

CIRCULAR DATED 18 JULY 2016

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

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

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

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. The approval-in-principle granted by the SGX-ST to the Company is not to be taken as an indication of the merits of the Proposed Transactions (as defined herein), the Creditors Start Conversion Shares (as defined herein), the UOB Start Conversion Shares (as defined herein), the OHL Conversion Shares (as defined herein), the Subscription Shares (as defined herein), the Warrants (as defined herein), the Warrant Shares (as defined herein), the Fee Shares (as defined herein) and the Company and/or its subsidiaries.

SWEE HONG
FIRST WORLD CITY BUILDERS

SWEE HONG LIMITED

(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore on 3 June 1980)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY PURSUANT TO A DEBT-TO-EQUITY CONVERSION UNDER THE SCHEME (INCLUDING UP TO 1,006,656,840 NEW ORDINARY SHARES TO BE ISSUED PURSUANT TO THE START CONVERSION);
- (2) THE PROPOSED ISSUE OF 1,400,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KH FOGES PTE. LTD.;
- (3) THE PROPOSED ISSUE OF 500,000,000 UNLISTED FREE WARRANTS TO KH FOGES PTE. LTD., EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY;
- (4) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM KH FOGES PTE. LTD. AND ITS CONCERT PARTIES FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM; AND
- (5) THE PROPOSED ISSUE OF 67,766,667 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ERNST & YOUNG SOLUTIONS LLP

Independent Financial Adviser to the Recommending Directors of Swee Hong Limited



SAC CAPITAL PRIVATE LIMITED
(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	31 July 2016 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	2 August 2016 at 9:30 a.m.
Place of Extraordinary General Meeting	:	Warren Golf and Country Club Conference Room 1 & 2 (Level 2) , 81 Choa Chu Kang Way, Singapore 688623

CONTENTS

DEFINITIONS	3
LETTER TO SHAREHOLDERS	11
1. THE SCHEME	11
2. THE CREDITORS ISSUANCE	14
3. THE UOB ISSUANCE	16
4. THE OHL ISSUANCE	19
5. THE SUBSCRIPTION SHARES ISSUANCE, THE WARRANTS ISSUANCE AND THE WARRANT SHARES ISSUANCE	21
6. THE FEE ISSUANCE	26
7. THE WHITEWASH RESOLUTION	27
8. SGX-ST LISTING AND QUOTATION NOTICE	33
9. FINANCIAL EFFECTS	34
10. BORROWINGS	36
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	36
12. DIRECTORS' SERVICE CONTRACTS	37
13. DIRECTORS' RECOMMENDATIONS	37
14. CONDITIONALITY	38
15. ABSTENTION FROM VOTING	38
16. EXTRAORDINARY GENERAL MEETING	39
17. ACTION TO BE TAKEN BY SHAREHOLDERS	39
18. DIRECTORS' RESPONSIBILITY STATEMENT	39
19. CONSENT	39
20. DOCUMENTS FOR INSPECTION	40
APPENDIX A	A-1
APPENDIX B	B-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	EGM-1
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“3Q2016”	:	The third quarter ended 31 March 2016
“3Q2016 Results”	:	The unaudited consolidated financial statements of the Group for 3Q2016
“Approvals”	:	All necessary waivers, consents and/or approvals from the SGX-ST, SIC and the Shareholders in relation to the allotment and issuance, and listing on the SGX-ST, of the Start Conversion Shares or the End Conversion Shares (as relevant)
“Approved Debt”	:	In respect of any Creditor, such amount of Debt of such Creditor which is determined by the Scheme Manager in accordance with the terms of the Scheme as such Creditor’s entitlement to distributions, payments and/or the receipt of Conversion Shares under the Scheme and if applicable, as reduced as expressly provided in the Scheme
“Board”	:	The board of directors of the Company
“Business Day”	:	Any day other than a Saturday, a Sunday or a public holiday in Singapore
“Cash Payments”	:	The aggregate amount of the cash distributions and payments made or to be made by the Company to the Conversion Creditors and UOB in accordance with the terms of the Scheme, as described in Section 1.3.4 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 18 July 2016
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Swee Hong Limited
“Completed Projects”	:	The completed projects of the Company under: <ul style="list-style-type: none">(i) Contract No. C-JTC-2011-01 for the construction of sewers from Tuas South Ave 12 to Tuas South Ave 6, made between the Company and JTC, dated 11 August 2011;(ii) Contract No. X-JTC-2009-06 for the construction of roads, drains, sewers and ancillary works at Seletar Aero Drive, made between the Company and JTC, dated 22 April 2009; and(iii) Contract No. C-NPB-2009-05 for the proposed main garden contract to Gardens by the Bay (Marina South), made between the Company and the National Parks Board, dated 11 September 2009
“Concert Party Group”	:	The Subscriber and parties acting in concert with it

