

CIRCULAR DATED 8 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about this Circular, or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Sinwa Limited (the “**Company**”), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, 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.



SINWA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200206542H)

CIRCULAR TO SHAREHOLDERS

in relation to:-

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The purpose of this Circular is to provide Shareholders with information pertaining to, and to explain the rationale for the proposed renewal of the Share Buyback Mandate (as defined in this Circular) to be tabled at the Annual General Meeting of the Company to be held on 25 April 2016 at 10.00 a.m. at 28 Joo Koon Circle, Singapore 629057.

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the Annual Report.

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“AGM”	:	Annual General Meeting of the Company
“Amendment Act”	:	The Companies (Amendment) Act (No. 36 of 2014)
“Board”	:	The board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders in relation to the renewal of Share Buyback Mandate dated 8 April 2016
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended modified or supplemented from time to time
“Company”	:	Sinwa Limited
“Constitution”	:	The Constitution of the Company, as may be amended or modified from time to time
“EPS”	:	Earnings per Share
“FY2015”	:	Financial year ended on 31 December 2015
“Latest Practicable Date”	:	28 March 2016, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Paragraph 3.3(a)
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of AGM
“Off-Market Purchase”	:	Has the meaning ascribed to it in Paragraph 3.3(b)
“NTA”	:	Net tangible assets
“Relevant Period”	:	The period commencing from the date on which the last AGM was held or if no such meeting was held the date it was required by law to be held before the resolution authorising the Share Buyback Mandate is passed, and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier, after the date the resolution authorising the Share Buyback Mandate is passed
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in the circular as well as

DEFINITIONS

		the rules and regulations set forth in the Companies Act and the Listing Manual
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the share capital of the Company
“SIC”	:	The Securities Industry Council
“Sinwa Group”	:	The Company and its subsidiaries
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the total issued and voting share capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“treasury share”	:	A share of a company that was or is treated as having been acquired and held by the company and has been held continuously by the company since it was so acquired and has not been cancelled
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	percentage or per centum

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

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

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

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 or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be, unless the context otherwise requires.

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

LETTER TO SHAREHOLDERS

SINWA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200206542H)

Directors:

Sim Yong Teng (*Executive Chairman and Executive Director*)
Bruce William Rann (*Chief Executive Officer and Executive Director*)
Tan Lay Ling (*Chief Operating Officer and Executive Director*)
Sim Li-Meng Timothy (Shen Liming) (*Executive Director*)
Heng Lee Seng (*Independent Director*)
Yeo Nai Meng (*Independent Director*)
Wee Boon Chye (*Independent Director*)

Registered Office:

28 Joo Koon Circle
Singapore 629057

8 April 2016

To: **The Shareholders of Sinwa Limited**

Dear Sir / Madam,

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1 We refer to the Notice of the Annual General Meeting (the “**AGM**”) of the Shareholders of the Company dated 8 April 2016 (the “**Notice of AGM**”) convening the AGM to be held on 25 April 2016 and Ordinary Resolution No. 10 under the heading of “Special Business” set out in the Notice of AGM.
- 1.2 The purpose of this Circular is to provide Shareholders with the relevant information relating to the above-mentioned proposal to be tabled at the AGM.
- 1.3 The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Circular.

This Letter has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Introduction

- 2.1.1 Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.
- 2.1.2 At the AGM of the Company held on 23 April 2015, Shareholders had approved the renewal of the Share Buyback Mandate (the “**Share Buyback Mandate**”) to enable the Company to purchase or otherwise acquire its issued Shares on the terms of that mandate. The rationale for, the authority and limitations on, and the financial effects of, the Share Buyback Mandate were set out in the Company's letter to Shareholders dated 11 April 2011. As the Share Buyback Mandate will expire on the date of the forthcoming AGM, being 25 April 2016, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM.

