

**CIRCULAR DATED 4 APRIL 2014**

**THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE DIRECTORS OF FU YU CORPORATION LIMITED AND THE ADVICE OF PARTNERS CAPITAL (SINGAPORE) PTE LTD. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Fu Yu Corporation Limited (the “**Company**”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company, you should immediately forward this Circular 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 assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**FU YU CORPORATION LIMITED**

(Company Registration Number: 198004601C)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**VOLUNTARY CONDITIONAL CASH PARTIAL OFFER**

by

**NG HOCK CHING**

to acquire 70,000,000 issued and paid-up ordinary shares in the capital of the Company other than those held in treasury and those already owned, controlled or agreed to be acquired by Ng Hock Ching or any party acting in concert with him

Independent Financial Adviser to the Directors of the Company



**Partners  
Capital**

**PARTNERS CAPITAL (SINGAPORE) PTE LTD**

(Company Registration Number: 200721675G)  
(Incorporated in the Republic of Singapore)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT THE ACCEPTANCE OF THE OFFER (AS DEFINED HEREIN) SHOULD BE RECEIVED BY THE OFFEROR (AS DEFINED HEREIN) BY 5.30 P.M. (SINGAPORE TIME) ON 21 APRIL 2014 OR SUCH LATER DATE(S), IF ANY, AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR. ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.**

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## DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

### GENERAL

- “Articles of Association”** : The articles of association of the Company
- “Board”** : Board of Directors of the Company
- “Circular”** : This Circular to Shareholders in relation to the Offer setting out, *inter alia*, the recommendation of the Directors and the advice of Partners Capital to the Directors in respect of the Offer
- “Closing Date”** : The First Closing Date or such later date(s), if any, as may be announced from time to time by or on behalf of the Offeror, being the closing time and date for the lodgement of acceptances of the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore
- “Company Securities”** : (a) Shares, (b) securities which carry voting rights in the Company, (c) convertible securities, warrants, options and derivatives in respect of Shares or such securities in (b)
- “Concert Parties”** : The parties acting or deemed to be acting in concert with the Offeror in connection with the Offer
- “CPF Agent Banks”** : Agent banks included under the CPFIS
- “CPFIS”** : Central Provident Fund Investment Scheme
- “CPFIS Investors”** : Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
- “Directors”** : The directors of the Company (all of whom are considered independent for the purpose of making a recommendation to Shareholders in respect of the Offer) as at the Latest Practicable Date, namely, Dr John Chen Seow Phun, Mr Ching Heng Yang, Mr Ho Kang Peng, Mr Ho Nee Kit, Mr Tam Wai, Mr Hew Lien Lee, Mr Tan Yew Beng and Mr Foo Say Tun
- “Encumbrances”** : Any liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
- “Entitlement Notification Letter”** : A letter that will be despatched to the Relevant Shareholders after the Record Date to notify them, *inter alia*, of their Relevant Percentage Offer Shares
- “ESOS Options”** : Options to subscribe for new Shares granted under the Scheme

<b>“FAA”</b>	:	Form of Acceptance and Authorisation, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
<b>“FAT”</b>	:	Form of Acceptance and Transfer, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
<b>“First Closing Date”</b>	:	5.30 p.m. on 21 April 2014
<b>“FY”</b>	:	Financial year ended or ending on, as the case may be, 31 December
<b>“IFA Letter”</b>	:	The letter dated 4 April 2014 from Partners Capital (Singapore) Pte Ltd to the Directors in respect of the Offer as set out in Appendix I to this Circular
<b>“Latest Practicable Date”</b>	:	26 March 2014, being the latest practicable date prior to the printing of this Circular, save that where parts of the Offer Document (including the letter from the Offeror to the Shareholders in the Offer Document) are reproduced, references to the “Latest Practicable Date” in such reproduction shall mean the Offer Document LPD
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading of securities
<b>“Offer”</b>	:	The voluntary conditional cash partial offer by the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
<b>“Offer Announcement”</b>	:	The announcement of the Offer by the Offeror, on the Offer Announcement Date
<b>“Offer Announcement Date”</b>	:	3 March 2014, being the date of the Offer Announcement
<b>“Offer Document”</b>	:	The offer document dated 18 March 2014 issued by the Offeror in relation to the Offer
<b>“Offer Document LPD”</b>	:	14 March 2014, stated in the Offer Document to be the latest practicable date prior to the printing of the Offer Document
<b>“Offer Price”</b>	:	S\$0.09 in cash for each Offer Share
<b>“Offer Shares”</b>	:	70,000,000 Shares, representing approximately 10.3% of the Relevant Shares as at the Offer Document LPD
<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses are outside Singapore, as shown in the Register or, as the case may be, in the records of CDP
<b>“Record Date”</b>	:	5.00 p.m. on 7 April 2014, being the date on which the Register and the Depository Register will be closed in order to determine the entitlements of the Relevant Shareholders to the Offer

<b>“Register”</b>	:	The register of holders of the Shares, as maintained by the Registrar
<b>“Relevant Percentage Offer Shares”</b>	:	The number of Shares each Relevant Shareholder is entitled to accept, being 103 for every 1,000 Shares or approximately 10.3% of the Relevant Shares held as at the Record Date by the Relevant Shareholders (fractional entitlements to be disregarded), assuming that no new Shares or treasury Shares are issued or transferred between the Latest Practicable Date and the Record Date
<b>“Relevant Shareholders”</b>	:	Shareholders (other than the Offeror and parties acting in concert with him) as at the Record Date
<b>“Relevant Shares”</b>	:	681,412,775 Shares, being the total of 732,834,775 Shares in issue less the 51,422,000 Shares already owned, controlled or agreed to be acquired by the Offeror or his Concert Parties as at the Offer Document LPD
<b>“Scheme”</b>	:	Fu Yu Employees Share Option Scheme
<b>“Securities Account”</b>	:	The securities account maintained by a depositor with CDP but not including a securities sub-account
<b>“Shareholders”</b>	:	Holders of Offer Shares, including depositors whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
<b>“%” or “per cent.”</b>	:	Percentage or per centum

#### **COMPANIES/ORGANISATIONS**

<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company” or “Fu Yu”</b>	:	Fu Yu Corporation Limited
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Offeror”</b>	:	Mr Ng Hock Ching
<b>“Partners Capital” or “IFA”</b>	:	Partners Capital (Singapore) Pte Ltd, the appointed independent financial adviser to the Directors in respect of the Offer
<b>“Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SIC”</b>	:	Securities Industry Council of Singapore

Unless otherwise defined, the terms “**acting in concert**” and “**associates**” shall have the meanings ascribed to them in the Code.

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them in Section 130A of the Companies Act.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

The term “**Controlling Shareholder**” shall have the meaning ascribed to it in the Listing Manual.

References to “**you**” and “**your**” in this Circular are to the Shareholders.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. 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 Companies Act, the Listing Manual or the Code or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the total 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.

References in this Circular to the total number of issued Shares are based on 732,834,775 Shares as at the Latest Practicable Date.

Capitalised terms used in extracts of the Offer Document shall have the same meanings as ascribed to them in the Offer Document.

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor Partners Capital assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

## SUMMARY TIMETABLE

Date of Despatch of Offer Document	:	21 March 2014
Date of Despatch of Circular	:	4 April 2014
Record Date	:	5.00 p.m. on 7 April 2014 <sup>(1)</sup>
Date of Despatch of Entitlement Notification Letter	:	On or about 10 April 2014
Closing Date	:	5.30 p.m. on 21 April 2014 or such later date(s), if any, as may be announced from time to time by or on behalf of the Offeror, being the closing time and date for the lodgement of acceptances of the Offer
Settlement of consideration for valid acceptances of the Offer <sup>(2)</sup>	:	Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, within 10 days of the date of receipt of acceptances by the Offeror which are complete and valid in all respects and are received on or before 5.30 p.m. (Singapore time) on the Closing Date

### Notes:

- (1) According to Rule 16 of the Code, the entitlements of the Shareholders to the Offer will be in proportion to the number of Shares held in their Securities Accounts as at the Record Date, being the 14th day before the Closing Date.
- (2) Please refer to paragraph 2 of Appendix A to the Offer Document for further details.



# FU YU CORPORATION LIMITED

(Company Registration Number: 198004601C)  
(Incorporated in the Republic of Singapore)

## LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

### Directors:

Dr John Chen Seow Phun (Non-Executive Chairman and Independent Director)  
Mr Ching Heng Yang (Vice Chairman and Executive Director)  
Mr Ho Kang Peng (Executive Director and Chief Executive Officer)  
Mr Ho Nee Kit (Executive Director)  
Mr Tam Wai (Executive Director)  
Mr Hew Lien Lee (Executive Director and Chief Operating Officer)  
Mr Tan Yew Beng (Non-Executive Director and Independent Director)  
Mr Foo Say Tun (Non-Executive Director and Independent Director)

### Registered Office:

8 Tuas Drive 1  
Singapore 638675

4 April 2014

To: The Shareholders of Fu Yu Corporation Limited

Dear Sir/Madam,

## **VOLUNTARY CONDITIONAL CASH PARTIAL OFFER BY THE OFFEROR FOR THE OFFER SHARES**

### **1. INTRODUCTION**

#### **1.1 Offer Announcement**

On the Offer Announcement Date, the Offeror announced that the Offeror intends to make a voluntary conditional cash partial offer in accordance with the Code.

A copy of the Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

#### **1.2 Offer Document**

Shareholders should have by now received a copy of the Offer Document, as announced by the Offeror to have been despatched on 21 March 2014, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Sections 2 and 3 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

#### **1.3 Independent Financial Adviser**

Partners Capital (Singapore) Pte Ltd has been appointed as the independent financial adviser to the Directors in respect of the Offer.

## 1.4 Purpose of Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Directors and the advice of the IFA to the Directors in respect of the Offer.

**Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Directors and the advice of the IFA to the Directors in respect of the Offer before deciding whether or not to accept the Offer.**

**If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.**

## 2. THE OFFER

### 2.1 Offer Terms

Based on the information set out in the Offer Document, the Offeror has made the Offer to acquire the Offer Shares in accordance with the Code, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT and on the following basis:

- (a) **For each Offer Share: S\$0.09 in cash**
- (b) **Relevant Shareholders.** The Offer will be extended to all Relevant Shareholders as at the Record Date.
- (c) **Offer Shares.** The Offer Shares comprise 70,000,000 Shares (the “**Offer Shares**”), representing approximately 10.3% of the Relevant Shares.
- (d) **Offeror’s Resultant Shareholding.** As stated in the Offer Document, assuming that the Offer is successful, the aggregate shareholding of the Offeror and his Concert Parties will amount to 121,422,000 Shares, representing approximately 16.6% of the total issued Shares, comprising (i) the 51,422,000 Shares already owned, controlled or agreed to be acquired by the Offeror or his Concert Parties; and (ii) the 70,000,000 Offer Shares that are accepted and/or tendered under the Offer.
- (e) **No Encumbrances.** The Offer Shares will be acquired fully paid and free from all Encumbrances and together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date, together with all interest accrued thereon. Accordingly, in the event the Offer becomes or is declared unconditional in all respects in accordance with its terms and:
  - (1) if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the books closure date for the determination of entitlement to any such dividend (“**Books Closure Date**”), the Offeror will pay the relevant accepting Shareholder the Offer Price for each Offer Share; and
  - (2) if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Books Closure Date, the Offeror will reduce the Offer Price by the amount of the dividend.

## 2.2 Offer Conditions

The conditions of the Offer are more particularly described in Section 3 of this Circular.

## 2.3 ESOS Options

Under the rules of the Scheme, the ESOS Options are not transferable unless with the prior approval of the committee administering the Scheme. In view of this restriction, the Offeror will not make an offer to acquire the ESOS Options. However, as stated in the Offer Document, the Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the ESOS Options on or prior to the close of the Offer. For the purposes of the Offer, the expression “**Offer Shares**” shall include all such new Shares.

As at the Latest Practicable Date, there are 34,740,000 outstanding ESOS Options granted under the Scheme.

## 2.4 No Other Class of Shares or Convertible Securities

As at the Latest Practicable Date, the Company:

- (a) has only one class of shares in issue, namely, the Shares; and
- (b) save for the ESOS Options, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

Accordingly, no comparable offer needs to be made for any other class of shares in the capital of the Company.

## 2.5 Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date, together with all interest accrued thereon. Accordingly, in the event the Offer becomes or is declared unconditional in all respects in accordance with its terms and:

- (a) if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the Books Closure Date, the Offeror will pay the relevant accepting Shareholder the Offer Price for each Offer Share; and
- (b) if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Books Closure Date, the Offeror will reduce the Offer Price by the amount of the dividend.

## 2.6 Record Date

As stated in the Offer Document, the Depository Register and the Register will be closed on the Record Date for the purpose of determining:

- (a) the entitlements of the Relevant Shareholders to accept the Offer; and
- (b) the Relevant Percentage Offer Shares of each Relevant Shareholder.

A Relevant Shareholder who is a Depositor and who wishes to accept the Offer must ensure that there are Shares standing to the credit of the "Free Balance" of his Securities Account as at the Record Date. A Relevant Shareholder who is not a Depositor and who wishes to accept the Offer must ensure that there are Shares registered in his name in the Register as at the Record Date.

For the avoidance of doubt, a person who becomes a Shareholder after the Record Date, as a result of a purchase or transfer of Shares, shall not be entitled to tender his Shares for the purposes of accepting the Offer.

## 2.7 Closing Date

Shareholders should note that the Offer will close at 5.30 p.m. on 21 April 2014 or such later date(s), if any, as may be announced from time to time by or on behalf of the Offeror.

## 2.8 Further Details on the Offer

Appendix A to the Offer Document contains further details on the Offer, namely (a) the duration of the Offer, (b) the settlement of the cash consideration for the Offer, (c) the requirements relating to the announcement of level of acceptances of the Offer, and (d) the right of withdrawal of acceptances of the Offer.

## 2.9 Procedures for Acceptance of the Offer

As stated in Appendix B to the Offer Document, an Entitlement Notification Letter will be despatched to the Relevant Shareholders after the Record Date to notify them, *inter alia*, of their Relevant Percentage Offer Shares.

**If you are unsure about the number of Shares you hold as at the Record Date, before completing the FAA and/or the FAT, you may wish to wait until you receive the Entitlement Notification Letter after the Record Date, as the letter will notify you of the Relevant Percentage Offer Shares as at the Record Date.**

Further details on the procedures for acceptance of the Offer are set out in Appendix B to the Offer Document.