DEFINITIONS

- “Continuing Projects”** : The current projects of the Company under:
- (i) Contract No. C-LTA-2013-08 for the construction of a new road between MacRitchie Viaduct and Adam Flyover, made between the Company and LTA, dated 5 August 2014, as amended by the supplemental agreement, made between the Company and LTA, dated 30 April 2015;
 - (ii) Contract No. T-LTA-2013-06 for the construction of a sewer diversion at Springleaf Station, made between the Company and LTA, dated 10 June 2013;
 - (iii) Contract No. T-PUB-2011-04 for a Sewerage Scheme to phase out Nee Soon Pumping Station, made between the Company and PUB, dated 15 November 2011; and
 - (iv) Contract No. C-LTA-2012-02 for the widening of Upper Paya Lebar Road from Upper Serangoon Road to Bartley Road, made between the Company and LTA dated 16 July 2012
- “Controlling Interest”** : The interest of a controlling shareholder(s)
- “Conversion Creditors”** : The Creditors (other than Ong Hock Leong and UOB) who are entitled to be allotted and issued new Shares in accordance with the terms of the Scheme
- “Conversion Shares”** : The new Shares to be issued to the Creditors pursuant to the Start Conversion and the End Conversion
- “Court”** : The High Court of the Republic of Singapore
- “Creditors Conversion Shares”** : The new Shares to be issued to the Conversion Creditors pursuant to the Start Conversion and the End Conversion
- “Creditors End Conversion Shares”** : The new Shares to be issued to the Conversion Creditors pursuant to the End Conversion
- “Creditors Issuance”** : The proposed allotment and issue of new Shares to the Conversion Creditors pursuant to the Start Conversion and the End Conversion
- “Creditors Start Conversion Shares”** : The new Shares to be issued to the Conversion Creditors pursuant to the Start Conversion
- “Creditor(s)”** : Each person to whom the Company was indebted or liable in any way as at 31 August 2015 in respect of or arising from any and all agreements, transactions, dealings, matters and events made or occurring on or before 31 August 2015, other than those persons specified in Appendix A to the Scheme
- “Debt”** : In respect of any Creditor, the total amount for which the Company is liable or indebted to such Creditor as at 31 August 2015 in respect of or arising from all transactions, dealings, matters and events (including the amount for which the Company is liable to any governmental authority or department in respect of taxes), less the aggregate of:
- (i) all sums paid to or received by such Creditor on or after 31 August 2015 in payment of any amount for which the Company is liable or indebted as at 31 August 2015 to such Creditor; and

