

SINOMEM TECHNOLOGY LIMITED

Registration No. 200208107G

(Incorporated in Singapore)

PROPOSED ISSUE OF S\$80,000,000 IN PRINCIPAL AMOUNT OF CONVERTIBLE BONDS DUE 2011

On 16 November 2006, Sinomem Technology Limited (the "**Company**") announced that it proposed to issue S\$80,000,000 in principal amount of convertible bonds due 2011 (the "**Bonds**") convertible into 64,000,000 fully paid ordinary shares in the capital of the Company (the "**Conversion Shares**") at an initial conversion price of S\$1.25 per Conversion Share.

The Company is pleased to announce that in-principle approval has been granted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Company, subject to the fulfilment of certain conditions as stipulated by the SGX-ST, for the listing and quotation of the Conversion Shares to be issued upon conversion of the Bonds from time to time. Such approval is not an indication of the merits of the Company, the Bonds or the Conversion Shares.

Summary of the terms and conditions of the Bonds

The salient terms and conditions of the Bonds (the "**Conditions**") are summarised as follows:

Interest Rate

The Bonds do not bear any interest.

Form and Denomination

The Bonds are issued in registered form in the denomination of S\$1,000,000 each.

Conversion Right

Any Bond may be converted into Conversion Shares, at the option of the holder thereof, at any time on and after 20 December 2006 up to the close of business on 23 November 2011 or if such Bond shall have been called for redemption before 14 December 2011 (the "**Maturity Date**"), then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof. The maximum number of Conversion Shares to be issued to a single party shall not exceed 15 per cent. of the Company's enlarged issued share capital following the issue of such Conversion Shares.

Conversion Price

S\$1.25 per Conversion Share (the "**Conversion Price**"), subject to adjustment from time to time in the manner provided in the Conditions. The Conversion Price represents a premium of approximately 24.78% to the weighted average price of S\$1.0018 for trades done on the SGX-ST on 15 November 2006.

Dilution

Based on the Conversion Price (and assuming no adjustments to the Conversion Price), up to 64,000,000 Conversion Shares are expected to be issued and allotted to the holders of the Bonds upon the full exercise of their right to convert the Bonds.

Adjustment to Conversion Price

The Conversion Price will only be adjusted in accordance with the Conditions. Please refer to the Appendix for further details.

Redemption

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Bonds will be redeemed by the Company at the outstanding principal amount plus redemption interest of 30.5 per cent. of its outstanding principal amount on the Maturity Date.

The Conditions provide optional redemption rights at the option of the Company in certain circumstances. These circumstances include:

- (a) **Redemption at the Option of the Company.** At any time after 14 December 2009 and prior to the Maturity Date, the Company may, having given not less than 30 nor more than 60 days' notice to the bondholders and the Principal Paying Agent (as defined in the Conditions) (which notice will be irrevocable), redeem all and not some only of the Bonds at the outstanding principal amount plus Early Redemption Interest Amount (as defined in the Conditions) (together, the "**Early Redemption Amount**") on the redemption date, provided, however, that no such redemption may be made unless (i) the closing price of the Shares (as quoted by the SGX-ST or, as the case may be, an alternative stock exchange) for each of the 30 consecutive trading days, the last day of which falls within five trading days prior to the date upon which notice of such redemption is given was at least 130 per cent. of the applicable Early Redemption Amount in effect on such trading day divided by the Conversion Ratio (as defined in the Conditions) or (ii) at least 90 per cent. in principal amount of the Bonds has already been converted, redeemed or purchased and cancelled.
- (b) **Redemption for Taxation Reasons.** At any time the Company may, having given not less than 30 nor more than 60 days' notice to the bondholders in accordance with the Conditions (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at an Early Redemption Amount on the redemption date if (i) the Company has or will become obliged to pay additional amounts as referred to in the Conditions as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 14 December 2006, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.
- (c) **Redemption at the Option of the Bondholders.** The Company will, at the option of the holder of any Bond, redeem all or some of the holder's Bonds on 14 December 2009, at the outstanding principal amount plus redemption interest of 17.3 per cent. of the outstanding principal amount.
- (d) **Redemption for Delisting or Change of Control or Merger.** Following the occurrence of a Relevant Event (as defined in the Conditions), the holder of each Bond shall have the right at such holder's option, to require the Company to redeem all or some only of that holder's Bonds on the Relevant Event Redemption Date (as defined in the Conditions) at the Early Redemption Amount.

Cash Settlement

Notwithstanding the Conversion Right (as defined in the Conditions) of each bondholder in respect of each Bond, at any time when the delivery of Conversion Shares is required to satisfy the Conversion Right in respect of a conversion notice, the Company shall have the option to pay to the relevant bondholder an amount of cash in Singapore dollars equal to the Cash Settlement Amount (as defined in the Conditions) in order to satisfy such Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares).