## 3. CONDITIONS OF THE OFFER

The information on the conditions of the Offer set out in italics below has been extracted from Section 3 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

**“3.1 Offer Conditions.** *The Partial Offer shall be subject to the following conditions:–*

- (a) **Minimum Acceptance.** *The Offeror having received, by the Closing Date, valid acceptances and/or tenders in respect of not less than 70,000,000 Shares representing approximately ten point three per cent. (10.3%) of the Relevant Shares;*
- (b) **No Material Transaction.** *No announcement, agreement, arrangement, memorandum of understanding and/or statement of intention (whether or not legally binding) relating to any Material Transaction (as defined below) shall have been released, entered into and/or completed or consummated prior to the close of the Partial Offer.*

*For these purposes, a “Material Transaction” means a transaction or proposed transaction involving:*

- (i) *the Offeree or any of its subsidiaries (the “Offeree Group”) or any of its associated companies (the “Offeree Affiliate”), or to which any member of the Offeree Group or any Offeree Affiliate is a party (I) which has a consideration or value (whether in cash or otherwise) equal to or greater than 20% of the unaudited net asset value of the Offeree Group as of 31 December 2013, or (II) which is outside the ordinary course of business of the Offeree Group;*
- (ii) *any issue of Shares or securities which carry voting rights in the Offeree, or are convertible into Shares or securities which carry voting rights in the Offeree, or rights to subscribe for or options in respect of such securities; or*
- (iii) *a recommendation, declaration or payment by any member of the Offeree Group or any Offeree Affiliate of dividends or other distributions (including, without limitation, interim dividends) other than dividends that may be declared, made or paid in respect of the financial year ended 31 December 2013,*

*whether such transaction (aa) involves an acquisition, disposal, takeover offer, scheme of arrangement or reconstruction, merger, consolidation or other combination, dual-listed companies structure, joint venture, strategic alliance or otherwise; or (bb) involves a single transaction or a number of related transactions and whether at one time or over a period of time);*

- (c) **No Material Adverse Change.** *Since 31 December 2013:*

- (i) *there being no material adverse change in the assets, business, financial condition, profits, liabilities, prospects or results of operations of the Offeree Group taken as a whole; or*
- (ii) *there being no litigation, winding up (whether initiated by creditors or otherwise), arbitration, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the Offeree Group or any Offeree Affiliate which could have a material adverse effect on the Offeree Group taken as a whole;*

*in each case so as to cause or to be likely to cause either the net assets or the net profit after tax of the Offeree Group to be decreased by more than five per cent. (5%);*

- (d) **No Winding-Up.** *The Offeree shall not have authorised, recommended, proposed or entered into an agreement, agreement in principle or arrangement or understanding with respect to any liquidation, winding up, dissolution, merger, consolidation, release or relinquishment of any material contractual right, any material change in the Offeree's share capital, or other right of the Offeree or any event having an analogous effect and not in the ordinary course of business; and*
- (e) **Continued Listing.** *No suspension (other than a trading halt at the request of the Offeree) by the SGX-ST of trading of the Shares on the SGX-ST and no removal of the Offeree by the SGX-ST from its official list.*

*The Partial Offer will not become or be capable of being declared unconditional in all respects unless all the above Offer Conditions are satisfied or waived prior to the close of the Offer, and that save for condition 3.1(a) above, the Offeror will not invoke any Offer Condition that will cause the Partial Offer to lapse, unless (i) the circumstances which give rise to the right to invoke the relevant Offer Condition are of material significance to the Offeror in the context of the Partial Offer; and (ii) prior consent has been obtained from the SIC.*

3.2 **SIC Approval.** *On 14 February 2014, the SIC granted its consent to the Offeror making of the Partial Offer in accordance with Rule 16.1 and Rule 16.2 of the Code subject to the following conditions:–*

- (a) *Arrangements are made with the SGX-ST prior to the posting of the Offer Document to provide a temporary trading counter to trade odd-lots in the Offeree's shares after the close of the Partial Offer, which will be open for a reasonable period of time, and in any event, not shorter than one (1) month;*
- (b) *The Partial Offer is made to all Shareholders of the class and arrangements are made for those Shareholders who wish to accept in full for their Relevant Percentage Offer Shares. Shares tendered in excess of this percentage should be accepted by the Offeror from each Shareholder in the same proportion as the number tendered, to the extent necessary to enable the Offeror to obtain the total number of Shares for which he has offered. The Offeror should arrange the acceptance procedure to minimise the number of new odd-lot shareholdings;*
- (c) *Where a Partial Offer is made for a company with more than one class of equity share capital, a comparable offer is made for each other class, as applicable;*
- (d) *An appropriate partial offer is made for outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights, and in addition, the Partial Offer to Shareholders is extended to holders of newly issued Shares arising from the exercise of such instruments, subscription rights or options during the offer period;*
- (e) *The precise number of Shares, percentage or proportion offered is stated, and the Partial Offer may not be declared unconditional as to acceptances unless acceptances are received from not less than that number, percentage or proportion; and*
- (f) *The Offeror not acquiring voting rights in the Offeree during the offer period.*

3.3 **Satisfaction of Conditions.** *Pursuant to Rule 22.10 of the Code, except with SIC's consent, all the Offer Conditions must be fulfilled or the Partial Offer must lapse within 21 days of 21 April 2014, being the first Closing Date or of the date the Partial Offer becomes or is declared unconditional as to acceptances, whichever is the later."*

#### 4. INFORMATION ON THE OFFEROR

The information on the Offeror set out in italics below has been extracted from Section 9 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

##### **“9. INFORMATION ON THE OFFEROR**

9.1 **Offeror.** *The Offeror was appointed as an executive director of the board of directors of the Offeree in January 2010, and resigned on 29 January 2013. The Offeror is currently an employee (general manager) of two of the Offeree’s Singapore subsidiaries, NanoTechnology Manufacturing Pte Ltd (80% owned) and SolidMicron Technologies Pte Ltd (100% owned), and his role is to manage and oversee the operations of these entities.*

9.2 **Concert Parties.** *The Offeror’s father, Mr Ng Soon Teck who holds 150,000 Shares (approximately 0.02% of the total issued and paid up Shares of the Offeree (the “Concert Party Shares”)) in the Offeree is presumed to be a Concert Party as he falls within the definition of “close relative” under the Code. In light of the fact that this relates to a partial offer (and not a general offer) and in order to give certainty to the scope of the Partial Offer,*

*(i) the Concert Party Shares will not form a part of the Offer Shares;*

*(ii) the Partial Offer will not be extended to the Concert Party; and*

*(iii) any and all Concert Party Shares, if purported to be tendered in acceptance of the Partial Offer, will not count towards the acceptance condition under subparagraph 3.1(a) of the Offer Document.*

9.3 **Additional Information.** *Appendix C of this Offer Document sets out the interests and dealings in Shares by the Offeror and/or his Concert Parties and the special arrangements entered into by the Offeror and/or his Concert Parties, where applicable.”*

Additional information on the Offeror is set out in Appendix C to the Offer Document.

#### 5. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror’s intentions for the Company (including relating to the listing status and compulsory acquisition of the Company) have been extracted from Section 11 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

## **“11. RATIONALE FOR THE PARTIAL OFFER AND INTENTIONS FOR THE OFFEREE**

### **11.1 Rationale for the Partial Offer**

#### **(a) Investment in Fu Yu Corporation Limited.**

*The Partial Offer by the Offeror is for investment purpose. As the Offeror’s existing shareholding in the Offeree was acquired at a much higher cost compared to the current share price of the Offeree, the Offeror wishes to purchase additional shares in the Offeree now to average down his overall cost of investment in the Offeree.*

#### **(b) Fluctuation in Share Price of Fu Yu Corporation Limited.**

*Based on the Offeror’s personal knowledge and observation, the Offeree’s shares are thinly traded and the daily volume of transactions in the Offeree’s shares is low as compared to many other counters. As such, by making the Partial Offer, it would be expedient for the Offeror to secure the number of shares the Offeror wishes to purchase in the shortest time possible. In addition, by making the Partial Offer, the Offeror hopes to prevent a fluctuation in the share price which may likely happen should the Offeror purchase the Offeree’s shares in the open market especially when the shares of the Offeree are already thinly traded.*

### **11.2 Intention for Fu Yu Corporation Limited.**

*As disclosed in paragraph 9 (Information on the Offeror) above, the Offeror is currently an employee in the Offeree’s Singapore subsidiaries. The Offeror is not a director of the board of directors of the Offeree (“Board”) and is therefore not involved in the Board’s decision-making, strategising, planning or the overall management of the Offeree’s operations (this would include matters relating to the management and development of the business and assets and the employment matters of the Offeree Group) other than in his role as the general manager of the two Singapore subsidiaries of the Offeree as mentioned in paragraph 9.1 (Offeror) above. After the completion of the Partial Offer, it is the Offeror’s intention to remain as an employee of the Offeree’s Singapore subsidiaries.*

### **11.3 Listing Status and Compulsory Acquisition.** *As opposed to a general offer, the Partial Offer will not result in:*

- (a) either trading in the Shares on the SGX-ST being suspended or the Offeree being delisted from the SGX-ST due to a lack of public float; or*
- (b) the Offeror either being entitled or bound to exercise the rights of compulsory acquisition under Section 215(1) of the Companies Act. Neither would Shareholders be entitled to require the Offeror to acquire their Shares at the same terms as those under the Partial Offer under Section 215(3) of the Companies Act.”*

## **6. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER**

### **6.1 Independence of Directors**

All the Directors are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.



## 6.2 Partners Capital and IFA Letter

Shareholders should read and consider carefully the advice of the IFA to the Directors in respect of the Offer as set out in the IFA Letter and the recommendation of the Directors in their entirety before deciding whether or not to accept the Offer.

## 6.3 Advice of the IFA to the Directors on the Offer

Based on the IFA's assessment of the financial terms of the Offer from a financial point of view, the IFA has advised the Directors in the terms set out in Section 8 of the IFA Letter and reproduced in italics below. The advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

### **"8. CONCLUSION AND RECOMMENDATION**

*In arriving at our advice in respect of the Offer, we have taken into account, inter alia, the following key considerations summarised below. This summary should be read in conjunction with, and in the context of, the full text of this letter.*

- (a) Historical trading performance of the Shares;*
- (b) Relative Share price performance vis-à-vis the performance of the market index;*
- (c) Analysis of selected valuation statistics of broadly comparable companies to the Group;*
- (d) Comparison with recent partial take-over offers of companies listed on the SGX-ST;*
- (e) NTA of the Group; and*
- (f) Other relevant considerations.*

***Having carefully considered the information available as at the Latest Practicable Date and based on our assessment of the financial terms of the Offer, we are of the opinion that, on balance, the financial terms of the Offer are neither fair nor reasonable given the significant discount to the Group's NTA and taking into account the strong net cash position of the Group as at 31 December 2013.***

*Accordingly, we advise the Independent Directors to recommend to Shareholders who are prepared to take a long-term view of their investments in the Shares and/or are confident of the prospects of the Group to **REJECT** the Offer. We would highlight to Shareholders who wish to retain their Shares and not accept the Offer that the market price and/or trading liquidity of the Shares as at the Latest Practicable Date may not be sustained at the current levels after the close of the Offer or if the Offer lapses.*

*Shareholders who hold a short-term view of their investments in the Shares and who wish to realise their holdings in the Shares in the near term may wish to **ACCEPT** the Offer and/or **TENDER** Excess Shares if they are unable to obtain a price higher than the Offer Price (after deducting all related expenses) on the open market.*

*Shareholders who accept the Offer and/or tender Excess Shares should note that there is a possibility that their resultant residual shareholdings may, subject to the Offer becoming unconditional in all respects, comprise odd-lots after the Offer."*

## 6.4 Recommendation of the Directors

The Directors, having considered carefully the terms of the Offer and the advice given by the IFA to the Directors in the IFA Letter, **concur** with the advice and recommendation of the IFA in respect of the Offer. Accordingly, the Directors adopt the recommendation in respect of the Offer as set out in Section 6.3 above.

Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular and other relevant information set out in this Circular carefully before deciding whether to accept or reject the Offer. **Shareholders should note that the IFA's advice to the Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.**

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA to the Directors in respect of the Offer does not and cannot take into account future trading activities, patterns or price levels that may be established for the Shares beyond the Latest Practicable Date, since these are governed by factors beyond the ambit of the IFA's review.

In rendering the above advice and making the above recommendation, the IFA and the Directors have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. **As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual 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.**

## 7. OVERSEAS SHAREHOLDERS

Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**") should refer to Sections 15 and 16 of the Offer Document, extracts of which are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### **"15. OVERSEAS JURISDICTIONS**

*This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor is it a solicitation of any approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable laws. The Partial Offer will be made solely on the basis of the Offer Document, FAAs and FATs, which will contain the full terms and conditions of the Partial Offer, including details on how the Partial Offer may be accepted.*

*The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about, and observe such restrictions.*

## 16. OVERSEAS SHAREHOLDERS

16.1 **Overseas Shareholders.** *The making of the Partial Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Where there are potential restrictions on sending this Offer Document, the FAAs and the FATs to any overseas jurisdiction, the Offeror reserves the right not to send these documents to such overseas jurisdictions. For the avoidance of doubt, the Partial Offer is made to all Shareholders, including those to whom this Offer Document, the FAAs and the FATs have not been, or may not be, sent.*

*Overseas Shareholders may (subject to compliance with applicable laws) **attend in person** and obtain copies of this Offer Document, the FAAs, the FATs and any related documents, during normal business hours and up to 5.30 p.m. on the Closing Date, from:*

- (a) the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or*
- (b) The Central Depository (Pte) Limited at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807 on or prior to 11 April 2014, and at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 on or after 14 April 2014.*

*Alternatively, an Overseas Shareholder may (subject to compliance with applicable laws) write to:*

- (a) the Offeror c/o Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or*
- (b) the Offeror c/o The Central Depository (Pte) Limited at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807 on or prior to 11 April 2014, and at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 on or after 14 April 2014*

*to request for a copy of this Offer Document, the FAAs, the FATs and any related documents to be sent to an address in Singapore by ordinary post, up to three (3) Market Days prior to the Closing Date, at his own risk.*

*It is the responsibility of Overseas Shareholders who wish to request for this Offer Document, the FAAs, the FATs and any related documents to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Offer Document, the FAAs, the FATs and any related documents, each of the Overseas Shareholders represents and warrants to the Offeror that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.*

*It is the responsibility of Overseas Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdictions. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, his related corporations,*

*CDP and any persons acting on his behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, his related corporations, CDP and any persons acting on his behalf may be required to pay. In accepting the Partial Offer, each Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.*

***Any Overseas Shareholder who is in doubt about his position should consult his professional advisor in the relevant jurisdiction.***

**16.2 Notice.** *The Offeror reserves the right to notify any matter, including the fact that the Partial Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.”*

The Articles of Association provide that Shareholders who do not have a registered address in Singapore (as indicated on the Register or the Depository Register, as the case may be) shall provide an address in Singapore to the Company for the service of notices and documents by the Company. The Articles of Association further provide that a Shareholder who has supplied an address within Singapore to the Company or CDP at which notices may be served upon him shall be entitled to have served upon or delivered to him at such address any notice or document to which he is entitled to under the Articles of Association, and save for such Shareholders, no Shareholder shall be entitled to receive any notice or other document from the Company.

Accordingly, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may nonetheless (subject to compliance with applicable laws) attend in person and obtain copies of this Circular during normal business hours and up to 5.30 p.m. on the Closing Date, from the office of the Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may (subject to compliance with applicable laws) write to the Registrar at the above-stated address to request for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the Closing Date.