DEFINITIONS

- (ii) the value as at 31 August 2015 of any and all assets of the Company held by such Creditor as at that date as security for any indebtedness or liability of the Company to such Creditor subsisting as at that date
- “Deed Poll”** : The Deed Poll to be executed by the Company constituting the Warrants and containing, *inter alia*, provisions for the protection of the rights and interests of the Warrantholders
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “EGM”** : The extraordinary general meeting of the Company to be held on 2 August 2016 at 9:30 a.m. (and any adjournment thereof), notice of which is given on pages EGM-1 to EGM-5 of this Circular
- “End Conversion”** : The debt-to-equity conversion under which the Conversion Creditors and/or UOB will receive new Shares in full satisfaction and complete discharge of any remaining Approved Debt after the Write-Off, the Start Conversion, the Cash Payments and the issuance of the End Events Notice by the Scheme Manager, as further described in Section 1.3.5 of this Circular
- “End Conversion Issue Price”** : The issue price per End Conversion Share, being the higher of:
- (i) S\$0.014; or
 - (ii) 90% of the seven-day VWAP of the Shares as at the date of the End Events Notice
- “End Conversion Shares”** : The new Shares to be issued to the Conversion Creditors and UOB pursuant to the End Conversion
- “End Events Notice”** : The Scheme Manager’s written confirmation to the Company of its satisfaction that either:
- (i) all Approved Debt having been paid and discharged in full; or
 - (ii) in the absence of such full discharge, all of the following events or occurrences having taken place:
 - (a) the completion of the divestment of the Company’s main office at 190A/190C Choa Chu Kang Avenue 1, Singapore 689466;
 - (b) the completion of the last Continuing Project;
 - (c) each claim which has been made and each set of legal proceedings which has been prosecuted by the Company in relation to the sums due and payable to the Company in relation to the Completed Projects and Continuing Projects having been discontinued, withdrawn and/or settled, or a final, unappealable judgment and/or award having been issued in respect of each such claim or legal proceedings;
 - (d) the Company being satisfied there are no further claims in relation to the sums due and payable to the Company in relation to the Completed Projects and Continuing Projects to be made; and

DEFINITIONS

- (e) all the sums in payment or settlement of the sums due and payable to the Company in relation to the Company in relation to the Completed Projects and the Continuing Projects having been recovered, collected and received in full by the Company
- “Exercise Period”** : The period during which the Warrants may be exercised, commencing on and including the date immediately preceding the third anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Warrantholders is closed or is not a Market Day, in which event the period shall end on the Market Day prior to the closure of the Register of Warrantholders or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Warrantholders may be closed pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Period
- “Exercise Price”** : The price payable in respect of each Warrant Share shall be S\$0.01, subject to certain adjustments in accordance with the terms and conditions of the Warrants set out in the Deed Poll
- “E&Y”** : Ernst & Young Solutions LLP
- “Facility Agreement”** : The facility agreement dated 2 June 2016 entered into between the Company and the Subscriber
- “Fee Issuance”** : The proposed allotment and issue of the Fee Shares to E&Y at an issue price of approximately S\$0.0047 per Fee Share as full and final repayment of the Fees, further details of which are set out under Section 6 of this Circular
- “Fee Shares”** : The 67,766,667 new Shares to be issued to E&Y pursuant to the Fee Issuance
- “Fees”** : An amount of S\$321,000 (inclusive of GST), being part of the fees owing by the Company to E&Y for the services that E&Y has rendered as financial advisor to the Company in connection with the Company’s debt restructuring
- “FY2015”** : The financial year ended 30 June 2015
- “FY2015 Results”** : The audited consolidated financial statements of the Group for FY2015
- “Group”** : The Company and its subsidiaries
- “GST”** : The goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A of Singapore
- “IFA”** : SAC Capital Private Limited, the independent financial adviser appointed to advise the Recommending Directors in relation to the Whitewash Resolution
- “IFA Letter”** : The letter dated 18 July 2016 from the IFA to the Recommending Directors in relation to the Whitewash Resolution as set out in **Appendix A** to this Circular

