscribe for their *pro rata* entitlements. Assuming that all of the Warrants held by the Undertaking Shareholders are exercised, the Concert Party Group's aggregate shareholding interest in the Company may further increase up to approximately 50.75%.

Pursuant to the Rights cum Warrants Issue and under the Excess Rights Scenario, the Concert Party Group may potentially have an aggregate shareholding interest in the Company of up to approximately 47.31% in the event that (i) only the Concert Party Group subscribe for their *pro rata* entitlements in full, (ii) none of the other Shareholders subscribe for their *pro rata* entitlements; and (iii) the Undertaking Shareholders subscribe for an aggregate of 17,000,000 excess Rights Shares. Assuming that all of the Warrants held by the Concert Party Group are exercised, the Concert Party Group's aggregate shareholding interest in the Company may further increase up to approximately 58.17%.

Based on the Minimum Subscription Scenario and the Excess Rights Scenario, the Independent Shareholders' aggregate shareholding interest in the Company may be diluted from approximately 71.16% as at the Latest Practicable Date to 49.25% and 41.83% respectively.

There will be no dilution impact on the Independent Shareholders in the event all Entitled Shareholders subscribe for all their *pro rata* entitlements of the Rights cum Warrants Issue and exercise all their Warrants issued under the Rights cum Warrants Issue.

5.6.3 Support from the Undertaking Shareholders

The Undertaking Shareholders together with their Concert Parties (as defined in the Circular) are the single largest Controlling Shareholders (as defined in the Circular) of the Group, and they hold 28.84% of the Existing Share Capital. The Undertaking Shareholders are also the founders of the Group and are longstanding shareholders in the Company. The Undertaking Shareholders are Directors (two (2) out of the six (6) Directors on the Board of Directors) and they were both appointed as Directors on 23 December 2003 and have remained as Directors since then.

We note that the Irrevocable Undertakings provided by the Undertaking Shareholders is a demonstration of their support for the Rights cum Warrants Issue and commitment to the Company.

5.6.4 Impact of the Rights cum Warrants Issue on the free float of the Company

Assuming that only Entitled Shareholders who are not public (as defined in the Listing Manual of the SGX-ST) subscribe and pay for all their *pro rata* entitlements of the Rights cum Warrants Issue as well as subscribe and pay for all available excess Rights Shares, and further exercise all their Warrants issued under the Rights cum Warrants Issue, the public float of the Company will decrease to approximately 12%, which is above the minimum 10% free float requirement.

We note that the Company will likely remain compliant with Rule 723 of the Listing Manual of the SGX-ST after the completion of the Rights cum Warrants Issue. Hence, the Company will likely maintain its listing status after the completion of the Rights cum Warrants Issue.

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5.6.5 Allotment of excess Rights Shares with Warrants

In the event that the Concert Party Group applies for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue, we note that in the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants.

5.6.6 Scaling down the level of subscription for the Rights cum Warrants Issue

We note that depending on the level of subscription for the Rights cum Warrants Issue, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants by any of the Substantial Shareholders in the event that the subscription and payment for their *pro rata* entitlements of Rights Shares and/or application for excess Rights Shares by a Substantial Shareholder would place the relevant Substantial Shareholder in the position of incurring a mandatory general offer obligation under the Code or result in a transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual of the SGX-ST.

5.6.7 The Group's working capital and capital commitments

We note that the Directors are of the opinion that barring any unforeseen circumstances that:

- (i) the Group is not under pressure from its bankers to repay any of its existing bank borrowings and there are currently no arrangements made or being made for the refinancing of the Group's borrowings;
- (ii) after taking into account the Group's present bank facilities, internal resources, operating cash flows and net proceeds of the Rights cum Warrants Issue under the Maximum Subscription Scenario, the Group has sufficient resources to meet its capital commitments;
- (iii) after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is not sufficient to meet its present requirements; and
- (iv) after taking into consideration the Group's present bank facilities, internal resources, operating cash flows and net proceeds of the Rights cum Warrants Issue under the Maximum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements.

In addition, we also note that even under the Minimum Subscription Scenario, the Company will have sufficient resources to operate as a going concern and meet its obligations as and when they fall due and, if necessary, the Company will defer and/or scale back the expansion of its existing businesses accordingly.