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

## **8. INFORMATION PERTAINING TO CPFIS INVESTORS**

As stated in the Offer Document, CPFIS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks shortly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information. If they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.

#### **9. ACTION TO BE TAKEN BY THE RELEVANT SHAREHOLDERS**

The Relevant Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on 21 April 2014 or such later date(s), if any, as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix B to the Offer Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than 5.30 p.m. on 21 April 2014 or such later date(s), if any, as may be announced from time to time by or on behalf of the Offeror.

The Relevant Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

Save for (a) the IFA Letter, (b) information extracted *in toto* from the Offer Document and (c) information relating to the Offeror, the Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Group in the context of the Offer and the Directors are not aware of any material facts the omission of which would make any statement in this Circular misleading in any material respect.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

Where any information in this Circular has been extracted from the Offer Document or published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular in its proper form and context.

Yours faithfully  
For and on behalf of the Board of Directors of  
**FU YU CORPORATION LIMITED**

Dr John Chen Seow Phun  
Chairman and Non-Executive Director

## LETTER FROM THE IFA TO THE DIRECTORS

4 April 2014

To: The Independent Directors  
Fu Yu Corporation Limited  
8 Tuas Drive 1  
Singapore 638675

Dear Sirs

### **VOLUNTARY CONDITIONAL CASH PARTIAL OFFER BY THE OFFEROR FOR THE OFFER SHARES**

#### **1. INTRODUCTION**

On the Offer Announcement Date, the Offeror announced that the Offeror intends to make a voluntary conditional cash partial offer in accordance with the Code.

Partners Capital (Singapore) Pte Ltd ("**Partners Capital**") has been appointed as the independent financial adviser ("**IFA**") to advise the directors of the Company who are regarded as independent for the purpose of the Offer (the "**Independent Directors**").

This letter sets out, *inter alia*, our evaluation of the financial terms of the Offer and our advice thereon. It will form part of the Circular issued by the Company, containing, *inter alia*, details of the Offer and the recommendations of the Independent Directors in respect of the Offer. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

#### **2. TERMS OF REFERENCE**

We have been appointed as the IFA to advise the Independent Directors in respect of their recommendations to the Shareholders in relation to the Offer.

We have confined our evaluation to the financial terms of the Offer and our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Offer or the future prospects of the Company or the Group and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Directors and the management ("**Management**") of the Company, although we may draw upon their views or make such comments in respect thereof (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 Offer 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 or any assets of the Group.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Company and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, Management and the Company's professional advisers. We have relied upon and assumed the accuracy of information provided and have not independently verified such information, whether written

or verbal, and accordingly we cannot and do not warrant or make any representation (whether expressed or implied) in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. However, we have made such reasonable enquiries and exercised our judgment as we deemed necessary on such information and have found no reason to doubt the accuracy or 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 in the Circular are true, complete and accurate in all material aspects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to the Group and the Offer have been disclosed to us, that such information is true, complete 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.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group and we have not been furnished with any such evaluation or appraisal.

Our opinion as set out in this letter is based upon prevailing market, economic, industry, monetary, regulatory and other conditions, as well as the information 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 on the future financial performance and/or financial position of the Company or the Group and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to their consideration of the Offer, which may be released or published by or on behalf of the Company and/or the Offeror after the Latest Practicable Date.

In rendering our advice, we did not have 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, we would advise the Independent Directors to recommend that any Shareholder who may require specific advice in relation to his specific investment objectives or portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its other advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever 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).

Our opinion in respect of the Offer should be considered in the context of the entirety of this letter and the Circular.

### **3. THE OFFER**

The Offer Price is S\$0.09 in cash for each Offer Share.

The Offer will be conditional upon, *inter alia*, the Offeror having received, by the closing date of the Offer, valid acceptances and/or tenders in respect of not less than 70,000,000 Offer Shares, representing approximately 10.3% of the Relevant Shares.

Further details of the Offer are set out in sections 2 and 3 of the Circular. Shareholders are advised to refer to these sections for more details on the Offer.

### **4. INFORMATION ON THE OFFEROR**

Information on the Offeror is set out in section 4 of the Circular.

### **5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY**

The full text of the rationale for the Offer and the Offeror's intentions for the company is set out in section 5 of the Circular.

### **6. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER**

In assessing the financial terms of the Offer, we have considered the following:

- (i) Historical trading performance of the Shares;
- (ii) Relative Share price performance vis-à-vis the performance of the market index;
- (iii) Analysis of selected valuation statistics of broadly comparable companies to the Group;
- (iv) Comparison with recent partial take-over offers of companies listed on the SGX-ST; and
- (v) Net tangible assets ("NTA") of the Group.

These factors are discussed in greater detail in the following sections.

In our analysis, we have used the following information:

- (a) published financial information of the Group and the comparable companies up to the Latest Practicable Date;
- (b) the historical trading prices and volumes of the Shares and other securities and index mentioned in this section which have been extracted from Bloomberg; and
- (c) announcements and circulars to shareholders in relation to the respective partial take-over offers of companies listed on the SGX-ST.

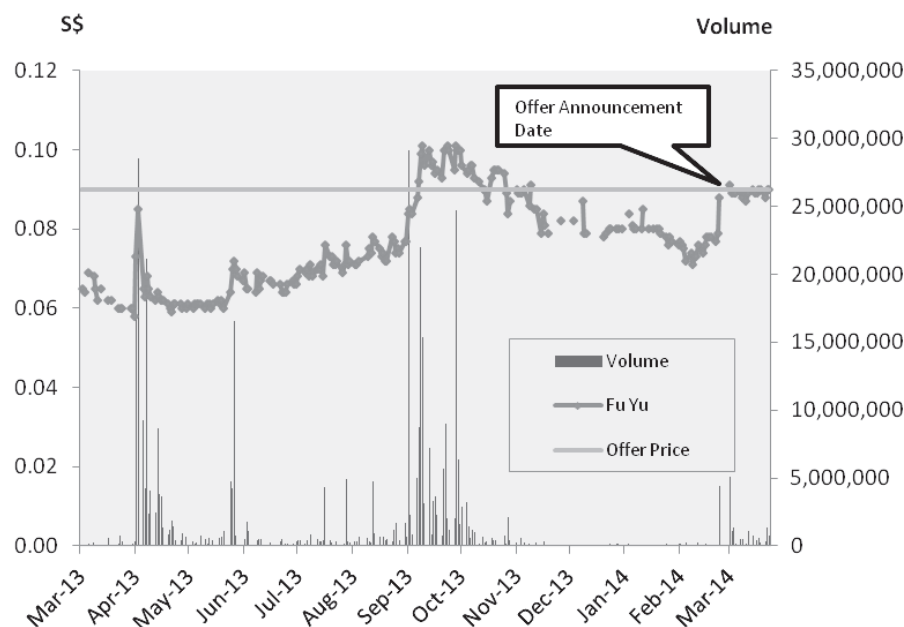
We make no representations or warranties, express or implied, as to the accuracy or completeness of such information. Certain of the figures and computations as set out in this letter have been subject to rounding where necessary.



## 6.1 Historical trading performance of the Shares

### (a) Share price performance and volume

We set out below the Company's Share price and volume chart based on the daily last transacted price of the Shares and daily volume traded for the 1 year prior to the Offer Announcement Date and ending on the Latest Practicable Date.



Source: Bloomberg

#### Note:

Broken points on the Share price line indicate days on which there was no trading in the Shares.

### (b) Volume-weighted average price per Share

The volume-weighted average price per Share ("VWAP") at various periods over a duration of 1 year prior to the Offer Announcement Date and thereafter are set out below:

	VWAP (S\$)	Premium/ (Discount) of Offer Price over VWAP (%)	Highest Price (S\$)	Lowest Price (S\$)	Average Daily Trading Volume ( <sup>'000</sup> )	Average Daily Trading Volume as a percentage of Free Float <sup>(1)</sup> (%)
<b>Periods prior to the Offer Announcement Date</b>						
Last 1 year	0.0826	8.9	0.110	0.057	1,482	0.22
Last 6 months	0.0951	(5.4)	0.108	0.071	1,472	0.22
Last 3 months	0.0831	8.3	0.091	0.071	129	0.02
Last 1 month	0.0846	6.4	0.091	0.071	285	0.04
Last traded Market Day prior to the Offer Announcement Date <sup>(2)</sup>	0.0872	3.2	0.091	0.080	4,443	0.65

	VWAP (S\$)	Premium/ (Discount) of Offer Price over VWAP (%)	Highest Price (S\$)	Lowest Price (S\$)	Average Daily Trading Volume ( <sup>'000</sup> )	Average Daily Trading Volume as a percentage of Free Float <sup>(1)</sup> (%)
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**After Offer**

**Announcement Date**

Between the Offer  
Announcement Date  
and the Latest

Practicable Date 0.0894 0.7 0.091 0.087 812 0.12

As at the Latest

Practicable Date 0.0899 0.1 0.090 0.089 797 0.12

Source: Bloomberg

**Notes:**

- (1) The "Free Float" refers to the 681,412,775 Shares other than the Shares in which the Offeror and parties acting in concert with the Offeror have interests in, as at the Latest Practicable Date.
- (2) This refers to the Market Day on which the Shares were last traded prior to the Offer Announcement Date, being 26 February 2014.

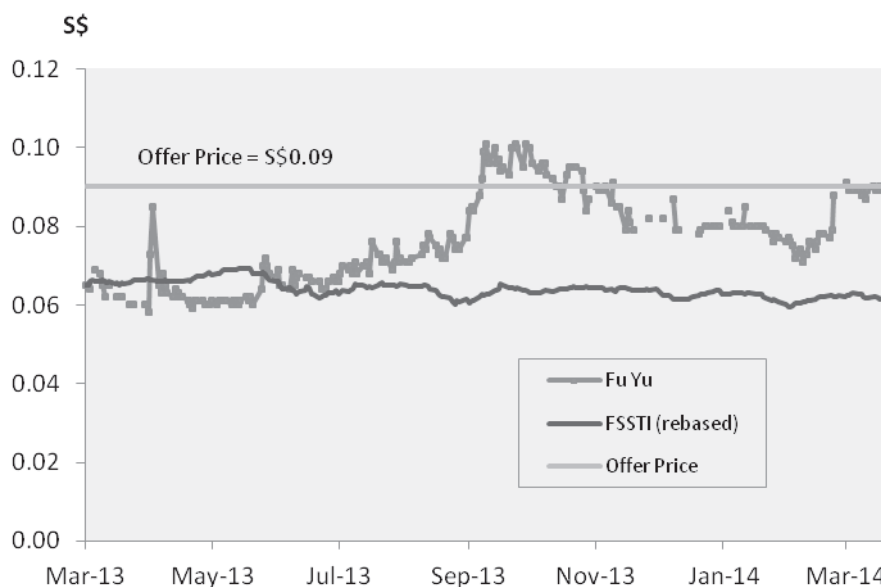
We note the following:

- (i) Over the past 1-year period prior to the Offer Announcement Date, the Shares have traded from a low of S\$0.057 to a high of S\$0.11 per Share. The Offer Price represents a premium of approximately 57.9% and a discount of approximately 16.7% to the lowest and highest transacted price respectively;
- (ii) The Offer Price represents a premium of approximately 8.9%, a discount of approximately 5.4% and a premium of approximately 8.3%, 6.4% and 3.2% to the corresponding VWAP of the Shares for the 1-year period, 6-month period, 3-month period, 1-month period and the last traded Market Day prior to the Offer Announcement Date respectively;
- (iii) The Shares have not closed above the Offer Price since the Offer Announcement Date except for 4 March 2014 where the daily closing price of the Shares was \$0.091;
- (iv) Between the Offer Announcement Date and the Latest Practicable Date, the Shares have traded from a low of S\$0.087 per Share to a high of S\$0.091 per Share. The Offer Price is equal to the closing price of Shares as at the Latest Practicable Date; and
- (v) During the 1-year period prior to the Offer Announcement Date, the average daily trading volume of the Shares was approximately 1,482,000 Shares, representing 0.22% of the Free Float.

Shareholders should note that the past trading performance of the Shares should not be relied upon as a guide of its future trading performance.

## 6.2 Relative Share price performance *vis-à-vis* the performance of the market index

In assessing the relative performance of the Shares *vis-à-vis* the equity market in Singapore, we have compared the price movements of the Shares against those of the FTSE Straits Times Index (“**FSSTI**”), for the 1-year period prior to the Offer Announcement Date and ending on the Latest Practicable Date.



Source: Bloomberg

### Note:

Broken points on the Share price line indicate days on which there was no trading in the Shares.

Based on the chart above, we note that the Shares have generally outperformed the FSSTI since June 2013 and up to the Latest Practicable Date.

The movements in the closing prices of the Shares and the FSSTI between the Market Day immediately prior to the Offer Announcement Date and the Latest Practicable Date are as follows:

	Market Day prior to the Offer Announcement Date <sup>(1)</sup>	Latest Practicable Date	Percentage Change (%)
Fu Yu Corporation (S\$)	0.088	0.090	2.3
FSSTI	3,088.25	3,143.32	1.8

Source: Bloomberg

### Note:

(1) This refers to the Market Day on which the Shares were last traded prior to the Offer Announcement Date, being 26 February 2014.

Based on the table above, the Share price has increased by approximately 2.3% from the Market Day prior to the Offer Announcement Date up to the Latest Practicable Date. Over the same period, FSSTI has increased by approximately 1.8%.

Since the Offer Announcement Date and up to the Latest Practicable Date, the Company had made the following significant announcements:

- a. 3 March 2014 announcements relating to the Offer;
- b. 6 March 2014 announcement on the appointment of independent financial adviser in relation to the Offer;
- c. 11 March 2014 announcement in relation to an update on the shareholding interest of a concert party;
- d. 21 March 2014 announcement on the despatch of the Offer Document; and
- e. 25 March 2014 announcement in relation to a change in shareholding of a substantial shareholder.

We note that the Shares closed at S\$0.088 on the last traded Market Day immediately prior to the Offer Announcement Date. On 4 March 2014, being the Market Day after the Offer Announcement Date, the Share price closed at S\$0.091 with an intra-day high of S\$0.091 and intra-day low of S\$0.087 with a total trading volume of 5,073,000 Shares. Subsequently, the Shares have traded within a range of S\$0.087 to S\$0.091 between the Offer Announcement Date and up to the Latest Practicable Date.

Shareholders should note that the market price of the Shares as at the Latest Practicable Date may not be maintained at such levels after the close of the Offer.

### **6.3 Analysis of selected valuation statistics of broadly comparable companies to the Group**

In the evaluation of the Offer Price, we have considered the range of selected valuation statistics of comparable companies listed on the SGX-ST in the plastic injection molding industry that are broadly comparable to the Group ("**Selected Comparable Companies**").

Shareholders may wish to note that there may not be any company listed that is directly comparable to the Group in terms of, *inter alia*, market capitalisation, size, diversity of business activities, asset base, geographical spread, customer base, brand loyalty, track record, financial performance, future prospects, operating and financial leverage, liquidity, risk profile, quality of earnings and accounting and such other relevant criteria.