Rights of the Bondholders on Insolvency of the Company or any of its subsidiary

If the Company or any of its subsidiaries, *inter alia*, is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, then any Bond may, by notice in writing given to the Principal Agent (as defined in the Conditions) at its specified office by the holder of such Bond, be declared immediately due and payable whereupon it shall become immediately due and payable at its Early Redemption Amount without further formality.

Other events of default in respect of the Bonds are stated in the Conditions.

Transfer of Bonds

Subject to the Agency Agreement (as defined in the Conditions), a Bond may be transferred by delivery of the certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the registrar or any of the agents. No transfer of a Bond will be valid unless and until entered on the Register (as defined in the Conditions).

Transfers of interests in the Bonds evidenced by a global certificate will be effected in accordance with the rules of the relevant clearing systems.

Status of the Bonds and Conversion Shares

The Bonds constitute direct, unsubordinated, unsecured and unconditional obligations of the Company. The Bonds shall at all times rank *pari passu* and without any preference or priority among themselves and with all other present and future unconditional, unsecured and unsubordinated obligations of the Company. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation and law and subject to the Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The Conversion Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Company's ordinary shares in issue on the date the holder of the Conversion Shares is registered as the holder of record of the number of shares issuable upon conversion (the "**Registration Date**"). Save as set out in the Conditions, a holder of the Conversion Shares shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

Governing Law

The Bonds are governed by, and shall be construed in accordance with, the laws of Singapore.

Submitted by
Dr Lan Weiguang
Managing Director
14 December 2006

This announcement is not an offer of securities for sale in the United States or in Singapore. Securities may not be sold in the United States unless they are registered or are exempt from registration. The Company does not intend to register any portion of this offering in the United States, in Singapore or elsewhere or to conduct a public offering in the United States or in Singapore.

It may be unlawful to distribute this announcement in certain jurisdictions. This announcement is not for distribution in Canada, Japan or Australia. The information in this announcement does not constitute an offer of securities for sale in Canada, Japan or Australia.

Appendix

The following is an extract from Condition 6(C) that sets out the circumstances that will lead to an adjustment to the Conversion Price and the manner in which the Conversion Price will be adjusted.

"C. *Adjustments to Conversion Price*

The Conversion Price will be subject to adjustment in the following events:

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

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

Where:

A is the number of Shares immediately before such alteration; and

B is the number of Shares immediately after such alteration.

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

- (2) *Capitalisation of Profits or Reserves*:

- (i) If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (except any Scrip Dividend) and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

A is the aggregate number of the issued Shares immediately before such issue;
and

B is the aggregate number of the issued Shares immediately after such issue.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

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

Where:

- A is the aggregate number of the issued Shares immediately before such issue;
- B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate number of Shares issued by way of such Scrip Dividend;

or by making such other adjustment as an Independent Investment Bank shall certify as fair and reasonable.

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

(3) *Distributions:*

- (i) Subject to Condition 6(C)(3)(ii), if and whenever the Issuer shall pay or make any Distribution to the Shareholders (except to the extent, but only to the extent, that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Distribution attributable to one Share.

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

- (ii) If and whenever the Issuer shall pay or make any Distribution in cash only to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the record date for the determination of Shareholders entitled to receive such Distribution in cash; and
- B is the amount of cash so distributed attributable to one Share.

Such adjustment shall become effective on the record date for the determination of Shareholders entitled to receive such Distribution in cash.

- (4) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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

Where:

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

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

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

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

Where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

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

- (6) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean

such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

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

- (7) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer on conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

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

- (8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

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

Where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

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

- (9) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with which an offer to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(4), Condition 6(C)(5) or Condition 6(C)(6)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

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

- (10) *Other Events:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6, the Issuer shall, at its own expense, consult an Independent

Investment Bank, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result.

(11) *Calculation of Consideration Receivable:* For the purpose of any calculation of the consideration receivable pursuant to Conditions 6(C)(6), 6(C)(7) and 6(C)(8):

- (a) *Issue of Shares for Cash:* the aggregate consideration receivable for Shares issued for cash shall be the amount of such cash provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Issuer for any underwriting of the issue or otherwise in connection therewith;
- (b) *Issue of Shares on Conversion or Exercise of Securities:* (1) the aggregate consideration receivable for the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Issuer for any such securities and (2) the aggregate consideration receivable for the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Issuer for such securities which is attributed by the Issuer to such rights of subscription or, if no part of such consideration is so attributed, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities as determined in good faith by an Independent Investment Bank, plus in the case of each of (1) and (2) above, the additional minimum consideration (if any) to be received by the Issuer on the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such cases to be determined subject to the proviso in Condition 6(C)(11)(a)) and (3) the consideration per Share receivable by the Issuer on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into Singapore dollars if such consideration is expressed in a currency other than Singapore dollars at such rate of exchange as may be determined in good faith by an Independent Investment Bank to be the spot rate ruling at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate.