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- 2.1.3 Approval is being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate. If approved, the renewed Share Buyback Mandate will take effect from the date of the AGM and continue in force until the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law or by the Constitution of the Company, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

2.2 Rationale for the Share Buyback Mandate

- 2.2.1 The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net tangible asset value per Share. The Directors further believe that share buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.
- 2.2.2 If and when circumstances permit, the Directors will decide whether to effect the share purchases *via* market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

3. AUTHORITY AND LIMITS OF THE SHARE BUYBACK MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are summarised below:-

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued ordinary share capital (excluding treasury shares) of the Company as at the date of the AGM at which the Share Buyback Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

Purely for illustrative purposes, on the basis of the existing issued and paid-up capital of the Company as at 28 March 2016 (the "**Latest Practicable Date**"), of approximately S\$41,002,000 comprising 341,079,335 Shares (excluding 2,177,532 treasury shares), and assuming that no further Shares are issued on or prior to the AGM, not more than approximately 34,107,934 Shares (representing approximately 10% of the issued ordinary share capital of the Company as at that date excluding 2,177,532 treasury shares currently held) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:-

- (a) the date on which the next AGM is held or is required by law to be held;

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- (b) the date on which the share buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

3.3 ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:-

- (a) on-market purchases (the “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases (the “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:-

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their issued shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:-
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:-

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buybacks, if made, could affect the listing of the Company’s equity securities on the SGX-ST;
- (f) details of any share buybacks made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:-

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. **STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

5. **TREASURY SHARES**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares.

5.1 **Maximum holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

5.2 **Voting and other rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

5.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):-

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

6. **SOURCE OF FUNDS FOR THE SHARE BUYBACK**

- 6.1 The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits.
- 6.2 The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate.

7. **FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group for the financial year ended 31 December 2015, are based on the assumptions set out below:-

7.1 ***Purchase or Acquisition out of Profits and/or Capital***

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

7.2 ***Information as at the Latest Practicable Date***

As at the Latest Practicable Date, the issued capital of the Company comprised 341,079,335 Shares (excluding 2,177,532 treasury shares). In addition, as at the Latest Practicable Date, there were no outstanding and unexercised Share options to subscribe for Shares.

7.3 ***Illustrative Financial Effects***

For illustrative purposes only, on the basis of 341,079,335 Shares in issue as at the Latest Practicable Date, and on the basis of the assumptions set out below, the financial effects of the:

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- (a) acquisition of 34,107,934 Shares (excluding 2,177,532 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) acquisition of 34,107,934 Shares (excluding 2,177,532 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and cancelled; and
- (c) acquisition of 34,107,934 Shares (excluding 2,177,532 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 are set out below:-

(a) Purchases made entirely out of capital and held as treasury shares

Market Purchase

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.245, which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$8,356,000. On these assumptions and assuming the following:-

- (a) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (b) the purchase of Share was financed entirely by the internal resources of the Company;

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Group's and the Company's audited financial statements for financial year ended 31 December 2015 are as follows:-

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	41,963	41,963	41,963
Reserve – non distributable	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	92,080	55,067	55,067
Treasury Shares	(961)	(9,317)	(961)	(9,317)
Total Shareholders' Equity	91,119	82,763	54,106	45,750
Current Assets	92,773	84,417	49,203	40,847
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	18,591	17,371	9,015
Total Debt ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	82,215	54,106	45,750
Profit attributable to owner of the Company	9,614	9,614	16,312	16,312

LETTER TO SHAREHOLDERS

Number of Shares ('000)	341,079	306,971	341,079	306,971
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Financial Ratios

Net Tangible Assets per Share (cents)	26.55	26.78	15.86	14.90
Gearing (%) ⁽³⁾	3.04	3.35	4.77	5.64
Current Ratio (times) ⁽⁴⁾	2.49	2.26	2.04	1.69
EPS (cents)	2.82	3.13	4.78	5.31

Notes:

- (1) Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
- (2) Net tangible assets equals Shareholders' Equity less intangible assets
- (3) Gearing equal total borrowings divided by Shareholders' funds
- (4) Current ratio equals current assets divided by current liabilities

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.282, which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$9,618,000. On these assumptions and assuming the following:-

- (a) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (b) the purchase of Share was financed entirely by the internal resources of the Company;

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Group's and the Company's audited financial statements for financial year ended 31 December 2015 is as follows:-

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	41,963	41,963	41,963
Reserve – non distributable	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	92,080	55,067	55,067
Treasury Shares	(961)	(10,579)	(961)	(10,579)
Total Shareholders' Equity	91,119	81,501	54,106	44,488
Current Assets	92,773	83,155	49,203	39,585
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	17,329	17,371	7,753
Total Debt ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	80,953	54,106	44,488

LETTER TO SHAREHOLDERS

Profit attributable to owner of the Company	9,614	9,614	16,312	16,312
Number of Shares ('000)	341,079	306,971	341,079	306,971

Financial Ratios

Net Tangible Assets per Share (cents)	26.55	26.37	15.86	14.49
Gearing (%) ⁽³⁾	3.04	3.40	4.77	5.80
Current Ratio (times) ⁽⁴⁾	2.49	2.23	2.04	1.64
EPS (cents)	2.82	3.13	4.78	5.31

Notes:

1. Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
2. Net tangible assets equals Shareholders' Equity less intangible assets
3. Gearing equal total borrowings divided by Shareholders' funds
4. Current ratio equals current assets divided by current liabilities

(b) Purchases made entirely out of profit and cancelled

Market Purchases

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.245, which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$8,356,000.