As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the Selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide for the Shareholders. The list of Selected Comparable Companies is by no means exhaustive.

Details of the Selected Comparable Companies are set out below:

<b>Company</b>	<b>Business Description</b>
ACMA Ltd	ACMA Ltd manufactures molds and precision plastic components. The company's products are used in the automotive market.
Chosen Holdings Limited	Chosen Holdings Limited designs, fabricates, assembles and manufactures plastic injection moldings and plastic components for the computer peripherals, consumer electronics, semiconductors and disk drive industries.
Hi-P International Limited	Hi-P International Limited is an integrated contract manufacturing services provider specialising in precision plastic injection molding, mold design and fabrication, assembly, ancillary value-added services and precision metal stamping.
Jubilee Industries Holdings Ltd	Jubilee Industries Holdings Ltd offers plastic molding services. The company produces precision plastic injection molds for consumer electronics, household appliances, automobile and computer peripherals manufacturers.
Scintronix Corporation Ltd	Scintronix Corporation Ltd manufactures precision engineered plastic components. It also provides mould design and fabrication, plastic injection molding and finishing processes.
Sunningdale Tech Ltd	Sunningdale Tech Ltd manufactures and sells mould and plastic injection products. It also designs, manufactures and markets and exports high precision steel moulds.

In our assessment of the Offer Price, we have considered three main valuation measures namely, the price to historical earnings ("**P/E**") ratio, the enterprise value ("**EV**") to historical earnings before net interest, tax, depreciation and amortisation ("**EBITDA**") ("**EV/EBITDA**") ratio and the price to net asset value ("**P/NAV**") ratio implied by the Offer Price compared with the Selected Comparable Companies.

The ratios of the Selected Comparable Companies based on their last transacted prices as at the Latest Practicable Date are set out below. Shareholders should note that comparisons between the Group and the Selected Comparable Companies below are affected by differences in their financial periods, accounting policies and valuation composition of the businesses and our analysis has not been adjusted for such differences.

<b>Company</b>	<b>Market Capitalisation (\$m)<sup>(1)</sup></b>	<b>P/E (x)<sup>(2)</sup></b>	<b>EV/EBITDA (x)<sup>(2)</sup></b>	<b>P/NAV (x)<sup>(2)</sup></b>
ACMA Ltd	118.0	263.3 <sup>(3)</sup>	33.5 <sup>(3)</sup>	1.2
Chosen Holdings Limited	37.8	30.5	4.0	0.6
Hi-P International Limited	445.9	69.7 <sup>(3)</sup>	4.2	0.8
Jubilee Industries Holdings Ltd	28.6	Nm <sup>(4)</sup>	Nm <sup>(4)</sup>	0.8
Scintronix Corporation Ltd	13.8	Nm <sup>(4)</sup>	Nm <sup>(4)</sup>	2.1
Sunningdale Tech Ltd	120.1	8.8	2.1	0.5
<b>High</b>		<b>30.5</b>	<b>4.2</b>	<b>2.1</b>
<b>Mean</b>		<b>19.6</b>	<b>3.5</b>	<b>1.0</b>
<b>Median</b>		<b>19.6</b>	<b>4.0</b>	<b>0.8</b>
<b>Low</b>		<b>8.8</b>	<b>2.1</b>	<b>0.5</b>
<b>Fu Yu Corporation (based on Offer Price)</b>	<b>66.0</b>	<b>9.9<sup>(5)</sup></b>	<b>Nm<sup>(5)(6)</sup></b>	<b>0.4<sup>(5)</sup></b>

Sources: Bloomberg, company annual reports and results announcements

**Notes:**

- (1) Market Capitalisation is calculated based on total number of issued shares for the Selected Comparable Companies and their respective share prices as at the Latest Practicable Date.
- (2) Based on the results of the respective Selected Comparable Companies for the most recent completed financial year.
- (3) Excluded as a statistical outlier.
- (4) Nm = not meaningful because of net losses.
- (5) Based on the unaudited financial statements of the Group for the financial year ended 31 December 2013.
- (6) Nm = not meaningful because of negative enterprise value.

Based on the above analysis, we note the following:

- (i) The P/E ratio of approximately 9.9 times as implied by the Offer Price is within the range but below the mean and median of P/E ratios of the Selected Comparable Companies;
- (ii) It would not be meaningful to assess the EV/EBITDA ratio of Fu Yu Corporation based on financial year ended 31 December 2013 as implied by the Offer Price as the Group was in a negative enterprise value position; and
- (iii) The P/NAV ratio of approximately 0.4 times as implied by the Offer Price is below the range of P/NAV ratios of the Selected Comparable Companies.

#### **6.4 Comparison with recent partial take-over offers of companies listed on the SGX-ST**

In assessing the reasonableness of the Offer Price, we have compared the financial terms of the Offer with those of selected recent partial take-over of companies listed on the SGX-ST that were announced in the 2-year period prior to the Offer Announcement Date and up to the Latest Practicable Date (“**Precedent Partial Take-Over Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors have paid in order to partially acquire the target companies without having regard to their specific industry characteristics or other considerations.

We wish to highlight that the list of companies set out under the list of Precedent Partial Take-Over Transactions may not be directly comparable to the Group in terms of size, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, future prospects and other relevant criteria. Each of the Precedent Partial Take-over Transactions must be judged on its own commercial and financial merits. The premium or discount that any offeror is prepared to pay in any particular partial take-over transaction depends on various factors such as the potential synergy that the offeror can gain from its investment in the target company, the presence of competing bids for the target company, prevailing market conditions, attractiveness and profile of the target company's underlying business and assets, size of consideration, existing level of control in the target company, general economic and business risks. Therefore, any comparison of the Offer with the Precedent Partial Take-Over Transactions is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation of the Group.

Details of the Precedent Partial Take-Over Transactions are set out below.

<b>Company</b>	<b>Date announced</b>	<b>Premium over/ (Discount to) last transacted price prior to announcement (%)</b>	<b>Premium over/ (Discount to) 1 month VWAP prior to announcement (%)</b>	<b>Premium over/ (Discount to) 3 month VWAP prior to announcement (%)</b>
Wing Tai Holdings Limited	10 May 12	18.1	14.3	9.6
Ramba Energy Limited <sup>(1)</sup>	6 Sep 13	3.2	2.7	6.2
Health Management International Ltd	16 Sep 13	31.1	32.4	33.5
<b>High</b>		<b>31.1</b>	<b>32.4</b>	<b>33.5</b>
<b>Mean</b>		<b>17.5</b>	<b>16.5</b>	<b>16.4</b>
<b>Median</b>		<b>18.1</b>	<b>14.3</b>	<b>9.6</b>
<b>Low</b>		<b>3.2</b>	<b>2.7</b>	<b>6.2</b>
<b>Fu Yu Corporation (implied by Offer Price)</b>	<b>3 Mar 14</b>	<b>2.3</b>	<b>6.4</b>	<b>8.3</b>

Sources: Bloomberg, announcements and circulars to shareholders in relation to the respective transactions

**Note:**

- (1) Pre-conditional partial offer announced on 6 September 2013. If the pre-conditions are not satisfied or waived by the offeror by 31 March 2014, the partial offer will lapse and the offeror will not be seeking a further extension of the long-stop date beyond 31 March 2014.

We note the following:

- (i) The premium of approximately 2.3% as implied by the Offer Price to the last transacted price of the Shares prior to the Offer Announcement Date is below the corresponding range in the Precedent Partial Take-Over Transactions;
- (ii) The premium of approximately 6.4% as implied by the Offer Price over the 1-month VWAP of the Shares prior to the Offer Announcement Date is within the corresponding range but below the mean and median in the Precedent Partial Take-Over Transactions; and
- (iii) The premium of approximately 8.3% as implied by the Offer Price over the 3-month VWAP of the Shares prior to the Offer Announcement Date is within the corresponding range but below the mean and median in the Precedent Partial Take-Over Transactions.

## **6.5 NTA of the Group**

Based on the unaudited consolidated balance sheet of the Group as at 31 December 2013, we note that the Group had cash and cash equivalents of approximately S\$77.1 million (representing approximately 30.0% of the Group's total assets) and loans and borrowings of approximately S\$3.3 million. The NTA as at 31 December 2013 was approximately S\$163.1 million or S\$0.22 per Share. The Offer Price represents a discount of approximately 59.1% to the unaudited NTA per Share of S\$0.22 as at 31 December 2013.

The Management have confirmed that to the best of their knowledge and belief, (i) they are not aware of any circumstances which may cause the NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the Group as at 31 December 2013; (ii) there have been no material disposals or acquisitions of assets by the Group since 31 December 2013 and up to the Latest Practicable Date; and (iii) there are no contingent liabilities or bad or doubtful debts which are likely to have a material impact on the unaudited NTA of the Group as at 31 December 2013.

The computation set out in this section is for illustrative purposes only and does not imply that the assets can be disposed off at the value indicated above nor does it imply that after payment of all liabilities and obligations, the amount indicated for the NTA per Share is realisable or distributable to the Shareholders as it is dependent on, amongst others, the prevailing regulations, market and economic conditions.

## **7. OTHER CONSIDERATIONS IN RELATION TO THE OFFER**

### **7.1 Rationale for the Offer**

The full text of the rationale for the Offer is set out in section 5 of the Circular.

We note that:

- (a) The Offer by the Offeror is for investment purpose to average down his overall cost of investment in the Company; and
- (b) By making the Offer, it would be expedient for the Offeror to secure the number of shares the Offeror wishes to purchase in the shortest time possible and prevent a fluctuation in the share price which may likely happen should the Offeror purchase the Company's shares in the open market especially when the shares of the Company are already thinly traded.



## 7.2 Financial performance and outlook of the Group

We set out below a summary of selected key financial statistics of the Group as extracted from the audited consolidated profit and loss statements/balance sheets for FY2009 to FY2012 and the unaudited consolidated profit and loss statements/balance sheets for FY2013. The following summary should be read together with the annual reports of the Group for FY2009 to FY2012 and the announcement of the unaudited financial results for FY2013.

### (a) Summary of profit and loss statements

S\$'000	FY2009	FY2010	FY2011	FY2012	FY2013
Revenue	232,439	258,925	261,126	313,166	283,396
Profit/(Loss) before income tax	(26,789)	(869)	(4,266)	(6,269)	9,744
Net Profit/(Net Loss)	(25,236)	4,164	(1,229)	(4,353)	6,640
Net profit margin (%)	Net Loss	1.6	Net Loss	Net Loss	2.3

Source: Company annual reports and announcements of results released to the SGX-ST

On 25 February 2014, the Company announced its unaudited full year financial results for FY2013 reporting a decrease of approximately 9.5% in revenue from S\$313.2 million to S\$283.4 million and a net profit of S\$6.6 million from a net loss of S\$4.4 million as compared to the previous corresponding period.

Based on the table above, we note that the Group had recorded losses (before income tax) in each financial year from FY2009 to FY2012 and has only recently returned to profit (before income tax) for FY2013.

### (b) Summary of balance sheets

S\$'000	As at 31 December 2009	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013
Net current assets	58,968	81,470	85,260	89,370	101,451
Shareholders' equity	159,017	163,783	163,936	155,849	163,133
Loan and borrowings	19,313	18,864	2,485	1,188	3,325
Cash and cash equivalents	47,862	69,426	52,528	49,080	77,070

Source: Company annual reports and announcements of results released to the SGX-ST

Based on the table above, we note that the net cash position of the Group of approximately S\$73.7 million as at 31 December 2013 is at its highest level since 31 December 2009.

### **(c) Outlook of the Group**

We note that the following commentary on the outlook of the Group was made in the announcement of its unaudited financial results for FY2013:

*“The industry in which the Group operates in has become more competitive with excess capacity in the industry. Price pressure from customers, rising operating costs especially the labour costs in China and Malaysia segments, and the movement in USD Dollars remain the key challenges that the Group faces. The Group will continue to focus on improving operation efficiency and maximizing resources to reduce the impact of rising operating costs.”*

### **7.3 Future plans for the Company**

We note from section 11.2 of the Offer Document that the Offeror has set out his intentions in relation to the Company, which is reproduced in italics below:

*“As disclosed in paragraph 9 (Information on the Offeror) above, the Offeror is currently an employee in the Offeree’s Singapore subsidiaries. The Offeror is not a director of the board of directors of the Offeree (“Board”) and is therefore not involved in the Board’s decision-making, strategising, planning or the overall management of the Offeree’s operations (this would include matters relating to the management and development of the business and assets and the employment matters of the Offeree Group) other than in his role as the general manager of the two Singapore subsidiaries of the Offeree as mentioned in paragraph 9.1 (Offeror) above. After the completion of the Partial Offer, it is the Offeror’s intention to remain as an employee of the Offeree’s Singapore subsidiaries.”*

### **7.4 Alternative Takeover Offer**

As at the Latest Practicable Date, there is no publicly available evidence of an alternative takeover offer for the Shares.

### **7.5 Odd-Lots**

Shareholders should note that under the terms of the Offer, the Offeror is permitted to acquire only the Offer Shares and is not permitted to acquire any additional Shares which may be tendered for acceptance under the Offer. Where the aggregate number of the Shares accepted and the Excess Shares tendered by the Relevant Shareholders exceeds the number of the Offer Shares, the Excess Shares tendered will be accepted up to the number of Offer Shares on a pro-rata basis (but in a manner which minimises the number of new odd-lot shareholdings as the Offeror may in his absolute discretion deem fit in the interest of the Offeror), provided that the Offer becomes unconditional in all respects from such acceptance.

As the Offer is being made in respect of approximately 10.3% of the Relevant Shares, it is likely that odd-lots of the Shares will be created if Shareholders accept their entitlements in full. Shareholders should note that a temporary trading counter for the trading of odd-lots of Shares will be established for the trading of board lots of one Share each, if the Offer becomes or is declared to be unconditional in all respects.

## 7.6 Listing Status and Compulsory Acquisition

The Offer will not result in:

- (a) either trading in the Shares on the SGX-ST being suspended or the Offeree being delisted from the SGX-ST due to a lack of public float; or
- (b) the Offeror either being entitled or bound to exercise the rights of compulsory acquisition under Section 215(1) of the Companies Act. Neither would Shareholders be entitled to require the Offeror to acquire their Shares at the same terms as those under the Offer under Section 215(3) of the Companies Act.

## 7.7 Condition to the Offer

The first closing date for the Offer is 5.30 p.m. (Singapore time) on 21 April 2014 or such other later date(s) as may be announced from time to time by or on behalf of the Offeror.

The Offer is conditional upon, *inter alia*, the Minimum Acceptance condition as set out in section 3 of the Circular.

Shareholders should therefore take note of further announcements as may be made from time to time by or on behalf of the Offeror in respect of the Offer becoming unconditional and the final closing date.

## 8. CONCLUSION AND RECOMMENDATION

In arriving at our advice in respect of the Offer, we have taken into account, *inter alia*, the following key considerations summarised below. This summary should be read in conjunction with, and in the context of, the full text of this letter.