6. OUR OPINION AND ADVICE

In arriving at our advice in respect of the Whitewash Resolution, we have considered, *inter alia*, the following factors which should be read in the context of the full text of this letter:

- (i) the Rights Shares being offered to all Entitled Shareholders on a renounceable and *pro rata* basis;
- (ii) the rationale for the Rights cum Warrants Issue and the use of proceeds appears in line with the development and future plans of the Group;

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- (iii) the Issue Price and the Exercise Price represents a discount of approximately 46.7% and 77.3% to the lowest intra-day market price of the Shares and the highest intra-day market price of the Shares respectively during the 3-year period prior to the Announcement;
- (iv) the Issue Price and the Exercise Price represents a discount of approximately 28.9% and 57.3% to the lowest intra-day market price of the Shares and the highest intra-day market price of the Shares respectively during the period after the release of the Announcement and the Latest Practicable Date;
- (v) the Issue Price and the Exercise Price represents a discount of approximately 55.3%, 54.8%, 56.4%, 57.4%, 62.0% and 66.6% to the VWAP of the Shares for the 1-month, 3-month, 6-month, 12-month, 2-year and 3-year periods prior to the release of the Announcement respectively;
- (vi) the Issue Price and the Exercise Price represents a discount of approximately 50.7% to the VWAP of the Shares during the period after the release of the Announcement and the Latest Practicable Date;
- (vii) the Issue Price and the Exercise Price represents a discount of approximately 46.7% to the VWAP of the Shares as at the Last Traded Day;
- (viii) the Shares had generally underperformed the FTSAS over the three years leading up to the Announcement;
- (ix) the Issue Price and Exercise Price represents a discount of approximately 77.8% to the NAV per Share and a discount of approximately 74.8% to the NTA per Share as at 30 June 2018;
- (x) the Issue Price and Exercise Price represents a discount of approximately 57.3% to the Adjusted NAV per Share and a discount of approximately 53.2% to the Adjusted NTA per Share as at 30 June 2018;
- (xi) the discount of the Issue Price to the last transacted Share price prior to the Announcement of 57.3%, is within the range and above the mean and median discount of the Comparable Transactions of 35.7% and 32.5% respectively;
- (xii) the discount of the Issue Price to the TERP of the Shares of 42.7%, is within the range and above the mean and median discount of the Comparable Transactions of 21.7% and 21.5% respectively;
- (xiii) the discount of the Exercise Price to the TERP of the Shares of 42.7%, is within the range and above the mean and median discount of the Comparable Transactions of 3.0% and 3.7% respectively;
- (vi) the discount of the Issue Price to the TEREWP of the Shares of 34.1%, is within the range and above the mean and median discount of the Comparable Transactions of 24.3% and 22.0% respectively;
- (xiv) the discount of the Exercise Price to the TEREWP of the Shares of 34.1%, is within the range and above the mean and median discount of the Comparable Transactions of 2.0% and 6.7% respectively;
- (xv) the Warrants have a theoretical value of S\$0.19 per Warrant, and will be issued free to Entitled Shareholders on the basis of one (1) Warrant for every one (1) Rights Shares subscribed for;
- (xvi) the financial effects of the Rights cum Warrants Issue;

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- (xvii) the inter-conditionality of the resolutions at the EGM;
- (xviii) the dilution impact of the Rights cum Warrants Issue on the Independent Shareholders;
- (xix) the support from the Undertaking Shareholders;
- (xx) the impact of the Rights cum Warrants Issue on the free float of the Company;
- (xxi) the Directors and Substantial Shareholders will rank last in the allotment of excess Rights Shares with Warrants;
- (xxii) the scaling down of the level of subscription for the Rights cum Warrants Issue; and
- (xxiii) the Group's working capital and capital commitments.

Accordingly, after taking into account the above factors, we are of the opinion that, from a financial point of view, as of the date hereof, the Rights cum Warrants Issue which is the subject of the Whitewash Resolution is FAIR AND REASONABLE, and the Whitewash Resolution when considered in the context of the Rights cum Warrants Issue is not prejudicial to the interests of the Independent Shareholders. Accordingly, we advise the Independent Directors to recommend the Independent Shareholders to vote in favour of the Whitewash Resolution at the EGM.

Our opinion and advice set out in this IFA Letter is addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Whitewash Resolution. The recommendation to be made by them to the Independent Shareholders shall remain the responsibility of the Independent Directors. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose other than the Whitewash Resolution, at any time and in manner without our prior written consent in each specific case.

Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore. Our opinions and advice are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

ERIC WONG
DIRECTOR
INVESTMENT BANKING, SINGAPORE

NOTICE OF EXTRAORDINARY GENERAL MEETING

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 1 October 2018.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the shareholders of Envictus International Holdings Limited (the “**Company**”) will be held at Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 19 October 2018 at 10.00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: THE RIGHTS CUM WARRANTS ISSUE

That, contingent upon the passing of Ordinary Resolution 2 herein in this Notice of EGM, the non-underwritten renounceable rights issue of up to 113,534,799 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at the issue price of S\$0.16 for each Rights Share, and up to 113,534,799 free detachable warrants (the “**Warrants**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share (“**Warrant Share**”) in the capital of the Company at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company held by the Shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined (the “**Books Closure Date**”), and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded (“**Rights cum Warrants Issue**”), be and is hereby approved and authority be and is hereby given to the Board of Directors of the Company to:

- (a) create and issue:
- (i) such number of Rights Shares as the Directors may determine up to 113,534,799 Rights Shares at an issue price of S\$0.16 for each Rights Share;
 - (ii) such number of Warrants as the Directors may determine up to 113,534,799 Warrants in registered form to be issued together with the Rights Shares, each such Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of S\$0.16 for each Warrant Share at any time during the period commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll (the “**Deed Poll**”) constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit; and
 - (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (b) provisionally allot and to issue up to 113,534,799 Rights Shares with up to 113,534,799 Warrants at an issue price of S\$0.16 for each Rights Share on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company held by the Shareholders of the Company as at the Books Closure Date, and one (1) free Warrant for every one (1) Rights Share, fractional entitlements to be disregarded; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) up to 113,534,799 Warrant Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrant Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such further new ordinary shares in the capital of the Company as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(iii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may deem fit:

- (a) the provisional allotments of the Rights Shares with Warrants under the Rights cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of four (4) Rights Share for every five (5) existing ordinary shares in the capital of the Company then held by the Shareholders, and one (1) Warrant for every one (1) Rights Share subscribed or in such other proportions as the Directors may deem fit;
- (b) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
- (c) the entitlements to the Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to Purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;
- (d) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
- (e) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distribution, the record date for which falls before the date of issue of the Rights Shares,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Shares and Warrants and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE WHITEWASH RESOLUTION

That contingent upon the passing of Ordinary Resolution 1 in this Notice of EGM, approval be and is hereby given as follows:

subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter of 11 September 2018, Shareholders (other than the Concert Party Group) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Undertaking Shareholders in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), in the event that the Concert Party Group's acquisition of: (a) their entitlement of the Rights Shares with Warrants and in aggregate up to 17,000,000 excess Rights Shares with Warrants; and (b) the Warrants Shares upon exercise of the Warrants acquired during the Rights cum Warrants Issue results in the Concert Party Group incurring an obligation to make a mandatory general offer pursuant to Rule 14 of the Code.

Voting Exclusion: The Company will, in accordance with the conditional waiver by the SIC, disregard any votes cast on this resolution by the Concert Party Group. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ORDINARY RESOLUTION 3: POTENTIAL TRANSFER OF CONTROLLING INTEREST

That contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2 herein in this Notice of EGM:

- (a) approval be and is hereby given to the allotment and issuance by the Company of Rights Shares, Warrants, Warrant Shares and/or excess Rights Shares with Warrants (if any) to Mr. Khor Sin Kok, on and subject to the terms of the Rights cum Warrants Issue, to the extent that such allotment and issuance by the Company of Rights Shares and Warrants constitutes a transfer of Controlling Interest in the Company to Mr. Khor Sin Kok pursuant to Rule 803 of the Listing Manual; and
- (b) any of the Directors be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this resolution as he shall think fit and in the interests of the Company.

Voting Exclusion: Mr. Khor Sin Kok shall abstain, and shall procure that his associates abstain, from voting on resolutions approving Ordinary Resolution 3 and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 3 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

BY ORDER OF THE BOARD

S Surenthiraraj @ S Suresh
Kok Mor Keat
Company Secretaries

Singapore
1 October 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Share Registrar's Office at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 72 hours before the time for holding EGM.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

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

PROXY FORM

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Company Registration No. 200313131Z)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

I/We, _____

of _____

being a member/members of Envictus International Holdings Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and at the Extraordinary General Meeting ("EGM") of the Company to be held on 19 October 2018 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/ proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the proxy/proxies will vote or abstain from voting at his/their discretion. If no person is named in the above boxes, the Chairman of the EGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the EGM as indicated hereunder for me/us and on my/our behalf at the EGM and at any adjournment thereof.

	Number of Votes For	Number of Votes Against
Ordinary Resolution 1 To approve the Rights cum Warrants Issue		
Ordinary Resolution 2 To approve the Whitewash Resolution		
Ordinary Resolution 3 To approve the Potential Transfer of Controlling Interest to Mr. Khor Sin Kok		

Notes:

1. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please insert [x] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.
2. Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM dated 1 October 2018 for the full purpose and intent of the resolutions to be passed.

Dated this _____ day of _____ 2018.

Total Number of Shares held	
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the Extraordinary General Meeting. Such proxy need not be a member of the Company.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Extraordinary General Meeting. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company’s Share Registrar at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 72 hours before the time appointed for the EGM. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Seal or under the hand of an officer or attorney duly authorised.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where 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 a member whose Shares are 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

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