However, having regard to:-

- (a) the amount of the Company's distributable profits for the financial year ended 31 December 2015 of approximately S\$16,312,000; and
- (b) the Maximum Price of S\$0.245 as at the Latest Practicable Date,

the Company will only be able to acquire up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate) in a market purchase. On these assumptions and assuming the following:-

- (i) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (ii) the purchase of Share was financed entirely by the internal resources of the Company;

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Group's and the Company's audited financial statements for financial year ended 31 December 2015 are as follows:-

LETTER TO SHAREHOLDERS

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	32,646	41,963	32,646
Reserve – non distributable	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	82,763	55,067	45,750
Treasury Shares	(961)	-	(961)	-
Total Shareholders' Equity	91,199	82,763	54,106	45,750
Current Assets	92,773	84,417	49,203	40,847
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	18,591	17,371	9,015
Total Debt ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	82,215	54,106	45,750
Profit attributable to owner of the Company	9,614	9,614	16,312	16,312
Number of Shares ('000)	341,079	306,971	341,079	306,971
<u>Financial Ratios</u>				
Net Tangible Assets per Share (cents)	26.55	26.78	15.86	14.90
Gearing (%) ⁽³⁾	3.04	3.35	4.77	5.64
Current Ratio (times) ⁽⁴⁾	2.49	2.26	2.04	1.69
EPS (cents)	2.82	3.13	4.78	5.31

Notes:

1. Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
2. Net tangible assets equals Shareholders' Equity less intangible assets
3. Gearing equal total borrowings divided by Shareholders' funds
4. Current ratio equals current assets divided by current liabilities

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.282, which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$9,618,000.

However, having regard to:-

- (a) the amount of the Company's distributable profits for the financial year ended 31 December 2015 of approximately S\$16,312,000; and
- (b) the Maximum Price of S\$0.282 as at the Latest Practicable Date,

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the Company will only be able to acquire up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchases, excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate) in an off-market purchase. On these assumptions and assuming the following:-

- (i) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (ii) the purchase of Share was financed entirely by the internal resources of the Company;

The impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 December 2015 is as follows:-

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	31,384	41,963	31,384
Reserve – (non distributable)	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	81,501	55,067	44,488
Treasury Shares	(961)	-	(961)	-
Total Shareholders' Equity	91,119	81,501	54,106	44,488
Current Assets	92,773	83,155	49,203	39,585
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	17,329	17,371	7,753
Total Debt ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	80,953	54,106	44,488
Profit/(Loss) attributable to owner of the Company	9,614	9,614	16,312	16,312
Number of Shares ('000)	341,079	306,971	341,079	306,971
<u>Financial Ratios</u>				
Net Tangible Assets per Share (cents)	26.55	26.37	15.86	14.49
Gearing (%) ⁽³⁾	3.04	3.40	4.77	5.80
Current Ratio (times) ⁽⁴⁾	2.49	2.23	2.04	1.64
EPS (cents)	2.82	3.13	4.78	5.31

Notes:

1. Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
2. Net tangible assets equals Shareholders' Equity less intangible assets
3. Gearing equal total borrowings divided by Shareholders' funds
4. Current ratio equals current assets divided by current liabilities

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(c) Purchases made entirely out of capital and cancelled

Market Purchases

For illustrative purposes only, in a market purchase, assuming that the Maximum Price is S\$0.245, which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$8,356,000. On these assumptions and assuming the following:-

- (a) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (b) the purchase of Share was financed entirely by the internal resources of the Company;

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 December 2015 are as follows:-