- (a) Historical trading performance of the Shares;
- (b) Relative Share price performance vis-à-vis the performance of the market index;
- (c) Analysis of selected valuation statistics of broadly comparable companies to the Group;
- (d) Comparison with recent partial take-over offers of companies listed on the SGX-ST;
- (e) NTA of the Group; and
- (f) Other relevant considerations.

**Having carefully considered the information available as at the Latest Practicable Date and based on our assessment of the financial terms of the Offer, we are of the opinion that, on balance, the financial terms of the Offer are neither fair nor reasonable given the significant discount to the Group's NTA and taking into account the strong net cash position of the Group as at 31 December 2013.**

Accordingly, we advise the Independent Directors to recommend to Shareholders who are prepared to take a long-term view of their investments in the Shares and/or are confident of the prospects of the Group to **REJECT** the Offer. We would highlight to Shareholders who wish to retain their Shares and not accept the Offer that the market price and/or trading liquidity of the Shares as at the Latest Practicable Date may not be sustained at the current levels after the close of the Offer or if the Offer lapses.

Shareholders who hold a short-term view of their investments in the Shares and who wish to realise their holdings in the Shares in the near term may wish to **ACCEPT** the Offer and/or **TENDER** Excess Shares if they are unable to obtain a price higher than the Offer Price (after deducting all related expenses) on the open market.

Shareholders who accept the Offer and/or tender Excess Shares should note that there is a possibility that their resultant residual shareholdings may, subject to the Offer becoming unconditional in all respects, comprise odd-lots after the Offer.

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual 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 Independent Directors should note that trading of the Shares is subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders that the opinion and advice of Partners Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Offer, but any recommendation to the Shareholders remains the responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and there is no implication with regard to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours faithfully  
For and on behalf of  
**Partners Capital (Singapore) Pte Ltd**

CLEMENT LEOW  
PARTNER  
HEAD OF CORPORATE FINANCE

CHAN TZUN  
DIRECTOR  
CORPORATE FINANCE

## ADDITIONAL GENERAL INFORMATION

### 1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Dr John Chen Seow Phun	68 Greenleaf View Singapore 279307	Non-Executive Chairman and Independent Director
Mr Ching Heng Yang	8A Galistan Avenue Singapore 669681	Vice Chairman and Executive Director
Mr Ho Kang Peng	11A Jalan Angin Laut Singapore 489185	Executive Director and Chief Executive Officer
Mr Ho Nee Kit	31 Kingsmead Road Singapore 267982	Executive Director
Mr Tam Wai	54 West Coast Rise Hong Leong Garden Singapore 127496	Executive Director
Mr Hew Lien Lee	674 Choa Chu Kang Crescent #04-419 Singapore 680674	Executive Director and Chief Operating Officer
Mr Tan Yew Beng	41 Tai Keng Gardens Singapore 535322	Non-Executive Director and Independent Director
Mr Foo Say Tun	27 Hillview Avenue #07-07, Hillview Heights Singapore 669559	Non-Executive Director and Independent Director

### 2. REGISTERED OFFICE

The registered office of the Company is at 8 Tuas Drive 1, Singapore 638675.

### 3. PRINCIPAL ACTIVITIES

The Company was incorporated in the Republic of Singapore on 10 December 1980 and was listed on the Main Board of the SGX-ST on 14 June 1995.

The Company's principal activities are manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies and investment holding.

The Company is a manufacturer and supplier of high-precision injection moulds and plastic parts in Asia. The Group's operations range from design to fabrication to assembly, and include finishing activities such as silk screening, pad printing, ultrasonic welding, heatstaking and spray painting. The markets it serves include the information technology, telecommunications, automotive, medical, electronics and electrical appliance sectors.

## 4. SHARE CAPITAL

### 4.1 Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$119,362,343.27 comprising 732,834,775 Shares. The issued Shares are listed and quoted on the Main Board of the SGX-ST.

### 4.2 Capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles of Association, which is available for inspection at the Company's registered office at 8 Tuas Drive 1, Singapore 638675. The relevant articles in the Articles of Association relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Articles of Association and are set out in Appendix IV to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Articles of Association.

### 4.3 Number of Shares issued since the end of the last financial year

No Shares have been issued by the Company since the end of the last financial year up to the Latest Practicable Date.

### 4.4 Options and convertible instruments

As at the Latest Practicable Date, save for the outstanding ESOS Options granted under the Scheme as disclosed in the table below, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of securities being offered for or which carry voting rights affecting the Shares in the Company.

<b>Date of Grant</b>	<b>No. of Shares comprised in outstanding ESOS Options</b>	<b>Exercise price per Share (S\$)</b>	<b>Exercise Period</b>
5 October 2008	34,060,000	0.09	6 October 2009 to 5 October 2014

## 5. DISCLOSURE OF INTERESTS

### 5.1 Interests of the Directors in the Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in the Company Securities:

#### (a) Shares

<b>Name of Director</b>	<b>Direct interest</b>		<b>Deemed interest</b>		<b>Total interest</b>	
	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>
Mr Ho Nee Kit	96,999,225	13.24	–	–	96,999,225	13.24
Mr Tam Wai	96,715,475	13.20	300,000 <sup>(2)</sup>	0.04	97,015,475	13.24
Mr Ching Heng Yang	88,965,475	12.14	–	–	88,965,475	12.14

Name of Director	Direct interest		Deemed interest		Total interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Mr Ho Kang Peng	3,630,000	0.50	–	–	3,630,000	0.50
Mr Tan Yew Beng	1,562,500	0.21	–	–	1,562,500	0.21
Mr Hew Lien Lee	100,000	0.01	–	–	100,000	0.01

**Notes:**

- (1) Based on 732,834,775 issued Shares as at the Latest Practicable Date.  
(2) Mr Tam Wai is deemed to be interested in the 300,000 Shares held in the name of his spouse.

(b) ESOS Options

Name of Director	Date of Grant	No. of ESOS Options	Shares comprised in outstanding ESOS Options	Exercise Price per Share (S\$)	Exercise period
Mr Tan Yew Beng	5 October 2008	1,000,000	1,000,000	0.09	Between 6 October 2009 and 5 October 2014
Mr Hew Lien Lee	5 October 2008	8,000,000	8,000,000	0.09	Between 6 October 2009 and 5 October 2014
Mr Ho Kang Peng	5 October 2008	11,000,000	11,000,000	0.09	Between 6 October 2009 and 5 October 2014
Dr John Chen Seow Phun	5 October 2008	1,000,000	1,000,000	0.09	Between 6 October 2009 and 5 October 2014
Mr Foo Say Tun	5 October 2008	1,000,000	1,000,000	0.09	Between 6 October 2009 and 5 October 2014

**5.2 Dealings in Company Securities by the Directors**

None of the Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

**5.3 Company Securities owned or controlled by the IFA**

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

#### **5.4 Dealings in Company Securities by the IFA**

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

#### **5.5 Directors' Intentions in relation to the Offer**

The Directors who are also Relevant Shareholders have indicated their intention in respect of accepting or rejecting the Offer in respect of their respective holdings of Shares as at the Latest Practicable Date, as follows:

- (a) Mr Ho Nee Kit holds 96,999,225 Shares, representing approximately 13.24% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Ho Nee Kit has informed the Company that he intends to reject the Offer in respect of all of the 96,999,225 Shares held directly by him.
- (b) Mr Tam Wai holds 96,715,475 Shares, representing approximately 13.20% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Tam Wai has informed the Company that he intends to reject the Offer in respect of all of the 96,715,475 Shares held directly by him.
- (c) Mr Ching Heng Yang holds 88,965,475 Shares, representing approximately 12.14% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Ching Heng Yang has informed the Company that he intends to reject the Offer in respect of all of the 88,965,475 Shares held directly by him.
- (d) Mr Ho Kang Peng holds 3,630,000 Shares, representing approximately 0.50% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Ho Kang Peng has informed the Company that he intends to reject the Offer in respect of all of the 3,630,000 Shares held directly by him.
- (e) Mr Tan Yew Beng holds 1,562,500 Shares, representing approximately 0.21% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Tan Yew Beng has informed the Company that he intends to reject the Offer in respect of all of the 1,562,500 Shares held directly by him.
- (f) Mr Hew Lien Lee holds 100,000 Shares, representing approximately 0.01% of the total issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Hew Lien Lee has informed the Company that he intends to reject the Offer in respect of all of the 100,000 Shares held directly by him.

Save for Mr Ho Nee Kit, Mr Tam Wai, Mr Ching Heng Yang, Mr Ho Kang Peng, Mr Tan Yew Beng and Mr Hew Lien Lee, none of the Directors has any direct interest in the Shares.



## **6. OTHER DISCLOSURES**

### **6.1 Directors' service contracts**

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation; and
- (b) there are no such service contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### **6.2 Arrangements affecting Directors**

As at the Latest Practicable Date:

- (a) save as disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer;
- (b) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

## **7. MATERIAL CONTRACTS WITH INTERESTED PERSONS**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with persons who are interested persons<sup>1</sup> during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

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<sup>1</sup> An "interested person" is defined in the Note on Rule 23.12 of the Code to mean:

- (a) a director, chief executive officer or substantial shareholder of the Company;
- (b) the immediate family of a director, the chief executive officer or a substantial shareholder (being an individual) of the Company;
- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
- (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
- (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

## 8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or of any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

## 9. MARKET QUOTATION

### 9.1 Closing Prices

The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (a) the Offer Document LPD, (b) 26 February 2014 (being the last Market Day on which the Shares were traded on the SGX-ST immediately preceding the Offer Announcement Date), and (c) the last Market day of each month from a monthly basis from September 2013 to (being six (6) calendar months preceding the Offer Announcement Date) and ending on the Latest Practicable Date, as reproduced from the information contained in paragraph 5 of Appendix C to the Offer Document.

<b>Date</b>	<b>Closing Price (S\$)</b>
14 March 2014 (being the Offer Document LPD)	0.089
26 February 2014 (being the last Market Day on which the Shares were traded on the SGX-ST immediately preceding the Offer Announcement Date)	0.088
February 2014	0.088
January 2014	0.077
December 2013	0.080
November 2013	0.082
October 2013	0.087
September 2013	0.095

### 9.2 Highest and Lowest Prices

As set out in paragraph 5 of Appendix C to the Offer Document, the highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Offer Document LPD (both dates inclusive), are as follows:

	<b>Price (S\$)</b>	<b>Date</b>
Highest closing price	0.101	12 September 2013, 26 September 2013 and 1 October 2013
Lowest closing price	0.071	11 February 2014

## 10. FINANCIAL INFORMATION

### 10.1 Consolidated income statements

The audited consolidated income statements of the Group for FY2010, FY2011 and FY2012 and the unaudited consolidated income statements of the Group for the financial year ended 31 December 2013 are summarised in the table below. The summary is extracted from, and should be read in conjunction with, the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection as mentioned in paragraph 12 of Appendix II to this Circular):

	<b>Unaudited FY2013 (S\$'000)</b>	<b>Audited FY2012 (S\$'000)</b>	<b>Audited FY2011 (S\$'000)</b>	<b>Audited FY2010 (S\$'000)</b>
Revenue	283,396	313,166	261,126	258,925
Cost of sales	(262,933)	(285,819)	(242,713)	(233,948)
<b>Gross profit</b>	<b>20,463</b>	<b>27,347</b>	<b>18,413</b>	<b>24,977</b>
Other income	21,009	5,971	6,636	16,813
Selling and administrative expenses	(31,748)	(33,097)	(29,314)	(34,369)
Other operating expenses	(289)	(7,388)	(815)	(8,179)
Finance costs	(59)	(239)	(692)	(996)
Share of profit of associate (net of tax)	368	1,137	1,506	886
<b>Profit/(loss) before income tax</b>	<b>9,744</b>	<b>(6,269)</b>	<b>(4,266)</b>	<b>(868)</b>
Income tax (expense)/credit	(1,001)	(718)	350	2,184
<b>Profit/(loss) for the year</b>	<b>8,743</b>	<b>(6,987)</b>	<b>(3,916)</b>	<b>1,316</b>
<b>Attributable to:</b>				
Owner of the Company	6,640	(4,353)	(1,229)	4,164
Non-controlling interests	2,103	(2,634)	(2,687)	(2,848)
<b>Profit/(loss) for the year</b>	<b>8,743</b>	<b>(6,987)</b>	<b>(3,916)</b>	<b>1,316</b>
<b>Earnings/(loss) per share</b>				
– basic earnings/(loss) per share (cents)	0.91	(0.59)	(0.17)	0.58
– diluted earnings/(loss) per share (cents)	0.91	(0.59)	(0.17)	0.57

The Company did not declare nor distribute any dividends for FY2010 to FY2013.

## 10.2 Statement of Financial Position

The audited consolidated statement of financial position of the Group as at 31 December 2012 and the unaudited consolidated statement of financial position of the Group as at 31 December 2013 are summarised in the table below. The summary is extracted from, and should be read in conjunction with, the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection as mentioned in paragraph 12 of Appendix II to this Circular):

	<b>Unaudited As at 31 December 2013 (S\$'000)</b>	<b>Audited As at 31 December 2012 (S\$'000)</b>
<b>Non-current assets</b>		
Property, plant and equipment	67,508	70,584
Investment property	9,025	9,563
Deferred tax assets	2,216	1,170
Associate	4,064	4,326
	<b>82,813</b>	<b>85,643</b>
<b>Current assets</b>		
Inventories	18,567	24,958
Trade and other receivables	78,194	82,754
Tax recoverable	148	1,911
Cash and cash equivalents	77,070	49,080
	<b>173,979</b>	<b>158,703</b>
<b>Total assets</b>	<b>256,792</b>	<b>244,346</b>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	119,362	119,272
Reserves	43,771	36,577
	<b>163,133</b>	<b>155,849</b>
Non-controlling interests	19,368	17,960
<b>Total equity</b>	<b>182,501</b>	<b>173,809</b>
<b>Non-current liabilities</b>		
Other payables	563	–
Deferred tax liabilities	1,115	1,066
Financial liabilities	85	138
	<b>1,763</b>	<b>1,204</b>
<b>Current liabilities</b>		
Financial liabilities	3,240	1,050
Trade and other payables	68,151	66,735
Tax payable	1,137	1,548
	<b>72,528</b>	<b>69,333</b>
<b>Total liabilities</b>	<b>74,291</b>	<b>70,537</b>
<b>Total equity and liabilities</b>	<b>256,792</b>	<b>244,346</b>

### **10.3 Accounting Policies**

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2012 as contained in the annual reports of the Company for FY2012 (which is available for inspection as mentioned in paragraph 12 of Appendix II to this Circular), and the Company's announcement on the unaudited consolidated financial statements of the Group for FY2013 set forth in Appendix III to this Circular:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

### **10.4 Material changes in financial position**

Save as disclosed in publicly available information on the Group (including but not limited to the unaudited consolidated financial statements of the Company for the financial year ended 31 December 2013 which were released by the Company on 25 February 2014), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 31 December 2012, being the date of the Company's last published audited financial statements.