DEFINITIONS

“Independent Shareholders”	:	Shareholders other than the Concert Party Group and parties not independent of them for the purposes of the Whitewash Resolution
“JTC”	:	Jurong Town Council
“Kranji Property”	:	All that piece of land known as Lot 3570L of Mukim 11 and marked as Private Lot A0020500 at Plot KR0309 Kranji Link Singapore
“Last Trading Day”	:	5 February 2015, being the last trading day prior to the suspension of trading of the Shares on the SGX-ST
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 12 July 2016
“Listing Manual”	:	The Listing Manual of the SGX-ST
“LTA”	:	Land Transport Authority
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM on pages EGM-1 to EGM-5 of this Circular
“OHL Conversion Shares”	:	The 493,721,724 new Shares to be issued to Ong Hock Leong pursuant to the Start Conversion
“OHL Issuance”	:	The proposed allotment and issue of new Shares to Ong Hock Leong pursuant to the Start Conversion
“Ordinary Resolutions”	:	The ordinary resolutions to be proposed at the EGM details of which are set out in the Notice of EGM
“PUB”	:	Public Utilities Board
“Recommending Directors”	:	Directors who are regarded as independent in respect of the Whitewash Resolution, namely, Peter Moe, Teo Boon Tieng and Ong Hoi Lian
“Scheme”	:	The scheme of compromise and arrangement under Section 210 of the Companies Act dated 28 September 2015 which has been modified and duly approved by the Creditors on 6 November 2015, sanctioned by the Court on 25 November 2015 and which took effect on and from 2 December 2015
“Scheme Manager”	:	Ee Meng Yen Angela and Aaron Loh Cheng Lee of Ernst & Young Solutions LLP acting jointly and severally, or any person appointed by the Court to be the scheme manager of the Scheme, whether in addition to or in replacement of any person(s) then holding appointment(s) as “Scheme Manager”
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council
“Start Conversion”	:	The debt-to-equity conversion under which the Conversion Creditors, UOB and Ong Hock Leong will receive new Shares in full satisfaction and complete discharge of 45% of their Approved Debt (in respect of the Conversion Creditors and UOB) and all of the Approved Debt (in respect of Ong Hock Leong) after approval of the Shareholders for the allotment and issue of such new Shares is obtained at the EGM, as further described in Section 1.3.3 of this Circular
“Start Conversion Issue Price”	:	The issue price of S\$0.02 per Start Conversion Share
“Start Conversion Shares”	:	The new Shares to be issued to the Conversion Creditors, UOB and Ong Hock Leong pursuant to the Start Conversion
“Subscriber”	:	KH Foges Pte. Ltd.
“Subscription Agreement”	:	The subscription agreement dated 14 March 2016 between the Company and the Subscriber in relation to the Subscription Shares Issuance and the Warrants Issuance, amended by a supplemental agreement dated 22 April 2016 (as may be amended, modified and/or supplemented from time to time)
“Subscription Issue Price”	:	The issue price for each Subscription Share, being S\$4,000,000 divided by the number of Subscription Shares
“Subscription Shares”	:	The 1,400,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Subscription Shares Issuance”	:	The proposed allotment and issue of the Subscription Shares to the Subscriber for an aggregate issue price of S\$4,000,000 on the terms and subject to the conditions of the Subscription Agreement, further details of which are set out under Section 5 of this Circular
“S\$”	:	The lawful currency for the time being of the Republic of Singapore
“Term Sheet”	:	The non-binding term sheet dated 25 February 2016 entered into between the Company and Readymade Steel Singapore Pte. Ltd. in relation to the subscription of new Shares in the Company
“UOB”	:	United Overseas Bank Limited
“UOB Conversion Shares”	:	The new Shares to be issued to UOB pursuant to the Start Conversion and the End Conversion
“UOB Issuance”	:	The proposed allotment and issue of new Shares to UOB pursuant to the Start Conversion and the End Conversion
“UOB Start Conversion Shares”	:	The new Shares to be issued to UOB pursuant to the Start Conversion
“UOB End Conversion Shares”	:	The new Shares to be issued to UOB pursuant to the End Conversion

DEFINITIONS

“ VWAP ”	:	Volume weighted average price
“ Warrant Shares ”	:	Up to 500,000,000 new Shares to be allotted and issued by the Company to the Subscriber upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, and “ Warrant Share ” means each of the Warrant Shares
“ Warrant Shares Issuance ”	:	The allotment and issue of 500,000,000 Warrant Shares by the Company to the Subscriber assuming that all the Warrants are exercised, further details of which are set out under Section 5 of this Circular
“ Warrantholders ”	:	The registered holders of the Warrants and “ Warrantholder ” shall be construed accordingly
“ Warrants ”	:	The 500,000,000 unlisted and transferable free warrants to be allotted and issued to the Subscriber under the terms and subject to the conditions set out in the Subscription Agreement, and “ Warrant ” means each of the Warrants
“ Warrants Issuance ”	:	The proposed allotment and issue of 500,000,000 Warrants to the Subscriber, each carrying the right to subscribe for one Warrant Share at the Exercise Price, further details of which are set out under Section 5 of this Circular
“ Whitewash Resolution ”	:	The proposed resolution which requires approval, by way of a poll, by a majority of the Independent Shareholders present and voting at the EGM to waive their rights to receive a mandatory general offer for the Company from the Concert Party Group pursuant to Rule 14 of the Code, further details of which are set out in Section 7 of this Circular
“ Write-Off ”	:	Has the meaning given to it in Section 1.3.2 of this Circular
“ % ” or “ per cent. ”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The terms “**associate**” and “**controlling shareholder**” shall have the meaning ascribed to them respectively in the Listing Manual.