- (12) *More than One Event in Quick Succession:* Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in its opinion appropriate for that purpose to give such intended result.
- (13) *Employee Share Option Scheme:* The Conversion Price shall not be subject to any adjustment as a result of any issue of Shares by the Issuer pursuant to the employee share option scheme adopted by the Issuer on 18 June 2003.
- (14) *Independent Investment Banks' Certificate Conclusive:* If any doubt shall arise as to the appropriate adjustment to the Conversion Price a certificate or report of an Independent Investment Bank shall be conclusive and binding on all concerned save in the case of manifest error.
- (15) *Rounding and Minor Adjustments:* On any adjustment, the resultant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustments shall be given to Bondholders in accordance with Condition 16 as soon as practicable after their determination.
- (16) *No Discount:* The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would fall to be issued at a discount in circumstances not permitted by applicable law.
- (17) *Selection of Independent Investment Bank:* If the Issuer fails to select an Independent Investment Bank when required for the purposes of this Condition 6, the Bondholders may by a bondholders' resolution select such bank (as the case may require) at the expense of the Issuer.
- (18) *Post-Record Date Adjustments:* If the Conversion Date in relation to any Bond shall be after the record date for any such issue, distribution or grant as is mentioned in Conditions 6(C)(2) to 6(C)(5) and 6(C)(9), or any such issue as is mentioned in Conditions 6(C)(6) and 6(C)(7) which is made to the Shareholders or any of them, but before the relevant adjustment becomes effective under Condition 6(C), the Issuer shall (conditional on such adjustment becoming effective) procure that there be issued to the converting Bondholder or in accordance with the instructions contained in the Conversion Notice such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment (more particularly referred to in the said Conditions above) to the Conversion Price had in fact been made and become effective immediately after the relevant record date. Such additional Shares will be allotted as at, and within one month after, the relevant Conversion Date or, if the adjustment results from the issue of Shares, the date of issue of Shares. Certificates for such Shares will be despatched within such period of one month.

- (19) *Agents not obliged to monitor:* The Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so.
- (20) *Spin-Off:* For the avoidance of doubt, the Conversion Price shall be adjusted in accordance with this Condition 6 where, in connection with an initial public offering of securities of a Subsidiary (the “**Spin-off**”), the Issuer (a) pays or makes a Distribution to its Shareholders or (b) issues any securities to its Shareholders by way of rights or (c) makes arrangements whereby Shareholders are entitled to participate in such Spin-off by acquiring securities in the Spin-off (whether at a discount or otherwise), provided that where the Bondholders determine that the Spin-off is not an event or circumstance referred to in Condition 6(C)(3), Condition 6(C)(5) or Condition 6(C)(9), then Condition 6(C)(10) shall apply.

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“**Average Closing Price**” is the arithmetic average of the Closing Price per Share for each Trading Day during the Relevant Period. In making any such calculation, such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (c) the modification of any rights to dividends of Shares.

“**Closing Price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST or, as the case may be, an Alternative Stock Exchange for such day.

“**Current Market Price**” means, in respect of a Share at a particular date, the average of the closing prices quoted by the SGX-ST or an Alternative Stock Exchange for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said 20 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

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

“Distribution” means (a) any dividend or distribution (whether of cash or assets in specie) by the Issuer for any financial period (whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(2)(i)) by way of capitalisation of reserves and including any Scrip Dividend to the extent of the Relevant Cash Dividend) unless it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer), where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed the Current Market Price of the Shares as quoted by the SGX-ST or an Alternative Stock Exchange, as the case may be, by more than five per cent. either (1) on that date, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

“Fair Market Value” means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded and (iii) in connection with a Spin-off, the fair market value of options, warrants or other rights shall be calculated by reference to (1) the issue price of the securities in the Spin-off or (2) the average of the closing prices of the securities quoted by the relevant stock exchange or securities market on which the securities are then listed or quoted or dealt in for the period of five consecutive Trading Days commencing on the first day of trading of such securities, whichever is the greater.

“Independent Investment Bank” means an independent investment bank of international repute (acting as expert) selected by the Issuer and approved by the Bondholders.

“Relevant Cash Dividend” means any cash dividend specifically declared by the Issuer.

“Relevant Period” means the period beginning on the 10th Trading Day prior to the Trading Day (the **“relevant Trading Day”**) immediately preceding the date on which the Shares are quoted ex-dividend on the SGX-ST (or any relevant Alternative Stock Exchange) in respect the cash dividend which caused the adjustment to the Conversion Price pursuant to Condition 6(C)(3), and ending on the relevant Trading Day.

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under Condition 6(C)(3) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof).

“Trading Day” means a day when the SGX-ST or, as the case may be an Alternative Stock Exchange, is open for dealing business, provided that if no closing price is reported in respect

of the relevant Shares on the SGX-ST or, as the case may be the Alternative Stock Exchange, for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days."