### **10.5 Material change in information**

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

## **11. GENERAL**

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) Partners Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the IFA Letter, and (iii) all references thereto in the form and context in which they appear in this Circular.

## **12. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 8 Tuas Drive 1, Singapore 638675 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the annual reports of the Company for FY2010, FY2011 and FY2012;
- (c) the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2013 (as announced by the Company on 25 February 2014);
- (d) the IFA Letter; and
- (e) the letter of consent from the IFA referred to in Appendix I to this Circular.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF  
THE GROUP FOR FY2013**

Fu Yu Corporation Limited And Subsidiary Companies  
(Company Registration No. 198004601C)

Page 1

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**FUYU CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT  
UNAUDITED FINANCIAL CONDITION, RESULTS OF OPERATIONS AND  
CASH FLOWS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED  
31 DECEMBER 2013**

Full Year Financial Statement And Dividend Announcement

**PART I – INFORMATIONS REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) (i) A Consolidated Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

The Board of Directors of Fu Yu Corporation Ltd wishes to announce the unaudited results of the Group for the fourth quarter ended 31 December 2013.

GROUP	Quarter Ended 31-Dec			Year Ended 31-Dec		
	2013	2012	Change %	2013	2012	Change %
	S\$'000 (unaudited)	S\$'000 (unaudited)		S\$'000 (unaudited)	S\$'000 (audited)	
Revenue	65,760	67,230	(2.2)	283,396	313,166	(9.5)
Cost of sales	(60,665)	(59,261)	2.4	(262,933)	(285,819)	(8.0)
<b>Gross profit</b>	<b>5,095</b>	<b>7,969</b>	(36.1)	<b>20,463</b>	<b>27,347</b>	(25.2)
Other income	7,689	2,040	NM	21,009	5,971	NM
Selling and administrative expenses	(9,179)	(8,166)	12.4	(31,748)	(33,097)	(4.1)
Other operating expenses	(38)	(450)	(91.6)	(289)	(7,388)	(96.1)
Finance costs	(42)	(30)	40.0	(59)	(239)	(75.3)
Share of profit of associate (net of tax)	85	676	(87.4)	368	1,137	(67.6)
<b>Profit/(loss) before income tax</b>	<b>3,610</b>	<b>2,039</b>	77.1	<b>9,744</b>	<b>(6,269)</b>	NM
Income tax credit/(expense)	790	(1,059)	NM	(1,001)	(718)	39.4
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	NM	<b>8,743</b>	<b>(6,987)</b>	NM
<b>Attributable to:</b>						
Owners of the Company	4,020	1,448	NM	6,640	(4,353)	NM
Non-controlling interests	380	(468)	NM	2,103	(2,634)	NM
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	Nm	<b>8,743</b>	<b>(6,987)</b>	NM
<b>Earnings/(loss) per share</b>						
- basic earnings/(loss) per share (cents)	<b>0.55</b>	<b>0.20</b>	NM	<b>0.91</b>	<b>(0.59)</b>	NM
- diluted earnings/(loss) per share (cents)	<b>0.55</b>	<b>0.20</b>	NM	<b>0.91</b>	<b>(0.59)</b>	NM

N.M denotes Not Meaningful

**Consolidated Statement of Comprehensive Income**

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)		2013 S\$'000 (unaudited)	2012 S\$'000 (audited)	
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	NM	<b>8,743</b>	<b>(6,987)</b>	NM
<b>Other comprehensive income Items there are or may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation differences for foreign operations	668	(258)	NM	(141)	(4,243)	NM
<b>Total comprehensive income for the period/year</b>	<b>5,068</b>	<b>722</b>	NM	<b>8,602</b>	<b>(11,230)</b>	NM
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	4,685	1,206	NM	7,194	(8,087)	NM
Non-controlling interests	383	(484)	NM	1,408	(3,143)	NM
<b>Total comprehensive income for the period/year</b>	<b>5,068</b>	<b>722</b>	NM	<b>8,602</b>	<b>(11,230)</b>	NM

N.M denotes Not Meaningful

**1(a) (ii) Notes to Consolidated Income Statement**

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)		2013 S\$'000 (unaudited)	2012 S\$'000 (audited)	
Profit/(loss) before income tax is arrived at after charging/(crediting) the following:						
Interest and investment income	(278)	(142)	95.8	(732)	(497)	47.3
(Gain)/loss on disposal of property, plant and equipment	(89)	(130)	(31.5)	(1,008)	9	NM
Loss/(gain) on disposal of non-current asset held for sale	23	-	NM	(6,712)	-	NM
Foreign exchange (gain)/loss, net	(570)	190	NM	(2,525)	4,283	NM
Property, plant and equipment written off	168	55	NM	264	110	NM
Allowance made for/(write-back) doubtful trade and other receivables	36	(578)	NM	24	(548)	NM
Net (reversal of impairment)/impairment on property, plant and equipment	(5,771)	235	NM	(5,616)	2,986	NM
Depreciation and amortisation	3,338	3,540	(5.7)	13,529	15,666	(13.6)
(Write-back)/Allowance made for inventory obsolescence and inventories written off	(25)	(110)	(77.3)	504	(133)	NM
Adjustments for under/(over) provision for tax in respects of the prior years						
- Income tax	1	161	(99.4)	294	(1,471)	NM



1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31-Dec-13 S\$'000 (unaudited)	As at 31-Dec-12 S\$'000 (audited)	As at 31-Dec-13 S\$'000 (unaudited)	As at 31-Dec-12 S\$'000 (audited)
<b>Non-current assets</b>				
Property, plant and equipment	67,508	70,584	13,014	13,374
Investment property	9,025	9,563	-	-
Deferred tax assets	2,216	1,170	-	-
Subsidiaries	-	-	43,979	45,623
Associate	4,064	4,326	-	-
	82,813	85,643	56,993	58,997
<b>Current assets</b>				
Inventories	18,567	24,958	2,344	2,571
Trade and other receivables	78,194	82,754	10,502	7,057
Tax recoverable	148	1,911	-	-
Amount due from subsidiary companies	-	-	36,480	39,208
Cash and cash equivalents	77,070	49,080	11,472	6,600
	173,979	158,703	60,798	55,436
<b>Total assets</b>	<b>256,792</b>	<b>244,346</b>	<b>117,791</b>	<b>114,433</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	119,362	119,272	119,362	119,272
Reserves	43,771	36,577	(13,470)	(14,135)
	163,133	155,849	105,892	105,137
Non-controlling interests	19,368	17,960	-	-
<b>Total equity</b>	<b>182,501</b>	<b>173,809</b>	<b>105,892</b>	<b>105,137</b>
<b>Non-current liabilities</b>				
Other payables	563	-	563	-
Deferred tax liabilities	1,115	1,066	809	734
Financial liabilities	85	138	69	107
	1,763	1,204	1,441	841
<b>Current liabilities</b>				
Financial liabilities	3,240	1,050	38	1,037
Trade and other payables	68,151	66,735	8,053	5,610
Amount due from subsidiary companies	-	-	2,367	1,808
Tax payable	1,137	1,548	-	-
	72,528	69,333	10,458	8,455
<b>Total liabilities</b>	<b>74,291</b>	<b>70,537</b>	<b>11,899</b>	<b>9,296</b>
<b>Total equity and liabilities</b>	<b>256,792</b>	<b>244,346</b>	<b>117,791</b>	<b>114,433</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

GROUP	31 Dec 2013 S\$'000 (unaudited)	31 Dec 2012 S\$'000 (audited)
Secured bank loans	3,188	1,000
Finance lease liabilities	52	50
	3,240	1,050

**Amount repayable after one year**

GROUP	31 Dec 2013 S\$'000 (unaudited)	31 Dec 2012 S\$'000 (audited)
Finance lease liabilities	85	138

**Details of any collateral**

The secured bank loans are secured by:

- (i) Mortgages over the Company's Singapore properties; and
- (ii) Pledge over the Company's subsidiary, Fu Yu Moulding & Tooling (Chongqing) Co., Ltd's trade receivables.

The finance lease liabilities are secured by the leased assets.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	Quarter Ended 31-Dec		Year Ended 31-Dec	
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)	2013 S\$'000 (unaudited)	2012 S\$'000 (audited)
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	3,610	2,039	9,744	(6,269)
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment and investment property	3,338	3,540	13,529	15,666
Finance costs	42	30	59	239
Interest income	(278)	(142)	(732)	(497)
(Gain)/ Loss on disposal of property, plant and equipment	(89)	(130)	(1,008)	9
Net (reversal of)/impairment loss on property, plant and machinery	(5,771)	235	(5,616)	2,986
Loss/(gain) on disposal of non-current assets classified as held for sale	23	-	(6,712)	-
Property, plant and equipment written off	168	55	264	110
Share of profit of associate (net of tax)	(85)	(676)	(368)	(1,137)
Unrealised foreign exchange (gain)/loss	(781)	(679)	(3,108)	2,146
	<u>(3,433)</u>	<u>2,233</u>	<u>(3,692)</u>	<u>19,522</u>
	177	4,272	6,052	13,253
<b>Changes in working capital:</b>				
Inventories	3,982	1,812	6,879	2,323
Trade and other receivables	14,777	4,588	7,758	4,093
Trade and other payables	(6,377)	(6,414)	276	(13,379)
Cash from operations activities	<u>12,559</u>	<u>4,258</u>	<u>20,965</u>	<u>6,290</u>
Tax paid	(228)	(859)	(662)	(2,473)
<b>Net cash from operating activities</b>	<b><u>12,331</u></b>	<b><u>3,399</u></b>	<b><u>20,303</u></b>	<b><u>3,817</u></b>
<b>Cash flows from investing activities</b>				
Dividends from associate	(5)	(11)	481	486
Interest income received	278	142	732	497
Proceeds from disposal of property, plant and equipment	172	269	1,292	418
Purchase of property, plant and equipment	(3,033)	(2,315)	(7,990)	(5,350)
Proceeds from sale of assets classified as held for sale	918	-	11,066	-
<b>Net cash (used in)/from investing activities</b>	<b><u>(1,670)</u></b>	<b><u>(1,915)</u></b>	<b><u>5,581</u></b>	<b><u>(3,949)</u></b>
<b>Cash flows from financing activities</b>				
Finance costs paid	(42)	(30)	(59)	(239)
Proceeds from issue of share capital	90	-	90	-
Proceeds from short term borrowings	3,075	176	7,045	8,814
Repayment of short term borrowings and financial lease liabilities	(3,747)	(632)	(4,985)	(10,148)
Deposit pledged	-	-	(1,146)	-
<b>Net cash (used in)/from financing activities</b>	<b><u>(624)</u></b>	<b><u>(486)</u></b>	<b><u>945</u></b>	<b><u>(1,573)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	10,037	998	26,829	(1,705)
Cash and cash equivalents at beginning of financial period/year	62,892	44,993	46,067	49,438
Effects of exchange rate fluctuations on cash held	67	76	100	(1,666)
<b>Cash and cash equivalents at end of financial period/year</b>	<b><u>72,996</u></b>	<b><u>46,067</u></b>	<b><u>72,996</u></b>	<b><u>46,067</u></b>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of:

Group	As at 31 Dec	
	2013 S\$'000	2012 S\$'000
Cash at bank and in hand	36,327	35,020
Deposits with banks	36,862	10,538
Short-term investments	3,881	3,522
Cash and cash equivalents	77,070	49,080
Deposits pledged	(4,074)	(3,013)
Cash and cash equivalents in the consolidated statement of cash flow	<b>72,996</b>	<b>46,067</b>

1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**For the Quarter Ended 31 Dec (Group)**

	Attributable to equity holders of the Company										Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share options reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000				
<b>Group - 2013</b>												
At 1 Oct 13	119,272	140	9,772	789	(7,199)	1,627	33,957	158,358		18,985	177,343	
Other comprehensive income for the quarter	-	-	-	-	665	-	-	665		3	668	
Foreign currencies translation differences	-	-	-	-	-	-	4,020	4,020		380	4,400	
Profit for the quarter	-	-	-	-	665	-	4,020	4,685		383	5,068	
Total comprehensive income for the quarter	90	-	-	-	-	-	-	90		-	90	
Share options exercised	-	-	119	-	-	-	(119)	-		-	-	
Transfer to statutory reserve	-	-	-	-	-	-	-	-		-	-	
<b>At 31 Dec 13</b>	119,362	140	9,891	789	(6,534)	1,627	37,858	163,133		19,368	182,501	

	Attributable to equity holders of the Company										Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share options reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000				
<b>Group - 2012</b>												
At 1 Oct 12	119,272	140	9,244	789	(6,846)	1,627	30,417	154,643		18,444	173,087	
Other comprehensive income for the quarter	-	-	-	-	(242)	-	-	(242)		(16)	(258)	
Foreign currencies translation differences	-	-	-	-	-	-	1,448	1,448		(468)	980	
Profit/(loss) for the quarter	-	-	-	-	(242)	-	1,448	1,206		(484)	722	
Total comprehensive income for the quarter	-	-	528	-	-	-	(528)	-		-	-	
Transfer to statutory reserve	-	-	-	-	-	-	-	-		-	-	
<b>At 31 Dec 12</b>	119,272	140	9,772	789	(7,088)	1,627	31,337	155,849		17,960	173,809	

For the Year Ended (Group)

	Attributable to equity holders of the Company							Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000		
<b>Group - 2013</b>									
At 1 Jan 13	119,272	140	9,772	789	(7,088)	1,627	31,337	155,849	173,809
Other comprehensive income for the year	-	-	-	-	554	-	-	554	(141)
Foreign currencies translation differences Profit for the year	-	-	-	-	554	-	6,640	6,640	8,743
Total comprehensive income for the year	-	-	-	-	554	-	6,640	7,194	8,602
Share options exercised	90	-	-	-	-	-	-	90	90
Transfer to statutory reserve	-	-	119	-	-	-	(119)	-	-
<b>At 31 Dec 13</b>	119,362	140	9,891	789	(6,534)	1,627	37,858	163,133	182,501

	Attributable to equity holders of the Company							Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000		
<b>Group - 2012</b>									
At 1 Jan 12	119,272	140	9,244	789	(3,354)	1,627	36,218	163,936	185,039
Other comprehensive income for the year	-	-	-	-	(3,734)	-	-	(3,734)	(4,243)
- Foreign currencies translation differences Loss for the year	-	-	-	-	(3,734)	-	(4,353)	(4,353)	(6,987)
Total comprehensive income for the year	-	-	-	-	(3,734)	-	(4,353)	(8,087)	(11,230)
Transfers to statutory reserve	-	-	528	-	-	-	(528)	-	-
<b>At 31 Dec 12</b>	119,272	140	9,772	789	(7,088)	1,627	31,337	155,849	173,809

**For the Quarter Ended 31 Dec (Company)**

<b>Company - 2013</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Oct 13	119,272	789	1,153	(14,704)	106,510
Loss for the quarter	-	-	-	(708)	(708)
Total comprehensive income for the quarter	-	-	-	(708)	(708)
Share options exercised	90	-	-	-	90
<b>At 31 Dec 13</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

<b>Company - 2012</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Oct 12	119,272	789	1,153	(11,452)	109,762
Loss for the quarter	-	-	-	(4,625)	(4,625)
Total comprehensive income for the quarter	-	-	-	(4,625)	(4,625)
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>789</b>	<b>1,153</b>	<b>(16,077)</b>	<b>105,137</b>

**For the Year Ended 31 Dec (Company)**

<b>Company - 2013</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Jan 13	119,272	789	1,153	(16,077)	105,137
Profit for the year	-	-	-	665	665
Total comprehensive income for the year	-	-	-	665	665
Share options exercised	90	-	-	-	90
<b>At 31 Dec 13</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

<b>Company - 2012</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Jan 12	119,272	789	1,153	(7,393)	113,821
Loss for the year	-	-	-	(8,684)	(8,684)
Total comprehensive income for the year	-	-	-	(8,684)	(8,684)
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>789</b>	<b>1,153</b>	<b>(16,077)</b>	<b>105,137</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Group	Share Options Year Ended 31 Dec		Ordinary Shares Year Ended 31 Dec	
	2013 (unaudited) ('000)	2012 (audited) ('000)	2013 (unaudited) ('000)	2012 (audited) ('000)
As at 1 Jan	53,040	54,190	731,835	731,835
Exercised during the year	(1,000)	-	1,000	-
Forfeited during the year	(17,300)	(1,150)	-	-
As at 31 Dec	34,740	53,040	732,835	731,835

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

The total number of issued ordinary shares excluding treasury shares as at 31 December 2013 was 732,834,775 (31 December 2012: 731,834,775).