The term “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

The words “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import, and “otherwise” shall not be construed as limited by words with which it is associated.

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 not otherwise defined 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.

DEFINITIONS

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

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 the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

The pro forma financial effects as set out in this Circular are prepared purely for illustration and do not reflect the future financial performance or condition of the Company and/or the Group after the Scheme, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Fee Issuance.

LETTER TO SHAREHOLDERS

SWEE HONG LIMITED
(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore on 3 June 1980)

Directors

Mr Peter Moe (*Independent Director*)
Mr Teo Boon Tieng (*Independent Director*)
Mr Ong Hoi Lian (*Non-Executive Director*)
Mr Yeo Siang Thong (*Non-Executive Director*)

Registered Office

58 Sungei Kadut Drive
Singapore 729572

18 July 2016

To: The Shareholders of Swee Hong Limited

Dear Sir/Madam

- (1) **THE PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY PURSUANT TO A DEBT-TO-EQUITY CONVERSION UNDER THE SCHEME;**
- (2) **THE PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KH FOGES PTE. LTD.;**
- (3) **THE PROPOSED ISSUE OF UNLISTED FREE WARRANTS TO KH FOGES PTE LTD., EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY;**
- (4) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM KH FOGES PTE. LTD. AND ITS CONCERT PARTIES FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM; AND**
- (5) **THE PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ERNST & YOUNG SOLUTIONS LLP**

1. THE SCHEME

- 1.1. **Scheme.** On 5 September 2015, the Company filed an application to the Court for leave to convene a meeting of classes of its Creditors for the purposes of considering and if thought fit, approving with or without modification the Scheme proposed to be made between the Company and its Creditors. The Scheme was approved (with modifications) by the requisite statutory majority of each of the two classes of Creditors on 6 November 2015. The first class of Creditors consisted of Ong Hock Leong and the second class of Creditors consisted of the rest of the Creditors. The Scheme was sanctioned by the Court on 25 November 2015 and is administered by the Scheme Manager.
- 1.2. **Effective Date.** The Scheme took effect on and from 2 December 2015, when a copy of the order of Court sanctioning the Scheme was lodged with the Registrar of Companies.
- 1.3. **The Scheme.** Briefly, the Scheme comprises:
 - 1.3.1. a determination by the Scheme Manager of the Approved Debt of the Creditors which has been completed and comprises the following:
 - (i) \$37,242,732, being the Approved Debt of the Conversion Creditors. A list of the Conversion Creditors as at the Latest Practicable Date is set out in **Appendix B** to this Circular;