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	32,646	41,963	32,646
Reserve – (non distributable)	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	82,763	55,067	45,750
Treasury Shares	(961)	-	(961)	-
Total Shareholders' Equity	91,119	82,763	54,106	45,750
Current Assets	92,773	84,417	49,203	40,847
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	18,591	17,371	9,015
Total Debts ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	82,215	54,106	45,750
Profit/(Loss) attributable to owner of the Company	9,614	9,614	16,312	16,312
Number of Shares ('000)	341,079	306,971	341,079	306,971
<u>Financial Ratios</u>				
Net Tangible Assets per Share (cents)	26.55	26.78	15.86	14.90
Gearing (%) ⁽³⁾	3.04	3.35	4.77	5.64
Current Ratio (times) ⁽⁴⁾	2.49	2.26	2.04	1.69
EPS (cents)	2.82	3.13	4.78	5.31

Notes:

1. Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
2. Net tangible assets equals Shareholders' Equity less intangible assets

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3. Gearing equal total borrowings divided by Shareholders' funds
4. Current ratio equals current assets divided by current liabilities

Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that the Maximum Price is S\$0.282, which is 20% above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 34,107,934 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 2,177,532 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$9,618,000. On these assumptions and assuming the following:-

- (a) the purchase of Shares took place at the beginning of the financial year on 1 January 2015; and
- (b) the purchase of Share was financed entirely by the internal resources of the Company;

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 December 2015 are as follows:-

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
<u>As at 31 December 2015</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	41,963	31,384	41,963	31,384
Reserve – (non distributable)	9,861	9,861	108	108
Revenue Reserves	40,256	40,256	12,996	12,996
	92,080	81,501	55,067	44,488
Treasury Shares	(961)	-	(961)	-
Total Shareholders' Equity	91,119	81,501	54,106	44,488
Current Assets	92,773	83,155	49,203	39,585
Current Liabilities	37,308	37,308	24,151	24,151
Cash and Cash Equivalents	26,947	17,329	17,371	7,753
Total Debt ⁽¹⁾	2,769	2,769	2,581	2,581
Net Tangible Assets (NTA) ⁽²⁾	90,571	80,953	54,106	44,488
Profit/(Loss) attributable to owner of the Company	9,614	9,614	16,312	16,312
Number of Shares ('000)	341,079	306,971	341,079	306,971
<u>Financial Ratios</u>				
Net Tangible Assets per Share (cents)	26.55	26.37	15.86	14.49
Gearing (%) ⁽³⁾	3.04	3.40	4.77	5.80
Current Ratio (times) ⁽⁴⁾	2.49	2.23	2.04	1.64
EPS (cents)	2.82	3.13	4.78	5.31

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Notes:

1. Total debts pertain to finance leases, term loans, bills financing and bank overdrafts
2. Net tangible assets equals Shareholders' Equity less intangible assets
3. Gearing equal total borrowings divided by Shareholders' funds
4. Current ratio equals current assets divided by current liabilities

Shareholders should note that the financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

8. LISTING RULES

- 8.1 The Listing Manual specifies that a listed company shall announce all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details, including but not limited to, of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.
- 8.2 While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the Listing Manual which provides that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements).

The Listing Manual requires a listed company to ensure that at least 10% of the total number of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 46.12% of the issued Shares are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

9. TAKE-OVER OBLIGATIONS

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:-

9.1 *Obligation to make a take-over offer*

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

9.2 ***Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following individuals will, *inter alia*, be presumed to be acting in concert:-

- (a) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trust;
- (b) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

9.3 ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, and the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights

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of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

Based on 341,079,335 Shares (excluding 2,177,532 treasury shares) in issue as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate would result in the purchase or acquisition of 34,107,934 Shares (excluding 2,177,532 treasury shares) and consequently the resultant shareholding of Evenstar Investments Pte Ltd ("**Evenstar**") would increase approximately from 41.0895% to 45.6550%. The aggregate shareholding of Sim Yong Teng would consequently increase from 42.8346% to 47.5940% and the aggregate shareholding of Sim Li-Meng, Timothy before and after the exercise of the full Share Buyback mandate remains at approximately 0.0001%.

Accordingly, under the Take-over Code, Sim Yong Teng, Sim Li-Meng, Timothy and their concert party, Evenstar (the "**Relevant Parties**"), would, unless exempted, become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buyback Mandate, their interest in the voting rights of the Company increase by more than 1% within a six (6) month period.