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as compared with the audited financial statements for the year ended 31 December 2012.



However, the Group adopted the new and revised Financial Reporting Standards and interpretations that are mandatory and relevant to the Group for the financial year beginning on or after 1 January 2013. These are assessed to have no material impact to the Group's financial statements.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Group	Quarter Ended As at 31 Dec		Year Ended As at 31 Dec	
	2013 (unaudited)	2012 (unaudited)	2013 (unaudited)	2012 (audited)
<i>Earnings/(loss) per share</i>				
- basic (cents)	0.55	0.20	0.91	(0.59)
- diluted (cents)	0.55	0.20	0.91	(0.59)

Earnings/(loss) per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the year of 731,867,652 (2012: 731,834,775).

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive securities as at 31 December 2013 and 31 December 2012.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group As at		Company As at	
	31 Dec 13 (unaudited)	31 Dec 12 (audited)	31 Dec 13 (unaudited)	31 Dec 12 (audited)
Net asset value (S\$'000)	163,133	155,849	105,892	105,137
Issued capital at the end of the period ('000)	732,835	731,835	732,835	731,835
Net asset value per Ordinary Share (cents)	22.26	21.30	14.45	14.37

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Overview**

The Group is in the business of manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies and investment holding. The Group has integrated manufacturing facilities in Singapore, Malaysia and China.

#### **Revenue**

The Group's revenue decreased by S\$1.4 million or 2.2% from S\$67.2 million in Q4 2012 to S\$65.8 million in the current quarter under review. The decrease in revenue came from Malaysia segments, partially offset by the increase in revenue in China and Singapore segment.

For the year ended 2013, the Group's revenue decreased by S\$29.8 million or 9.5% from S\$313.2 million in the last corresponding year to S\$283.4 million in the current year under review.

The decrease in revenue for the year ended 2013 and the current quarter under review was mainly due to the decrease in revenue in Malaysia segment caused by the change of procurement strategy of a major customer. The major customer provided the Malaysia entity with contract manufacturing business which resulted in high revenue for the year 2012, as the final products produced consisted of high value components purchased from third parties.

#### **Profitability**

##### **Cost of sales and gross profit**

Cost of sales increased by S\$1.4 million or 2.4% from S\$59.3 million in Q4 2012 to S\$60.7 million in the current quarter under review. The lower cost of sales in Q4 2012 was mainly due to write back of accrued staff welfare no longer required.

Gross profit decreased by S\$2.9 million or 36.1% from S\$8.0 million in Q4 2012 to S\$5.1 million in the current quarter under review. Gross profit margin was 7.7% and 11.9% for Q4 2013 and Q4 2012 respectively.

Other than the impact from write back of accrued staff welfare in Q4 2012, the deterioration in gross profit margins in Q4 2013 was also due to decrease in profit margin in China segment and the new Chongqing subsidiary that started mass production in Q2 2013 has yet to achieve its operational efficiency.

For the year ended 2013, cost of sales decreased by S\$22.9 million or 8.0% from S\$285.8 million in last corresponding year to S\$262.9 million in the current year under review. Gross profit decreased by S\$6.8 million or 25.2% from S\$27.3 million in last corresponding year to S\$20.5 million in the current period under review. Gross profit margin was 7.2% for current year under review as compared to 8.7% in last corresponding year.

Gross profit margins deteriorated mainly due to decrease in revenue, decrease in profit margin in China segment and the new Chongqing subsidiary that started mass production in Q2 2013 has yet to achieve its operational efficiency in the first six months of its operations. The decrease in profit margin was partially offset by the decrease in depreciation charge resulted from provision for impairment loss on property, plant and equipment made in year 2012.

#### **Other income**

The Group's other income increased by S\$5.7 million from S\$2.0 million in Q4 2012 to S\$7.7 million in the current quarter under review. The higher other income in Q4 2013 was mainly attributed to the net reversal of impairment loss on property, plant and equipment of S\$5.8 million in the current quarter under review as compared S\$0.2 million impairment made in last corresponding quarter.

For the year ended 2013, other income increased by S\$15.0 million from other income of S\$6.0 million in last corresponding year to S\$21.0 million in the current year under review. The increase in other income was mainly contributed by (i) gain of S\$6.7 million on the disposal of non-current assets held for sale by a Malaysian subsidiary (ii) the net reversal of impairment loss on property, plant and equipment of S\$5.6 million and (iii) foreign exchange gain of S\$2.5 million in current year under review as compared to a foreign exchange loss of S\$4.3 million (classified under operating expenses) in last corresponding year under review.

#### **Selling and administrative expenses**

Selling and administrative expenses increased by S\$1.0 million or 12.4% from S\$8.2 million in Q4 2012 to S\$9.2 million in the current quarter under review. The increase was mainly due to accruals for incentive bonus for existing employees and settlement sum for an ex-employee during the last quarter of the year.

For year ended 2013, selling and administrative expenses decreased by S\$1.4 million or 4.1% from S\$33.1 million in last corresponding year to S\$31.7 million in the current year under review. The decrease in selling and administrative expenses mainly arose from decrease in outwards freight charges, which was in line with the decrease in revenue.

#### **Other operating expenses**

Other operating expenses decreased by S\$0.5 million in Q4 2013 as compared to S\$0.5 million in Q4 2012.

For the year ended 2013, other operating expenses decreased by S\$7.1 million from S\$7.4 million in last corresponding year to S\$0.3 million in the current year under review. The decrease in other operating expense was mainly due to decrease in net impairment of property, plant and impairment made of S\$3.0 million in last corresponding year as compared to a reversal of impairment on property, plant and equipment of S\$5.6 million (classified under other income) in current year under review. In addition, the decrease partially arose from foreign exchange loss of S\$4.3 million in last corresponding year as compared to S\$2.5 million foreign exchange gain (classified under other income) in current year under review.

#### **Finance costs**

Finance costs decreased by 75.3% in the current year under review as compared to the last corresponding year as all bank borrowings as at 31 December 2012 were repaid

during Q1 2013. The existing financial liabilities was drawdown only in September 2013, hence there is no significant impact on finance cost for the year ended 2013.

#### **Profit/ (loss) before income tax**

The Group's profit before income tax increased by S\$1.6 million or 77.1% from S\$2.0 million in Q4 2012 to S\$3.6 million in the current quarter under review. This was mainly contributed by the net reversal of impairment loss on property, plant and equipment of S\$5.8 million as explained above, and partially offset by the decrease in gross profit in the current quarter under review.

For the year ended 2013, the Group recorded a profit before income tax of S\$9.7 million as opposed to loss before income tax of S\$6.3 million in the last corresponding year. The improvement in profit before income tax was attributable to (i) the gain of S\$6.7 million on disposal of non-current assets held for sale by a Malaysian subsidiary; (ii) net reversal of impairment loss of property, plant and equipment of S\$5.6 million in current year under review as compared to impairment loss on property, plant and equipment of S\$3.0 million in the last corresponding year and (iii) a foreign exchange gain of S\$2.5 million, as compared to an exchange loss of S\$4.3 million in last corresponding year.

#### **Income tax credit/ (expense)**

Income tax credit of S\$0.8 million in the current quarter under review arose mainly from the recognition of deferred tax assets for unabsorbed losses and unutilized capital allowance and was partially offset by the income tax expenses arose from the profit making China and Malaysia subsidiaries.

The income tax expense of S\$1.0 million in the current year under review mainly arose from the profit-making China and Malaysian subsidiaries and offset against the recognition of deferred tax assets for unabsorbed losses and unutilised capital allowance.

#### **Cash Flow**

The Group's cash and cash equivalents (excluding cash deposits pledged) stood at S\$73.0 million as at 31 December 2013, an increase of S\$26.8 million from cash and cash equivalents as at 31 December 2012. The increase in cash and cash equivalents mainly arose from the proceeds from disposal of non-current assets held for sale by a Malaysian subsidiary amounted to S\$11.1 million, the net cash inflows from operating activities of S\$20.3 million as a result of improvement in changes in working capital and net cash inflows from short term borrowing and financial liabilities of S\$2.1 million. The net increase in short-term borrowings was mainly for working capital purpose of the new Chongqing subsidiary.

#### **Balance Sheet**

##### **Inventories**

Inventories decreased by S\$6.4 million or 25.6% from S\$25.0 million as at 31 December 2012 to S\$18.6 million as at 31 December 2013. The decrease is in line with the decrease in revenue of the Group for the year ended 2013.

##### **Financial liabilities**

Financial liabilities increased by S\$2.1 million from S\$1.2 million as at 31 December 2012 to S\$3.3 million as at 31 December 2013. The increase in financial liabilities was mainly due to the utilisation of banking facility for funding of working capitals for Chongqing subsidiary.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

- 9.1 In paragraph 10 of the Company's FY2012 financial results announcement on 1 March 2013 ("FY2012 Results"), the Company has previously stated, inter alia, that "With the major subsidiary in Malaysia reducing its low value-added contract manufacturing service, the top line for the Group is expected to decrease in the next reporting period and the next 12 months.

The Group's revenue for FY2013 closed at S\$283.4 million, a decrease of S\$29.8 million or 9.5% from FY2012 of S\$313.2 million. There is no variance between the actual results and the prospect statement made.

- 9.2 In paragraph 10 of the Company's Q1 FY2013 financial results announcement on 14 May 2013 ("Q1 FY2013 results"), the Company mentioned that the "Proposed Disposal of some of the assets of Classic Advantage Sdn Bhd ("CASB"), a major subsidiary of the Company, if completed, coupled with the pending execution of the sub-tenancy agreement to sub-let a large part of the factory to the purchaser is expected to improve the performance of Malaysia segment as a whole.

The Proposed Disposal was completed on 20 June 2013. The sub-tenancy agreement was signed on 19 June 2013. The Malaysia segment recorded a profit before tax of S\$7.2 million for FY2013 as compared to loss before tax of S\$11.4 million in FY2012. There is no variance between the actual results and the prospect statement made.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The industry in which the Group operates in has become more competitive with excess capacity in the industry. Price pressure from customers, rising operating costs especially the labour costs in China and Malaysia segments, and the movement in USD Dollars remain the key challenges that the Group faces. The Group will continue to focus on improving operation efficiency and maximizing resources to reduce the impact of rising operating costs.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

No dividends have been recommended or declared in the fourth quarter ended 31 December 2013.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends were recommended or declared for the same quarter of last year.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

**12. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no general mandate obtained from shareholders for IPTs.

There were no IPTs for the period ended 31 December 2013.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

**Geographical segments**

	Singapore		China		Malaysia		Total operations	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>Revenue and expenses</b>								
Total external revenue	36,882	35,028	165,222	162,376	81,292	115,762	283,396	313,166
Inter-segment revenue	2,058	1,814	6,736	10,416	400	276	9,194	12,506
(Loss)/profit before tax *	(1,461)	1,153	6,736	18,135	2,777	(3,759)	8,052	15,529
Depreciation of property, plant and equipment, investment property and amortisation of prepaid land lease	(1,956)	(1,791)	(9,547)	(9,913)	(2,026)	(3,962)	(13,529)	(15,666)
Net reversal/(impairment) of property, plant and equipment	2,212	142	3,929	182	(525)	(3,310)	5,616	(2,986)
Gain on disposal of non-current assets held for sale	-	-	-	-	6,712	-	6,712	-
Foreign exchange (loss)/gain (net)	1,199	(2,174)	1,112	(1,771)	214	(338)	2,525	(4,283)
	(6)	(2,670)	2,230	6,633	7,152	(11,369)	9,376	(7,406)
Share of results of associate							368	1,137
Profit/(loss) before income tax							9,744	(6,269)
Income tax expense							(1,001)	(718)
Net profit/(loss) for the year							8,743	(6,987)
<b>Other segment information</b>								
Segment non-current assets	18,383	17,040	41,454	39,531	20,760	27,902	80,597	84,473
Unallocated assets							2,216	1,170
Total non-current assets							82,813	85,643
Capital expenditure	1,189	2,845	5,066	861	984	2,566	7,239	6,272
Interest income	21	5	150	173	561	319	732	497
Finance cost	(7)	(34)	(50)	(203)	(2)	(2)	(59)	(239)

\* Excluding the effect of share of profit of associate, foreign exchange (loss)/gain (net), depreciation and net reversal of impairment/impairment of property, plant and equipment and gain on disposal of non-current assets held for sale.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

**Singapore**

Singapore segment's revenue increased by S\$1.9 million or 5.4% from S\$35.0 million in the last corresponding year to S\$36.9 million in the current year. The increase was mainly due to increase in demand for tooling business in this segment. Singapore segment contributed 13.0% to the Group's 2013 revenue.

Segment loss decreased by S\$2.7 million as compared to last corresponding year. The decrease in losses was mainly due to foreign exchange gain of S\$1.2 million recorded in the current year as opposed to a foreign exchange loss of S\$2.2 million recorded in the previous corresponding year and the net reversal of impairment loss on property, plant and equipment of S\$2.2 million. Excluding the exchange gain and net reversal of impairment loss on property, plant and equipment, Singapore segment recorded segment loss of S\$3.4 million as compared to segment loss of S\$0.6 million in the last corresponding year. The increase in loss was mainly due to the accruals for incentive bonus for existing employees and settlement sum for an ex-employee during the last quarter of the year.