LETTER TO SHAREHOLDERS

- (ii) \$9,874,434.49, being the Approved Debt of Ong Hock Leong;
 - (iii) \$6,597,881.48, being the Approved Debt of UOB which may be reduced depending on the sale of the Kranji Property. Further details of the sale of Kranji Property are set out in Section 3.2 of this Circular;
- 1.3.2. an initial write-off of 48% of the Approved Debt of the Conversion Creditors and UOB (“**Write-Off**”), such Write-Off equating to S\$21,043,494.47 and resulting in the Approved Debt of the Conversion Creditors and UOB being as follows:
- (i) S\$19,366,220.64, being the Approved Debt of the Conversion Creditors after the Write-Off; and
 - (ii) S\$3,430,898.37, being the Approved Debt of UOB after the Write-Off which may be reduced depending on the sale of the Kranji Property. Further details of the sale of Kranji Property are set out in Section 3.2 of this Circular;
- 1.3.3. a debt-to-equity conversion pursuant to which:
- (i) the Conversion Creditors will receive 435,739,903 new Shares (the “**Creditors Start Conversion Shares**”) at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of 45% of their respective Approved Debt after the Write-Off, such amount being S\$8,714,798.06. A list of the Conversion Creditors as at the Latest Practicable Date and the number of Creditors Start Conversion Shares to be issued to them is set out in **Appendix B** to this Circular;
 - (ii) UOB will receive up to 77,195,213 new Shares (the “**UOB Start Conversion Shares**”) at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of 45% of its Approved Debt after the Write-Off, such amount being S\$1,543,904.26 which may be reduced depending on the sale of the Kranji Property. Further details of the sale of Kranji Property are set out in Section 3.2 of this Circular; and
 - (iii) Ong Hock Leong will receive 493,721,724 new Shares (the “**OHL Conversion Shares**”) at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of all his Approved Debt, such amount being S\$9,874,434.49,

which shall be carried out after all the necessary Approvals have been obtained (and have not been withdrawn, suspended or revoked as at such date) (the “**Start Conversion**”).

As at the Latest Practicable Date, the only outstanding Approval for the Start Conversion is the approval of the Shareholders for the allotment and issue of the Creditors Start Conversion Shares, the UOB Start Conversion Shares and the OHL Conversion Shares. Assuming such Shareholders’ approval is obtained at the EGM and all Approvals have not been withdrawn, suspended or revoked, the Start Conversion shall take place on or around 12 August 2016.

- 1.3.4. the cash distributions and payments made to the Conversion Creditors and UOB in accordance with the terms of the Scheme by way of:
- (i) an initial auction pursuant to which each of the Conversion Creditors and UOB may offer for the Company’s acceptance a discount off the face value of their respective Approved Debt (after the Write-Off) or a portion thereof and the Scheme Manager shall determine whether each such offer shall be accepted by the Company (in

LETTER TO SHAREHOLDERS

whole or in part) based on, *inter alia*, the amount available for distribution and payment under such auction and the amount of the discount offered by the relevant Creditors. The initial auction commenced on 3 May 2016 and ended on 17 May 2016. Under the initial auction, a total of S\$2,240,326.01 was available for distribution of which S\$68,334.78 was paid to certain Conversion Creditors in full satisfaction and complete discharge of S\$141,978.59 worth of Approved Debt;

- (ii) following such auction, a *pari passu* payment to each of the Conversion Creditors and UOB based on the amount of their respective Approved Debt (after the Write-Off) then subsisting, on the terms specified in the Scheme; and
- (iii) cash distributions and payments by way of a series of auctions and subsequent *pari passu* payments, similar to that as described above, whenever the Company has accumulated sufficient cash for distribution from its Continuing Projects, on the terms specified in the Scheme;

(the “**Cash Payments**”),

- 1.3.5. if the Company owes any amount in respect of the Approved Debt (after the Write-Off, the Start Conversion and the Cash Payments) to any Conversion Creditor and/or UOB, a debt-to-equity conversion pursuant to which the Conversion Creditor and/or UOB will receive new Shares (the “**End Conversion Shares**”) in full satisfaction and complete discharge of their remaining Approved Debt (the “**End Conversion**”).

Under the terms of the Scheme, the issue price of the End Conversion Shares will be higher of (i) S\$0.014 or (ii) 90% of the seven-day VWAP of the Shares as at the End Events Notice. The number of End Conversion Shares will be determined by dividing the remaining Approved Debt (after the Write-Off and the Cash Payments) as at the End Events Notice by such issue price.

The Company will apply for the listing and quotation of the End Conversion Shares (if required) when the number of End Conversion Shares has been determined.

The End Conversion will take place on the later of (i) the date falling 14 Business Days after the first date by which all the necessary Approvals for the End Conversion have been obtained, or (ii) the date falling 14 Business Days after the date of the End Events Notice.