The Relevant Parties will be exempted under Appendix 2, from the requirement under Rule 14.1(a) of the Take-over Code to make a general offer for the Company if their aggregate percentage of total voting rights in the Company is increased by more than 1% or more within a six (6) month period as a result of the Share Buyback Mandate, subject to the following conditions:-

- (a) the circular to shareholders on the resolution to authorise the renewal of the Share Buyback Mandate contains advice to the effect that by voting for the approval of the Share Buyback Mandate, shareholders of the Company are waiving their rights to a general offer at the required price from the Relevant Parties who, as a result of the company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months; and the names of the Relevant Parties their voting rights at the time of the resolution and after the share buyback are disclosed in the same circular;
- (b) the resolution to authorise the renewal of the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buyback;
- (c) the Relevant Parties abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the renewal of the Share Buyback Mandate;
- (d) within seven (7) days after the passing of the resolution to authorise the renewal of the Share Buyback Mandate, the Relevant Parties those of whom are also directors of the Company, are to each submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Relevant Parties not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the share buyback proposal is imminent and the earlier of:-
 - (i) the date on which the authority of the renewed Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the shareholders at the latest general meeting or the date the Company decides to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the share buyback under the renewed Share Buyback, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding six (6) months.

If the Company ceases to buy back its Shares under the renewed Share Buyback Mandate and the increase in the aggregate of total voting rights held by the Relevant Parties is less than 1% in

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any 6-month period, the Relevant Parties may acquire further voting rights in the Company. However, any increase in the Relevant Parties' percentage of voting rights as a result of the share buybacks will be taken into account together with any Company shares acquired by the Relevant Parties (by whatever means) in determining whether the Relevant Parties have increased their aggregate voting rights in the Company by more than 1% in any 6-month period.

Shareholders should therefore note that by voting in favour of the resolution to approve the Share Buyback Mandate, they will be waiving their rights to a general offer at the required price by the Relevant Parties in the circumstances set out above.

"Required price" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the highest of the highest price paid by the offerers and/or person(s) acting in concert with them for the Company's Shares (i) during the offer period and within the preceding 6 months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within 6 months of the offer and during the offer period, or (iii) acquire through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within 6 months of the offer or during the offer period; or at such price as determined by SIC under 14.3 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Number of ordinary shares			
	Direct Interest	%	Indirect Interest	%
Directors				
Sim Yong Teng	5,952,150	1.7451	140,147,928	41.0895
Bruce William Rann	1,664,468	0.4880	-	-
Tan Lay Ling	4,773,500	1.3995	-	-
Sim Li-Meng Timothy (Shen Liming)	500	0.0001	-	-
Heng Lee Seng	525,000	0.1539	-	-
Yeo Nai Meng	-	-	-	-
Wee Boon Chye	-	-	-	-
Substantial Shareholders (excluding Directors)				
Evenstar Investments Pte Ltd ⁽¹⁾	140,147,928	41.0895	-	-
FMR LLC ⁽²⁾	-	-	27,224,900	7.9820

Notes:

- (1) Pursuant to section 7(4) of the Companies Act Chapter 50 (the "Act"), Sim Yong Teng is deemed to be interested in the shares held by Evenstar Investments Pte Ltd.
- (2) FMR LLC is deemed to have an interest, by virtue of Section 7(4) of the Act, in shares acquired by the registered holders, FID Low Priced Stock Fund.

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Save as disclosed above, none of the Directors have any interest in the share capital of the Company or any of its subsidiaries.

11. SHARES PURCHASED BY THE COMPANY

The Company has not made any Share buybacks in the twelve (12) months preceding the date of this Circular.

12. ABSTINENCE FROM VOTING

Sim Yong Teng, Sim Li-Meng Timothy, and their concert party, Evenstar, who are Shareholders, will abstain from voting at the AGM in respect of the Resolution 10 relating to the renewal of the Share Buyback Mandate in view of Note 3(iii) of Appendix 2 of the Take-over Code and would not accept nominations as proxy or otherwise for voting at the AGM in respect of the said Resolution 10.

13. DIRECTORS' RECOMMENDATIONS

Save for Sim Yong Teng and Sim Li-Meng Timothy who will abstain from making any recommendations to the Shareholders in respect of Resolution 10, the remaining Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 10, being the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

15. DOCUMENTS FOR INSPECTION

Copies of the following may be inspected by Shareholder at the registered office of the Company at 28 Joo Koon Circle Singapore 629057 during normal business hours from the date of this Circular up to the date of the AGM:-

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Company and the Group for the financial year ended 31 December 2015.

Yours faithfully
For and on behalf of the Board of
SINWA LIMITED

Bruce William Ran
Chief Executive Officer/Executive Director