**China**

China segment saw a marginal revenue increase of S\$2.8 million or 1.7% from S\$162.4 million in the last corresponding year to S\$165.2 million in the current year. China segment contributed 58.3% to the Group's 2013 revenue.

Segment profit reduced by S\$4.4 million from S\$6.6 million in the last corresponding year to S\$2.2 million in the current year under review. The decrease in profitability was mainly due to the deterioration in gross profit margin and the new Chongqing subsidiary is yet to operate at its optimal efficiency. The decrease in profit was moderated by the net reversal of impairment loss on property, plant and equipment of S\$3.9 million and exchange gain of S\$1.1 million.

**Malaysia**

Malaysia segment recorded a significant revenue decrease of S\$34.5 million or 29.8% from S\$115.8 million in the last corresponding year to S\$81.3 million in the current year. The decrease in revenue was caused by the change of procurement strategy of a major customer. Malaysia segment contributed 28.7% to the Group's 2013 revenue.

Segment result improved by S\$18.6 million from a segment loss of S\$11.4 million in the last corresponding year to a segment profit of S\$7.2 million in the current year. The improvement in performance of Malaysia segment was mainly due to the gain of S\$6.7 million from disposal of non-current assets held for sale, decrease in provision for impairment loss on property, plant and equipment by S\$2.8 million, decrease in low margin projects and decrease in rental expenses.



15. A breakdown of sales as follows:-

Group	Year Ended 31-Dec		Change %
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)	
Sales reported for the first half year	137,135	169,692	(19.2)
Profit/(loss) after tax before deducting minority interests reported for the first half year	5,943	(7,219)	NM
Sales reported for the second half year	146,261	143,474	1.9
Profit after tax before deducting minority interests reported for the second half year	2,800	232	NM

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the listing manual of the Singapore Exchange Securities Trading, the Company confirms that there is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Low Siew Tian  
Company Secretary  
Singapore, 25 February 2014

## RELEVANT ARTICLES IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

The provisions in the Articles of Association relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below:

### ISSUE OF SHARES

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|----|---|---|
| 4. | <p>Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided Always that:</p> <p>(i) no shares shall be issued at a discount except in accordance with the Statutes;</p> <p>(ii) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and</p> <p>(iii) the rights attaching to shares of a class other than ordinary shares shall be expressed in the Articles of Association.</p> | Issue of shares.  |
| 5. | <p>(A) In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is in arrears for more than six months.</p> <p>(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.</p>  | <p>Rights of preference shareholders.</p> <p>Power to issue further preference capital.</p> |

## VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting, all the provisions of these presents relating to general meetings at the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons and that any holder of shares of the class present in person or proxy or by attorney or in the case of a corporation which is a member, by a representative may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided Always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
- Variation of rights.
- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholder's rights, may only be made pursuant to a special resolution of the preference shareholders concerned; Provided Always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.
- Repayment of preference capital other than redeemable preference capital.
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pail passu* therewith but in no respect in priority thereto.
- Creation or issue of further shares with special rights.

## ALTERATION OF SHARE CAPITAL

7. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. Power to increase share capital.
8. (A) Subject to any direction to the contrary that may be given by the Company in general meeting and except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A). Notwithstanding the foregoing, where the new shares to be offered are ordinary shares, no shares held by a member other than ordinary shares shall be taken into account for the purpose of determining the proportions in which such ordinary shares are to be offered to such member as aforesaid. Offer of new shares.
- (B) Notwithstanding Article 8(A), the Company may by ordinary resolution in general meeting give to the Directors general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:
- (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force; Power to issue instruments.

Provided that:

- (1) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50 per cent. (or such other limit as may be prescribed by any rules of the Stock Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to any adjustments effected under any relevant Instrument) does not exceed 20 per cent. (or such other limit) as may be prescribed by any rules of the Stock Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by any rules of the Stock Exchange from time to time) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company at the time of the passing of the ordinary resolution, after adjusting for:
  - (i) new shares arising from the conversion, exercise or vesting, as the case may be, of convertible securities, share options or share awards outstanding or subsisting at the time of the passing of the ordinary resolution; Provided that such options or awards were granted pursuant to a share option scheme effected and administered in compliance with the rules of the Stock Exchange; and
  - (ii) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these presents; and

- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the ordinary resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be proscribed by the Companies Act (whichever is the earliest). Authority not to extend beyond AGM.
- (C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares and Instruments shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise. New shares issued to be subject to the Statutes and these presents.
9. The Company may by ordinary resolution: Power consolidate, cancel, sub-divide and convert shares.
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;
- (iii) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or
- (iv) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.
10. (A) The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Power to reduce share capital.

- (B) Subject to and in accordance with the provisions of the Companies Act, the Company in general meeting may authorise the Directors to purchase or otherwise acquire all shares, including ordinary shares and preference shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Companies Act. If required by the Companies Act, all shares purchased by the Company shall be cancelled. On cancellation of the shares as aforesaid, the rights and privileges attached to those shares shall expire. The amount of the Company's issued share capital which is diminished on cancellation of the shares purchased shall be transferred to the Company's capital redemption reserve. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Companies Act.
- Company may acquire its own issued shares.

### SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the CDP) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.
- Exclusion of equities.
12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.
- Redeemable preference shares.
13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise of them to such persons, at such times and on such terms as they think proper.
- Unissued shares.

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| 14. | The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted; Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.   | Power to pay commission and brokerage. |
| 15. | Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days (as defined in Article 18) of the closing date (or such other period as may be prescribed by any rules of or bye-laws governing the Stock Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose. | Renunciation of allotment.             |

#### **SHARE CERTIFICATES**

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| 16. | Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.   | Form of share certificate.  |
| 17. | <p>(A) The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.</p> <p>(B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all such holders.</p> | <p>Rights and liabilities of joint holders.</p> <p>Issue of certificate to joint holders.</p> |



18. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within ten market days of the closing date of any application for shares (or such other period as may be prescribed by any rules of or bye-laws governing the Stock Exchange) or within ten market days after the date of lodgement of a registrable transfer (or such other period as may be prescribed by any rules of or bye-laws governing the Stock Exchange) one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate(s) for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares shall be issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require. A maximum fee of S\$2, or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange, may be chargeable by the Company for the issuance of each new certificate. For the purposes of this Article 18, the term "market day" shall mean a day on which the Stock Exchange is open for trading in securities. Entitlement to certificate.
19. (A) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares be issued in lieu without charge. Issue of a single share certificate.
- (B) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange. Issue of multiple share certificates.
- (C) In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders. Request by registered joint holders.

20. Subject to the provisions of the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require, having regard to any limitation thereof as may be prescribed by any rules of or bye-laws governing the Stock Exchange, together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft.

Replacement of certificate

### **CALLS ON SHARES**

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
22. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case to waive payment of such interest wholly or in part.
24. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Calls on shares and time when made.

Calls on shares and when payable.

Interest on calls.

Sum due on allotment.

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| 25. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.   | Power to differentiate.      |
| 26. | The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made, and upon the moneys so received (until and to the extent that the same would but for such advance become payable), the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits. | Payment in advance of calls. |

### FOREFIETURE AND LIEN

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| 27. | If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.  | Notice requiring payment of calls.                      |
| 28. | The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.   | Notice to state time and place.                         |
| 29. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeiture share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.   | Forfeiture on non-compliance with notice.               |
| 30. | A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid. | Sale or disposition of forfeited or surrendered shares. |

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such other rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part. Rights and liabilities of members whose shares have been forfeited or surrendered.
32. The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share (including without limitation unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid) and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article. Company's lien.
33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. Sale of shares subject to lien.
34. The residue of the proceeds of such sale pursuant to Article 33 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assignees, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser. Application of proceeds of such sale.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed of to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a depositor, to the CDP) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted, or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Title to shares forfeited and right of purchaser of such share.

#### **TRANSFER OF SHARES**

36. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being prescribed by any rules of or bye-laws governing the Stock Exchange. The instrument of transfer of any share shall be signed by or on behalf of the transferor and be witnessed; Provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the transfer is registered and the name of the transferee is entered in the Register of Members in respect thereof.
37. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine; Provided Always that such Register shall not be closed for more than thirty days in any year. Provided Always that the Company shall give prior notice of such closure as may be required to the Stock Exchange, stating the period and purpose or purposes for which the closure is made.
38. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law, the listing rules of the Stock Exchange or the rules and/or bye-laws governing the Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve.

Form of transfer.

Closing of Register of Members.

Directors' right to refuse to register a transfer.

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| <p>(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:</p> <ul style="list-style-type: none"> <li>(i) all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding S\$2 as the Directors may from time to time require pursuant to Article 41, is paid to the Company in respect thereof;</li> <li>(ii) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, of the instrument of transfer is executed by some other person on his behalf, the authority of the person to do so.</li> <li>(iii) the instrument of transfer is in respect of only one class of shares; and</li> <li>(iv) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.</li> </ul> | <p>When Directors may refuse to register a transfer.</p> |
| <p>39. If the Directors refuse to register a transfer of any shares, they shall within one month after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice in writing of the refusal as required by the Statutes.</p>  | <p>Notice on refusal to register a transfer.</p>         |
| <p>40. All instruments of transfer which are registered may be retained by the Company.</p>  | <p>Retention of transfers.</p>                           |
| <p>41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2 as the Directors may from time to time require.</p>   | <p>Fee for registration of probate etc.</p>              |

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof. It shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided Always that:
- Destruction of instrument of transfer.
- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
  - (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### **TRANSMISSION OF SHARES**

43. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- Transmission.
- (B) In the case of a death of a member who is a depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

44. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a member may, (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share, either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member. Persons becoming entitled to shares on death or bankruptcy of member.
45. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share. Rights of persons entitled to shares on transmission.

#### **STOCK**

46. The Company may from time to time by ordinary resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares of any denomination. Power to convert into stock.
47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles of Association and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit), but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine. Transfer of stock.
48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of stockholders.



## GENERAL MEETINGS

49. Subject to the provisions of the Companies Act, the Company shall in each year hold a general meeting in addition to any other meetings in that year, to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next and in addition, the date of an Annual General Meeting of the Company shall not be more than four months from the close of the Company's financial year (or such other period as may be prescribed by the Companies Act or any rules of or bye-laws governing the Stock Exchange). All other general meetings shall be called Extraordinary General Meetings. Annual General Meeting.
50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting. Extraordinary General Meeting.

## NOTICE OF GENERAL MEETINGS

51. Any general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice is required under the Statutes to be given by the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting shall be called by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, Provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been fully called if it is so agreed: Notice of Meetings.
- (i) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (ii) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting. At least fourteen days' notice of any general meeting shall be given by advertisement in the daily press and in writing to each Stock Exchange upon which the Company may be listed.

52. (A) Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Contents of notice.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.
53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business.
- (i) declaring dividends;
- (ii) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (iii) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (iv) appointing or re-appointing Auditors;
- (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (vi) fixing the fees of the Directors proposed to be passed under Article 79. All other business to be transacted at any general meeting of the Company shall be deemed to be special business.
54. Any notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. Notice to state effect of special business.

#### **PROCEEDINGS AT GENERAL MEETINGS**

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a general meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting. Chairman.

56. No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein provided, the quorum at any general meeting shall be two or more members, present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative. Quorum.
57. If within thirty minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or to such other day, time or place as the Directors may, by not less than ten days' notice, appoint. If quorum not present, adjournment or dissolution of meeting.
58. The chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Adjournment.
59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Notice of adjournment.
60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. Amendment to resolution.
61. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: Method of voting.
- (i) the chairman of the meeting; or
  - (ii) not less than five members present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative and entitled to vote; or
  - (iii) a member present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (iv) a member present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative and holding shares in the Company conferring a right to vote at the meeting and being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right;

Provided Always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

- 62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.
- 63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Casting vote of Chairman.
- 64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Polls and continuance of business after demand for a poll.

## VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each member entitled to vote may vote in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative. On a show of hands, every member who is present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative shall have one vote and on a poll, every member who is present in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a depositor, or his proxy or his attorney or in the case of a corporation which is a member, its representative may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time appointed for holding the relevant general meeting as certified by the CDP to the Company. Voting rights of members.
66. In the case of joint holders of a share, any one of such persons may vote, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy or by attorney or in the case of a corporation which is a member, by a representative, shall be accepted to the exclusion of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share. Voting rights of joint holders.
67. Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy or by attorney at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company. Voting rights of receiver or court appointed persons.
68. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting either personally or by proxy or by attorney or in the case of a corporation which is a member, by a representative or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid. Right to be present and to vote.



72. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and: Instrument appointing proxies.
- (i) in the case of an individual, shall be signed by the appointor or his attorney; and
  - (ii) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
- (B) The signature on such instrument need not be witnessed. Signature on instrument appointing proxies. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 73, failing which the instrument may be treated as invalid.
73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purpose of any meeting shall not be required again to be delivered for the purpose of any subsequent meeting to which it relates. Deposit of instrument of proxy.
74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting. Rights of proxies.
75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made; Provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast. Intervening death or insanity of principal not to revoke proxy or power of attorney.

## CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a Member may, by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purpose of these presents be deemed to be present in person at any such meeting if a person so authorized is present thereat.
- Corporation acting by representatives.

## RESERVES

120. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply *with the* provisions of the Statutes.
- Power to carry profits to reserve.

## DIVIDENDS

121. The Company may by ordinary resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.
- Dividends.
122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
- Interim dividends.
123. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.
- Apportionment of dividends.
124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.
- Dividends payable only out of profits.
125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
- Dividends not to bear interest.



126. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- (C) The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. Unclaimed dividends.
127. The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. Waiver of dividends.
128. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividends *in specie*.

129. (A) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- Right to elect to receive allotment of shares in lieu of dividends.
- (i) the basis of any such allotment shall be determined by the Directors;
  - (ii) the Directors shall determine the manner in which members shall be entitled to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article.
  - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded; Provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 133, the Directors shall capitalise and apply the amount standing to the credit of the Company's reserve accounts as the Directors may determine, such sum as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

- (B) (i) The ordinary shares allotted pursuant to paragraph (A) of this Article shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Articles of Association, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case maybe) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (E) Notwithstanding the foregoing provisions of this Article, if at any time after the Director's resolution to apply paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.

130. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 132, the payment by the Company to the CDP of any dividend payable to a depositor shall, to the extent of the payment made to the CDP, discharge the Company from any liability to the depositor in respect of that payment.
131. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
132. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferrors and transferees of any such shares.
- Dividends payable by cheque or warrant.
- Payment of dividends to joint holders.
- Resolution declaring dividends.

## CAPITALISATION OF PROFITS AND RESERVE

133. The Directors may, with the sanction of an ordinary resolution of the Company, or an ordinary resolution passed pursuant to Article 8B, capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account, capital redemption reserve fund or other undistributable reserve) or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- Power to capitalise profits and implementation of resolution to capitalise profits.

## WINDING UP

143. The Directors shall have the power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- Voluntary winding up.
144. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a special resolution, divide among the members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares or other property in respect of which there is a liability.
- Distribution of assets *in specie*.

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