- 1.4. **End of Scheme.** The Scheme will end when the Scheme Manager is satisfied that all Approved Debt have been paid and discharged in full following the Start Conversion and the Cash Payments, in which case the End Conversion will not be required.

However, if the Approved Debt have not been paid and discharged in full following the Start Conversion and the Cash Payments, the Scheme will end when the Scheme Manager is satisfied that the following events or occurrences have taken place:

- (i) the completion of the divestment of the Company’s main office at 190A/190C Choa Chu Kang Avenue 1, Singapore 689466;
- (ii) the completion of the last Continuing Project;
- (iii) each claim which has been made and each set of legal proceedings which has been prosecuted by the Company in relation to the sums due and payable to the Company in relation to the Completed Projects and Continuing Projects having been discontinued, withdrawn and/or settled, or a final, unappealable judgment and/or award having been issued in respect of each such claim or legal proceedings;

LETTER TO SHAREHOLDERS

- (iv) the Company being satisfied there are no further claims in relation to the sums due and payable to the Company in relation to the Completed Projects and Continuing Projects to be made; and
- (v) all the sums in payment or settlement of the sums due and payable to the Company in relation to the Company in relation to the Completed Projects and the Continuing Projects having been recovered, collected and received in full by the Company,

and after the End Conversion has taken place such that all Approved Debt have been fully satisfied and completely discharged in accordance with the terms of the Scheme.

1.5. **Rationale.** The Company believes that the Scheme is the best way to restructure its debt and liabilities in a manner which would maximise the value of the Company and its assets for the Creditors and Shareholders. This will be achieved by the following events under the Scheme:

- 1.5.1. the Write-off under which the Approved Debt of the Conversion Creditors and UOB will be written-off by 48%;
- 1.5.2. the Start Conversion under which all of the Approved Debt of Ong Hock Leong and 45% of the Approved Debt of the Conversion Creditors and UOB (after the Write-Off) will be converted into new Shares in the Company;
- 1.5.3. the Cash Payments under which the relevant Approved Debt of the Conversion Creditors and UOB (after the Write-Off and the Start Conversion) will be fully satisfied and completely discharged; and
- 1.5.4. the End Conversion under which any remaining Approved Debt of the Conversion Creditors and UOB (after the Write-Off, the Start Conversion and the Cash Payments) will be converted into new Shares in the Company.

The Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance are not part of the Scheme.

2. THE CREDITORS ISSUANCE

2.1. **Debt-to-equity conversion.** The Scheme Manager has determined that the Approved Debt of the Conversion Creditors is S\$37,242,732. After the Write-Off, the Approved Debt of the Conversion Creditors is S\$19,366,220.64. Under the Scheme, the Conversion Creditors will be allotted and issued new Shares as follows:

- 2.1.1. the Company shall, under the Start Conversion, allot and issue 435,739,903 new Shares (the “**Creditors Start Conversion Shares**”) to the Conversion Creditors at the issue price of S\$0.02 in full satisfaction and complete extinguishment and discharge of 45% of their respective Approved Debt after the Write-Off, such amount being S\$8,714,798.06; and
- 2.1.2. if there is any Conversion Creditor to whom the Company owes any amount in respect of that Conversion Creditor’s Approved Debt (after the Write-Off and the Cash Payments), the Company shall, under the End Conversion, allot and issue such number of new Shares (the “**Creditors End Conversion Shares**”) to such Conversion Creditor in full satisfaction and complete discharge of its remaining Approved Debt. The number of Creditors End Conversion Shares can only be determined when the End Events Notice is issued.

The 435,739,903 Creditors Start Conversion Shares represent 118.25% of the Company’s issued share capital as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

2.2. **Issue Price of the Creditors Conversion Shares.** In accordance with the terms of the Scheme, the issue price of each Creditors Conversion Share is:

- 2.2.1. in relation to Creditors Start Conversion Shares issued under the Start Conversion, the Start Conversion Issue Price, being S\$0.02 per Creditors Start Conversion Share. This represents a discount of approximately 84.5% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day. As the Start Conversion Issue Price represents a discount exceeding 10%, the Creditors Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM; and
- 2.2.2. in relation to Creditors End Conversion Shares, if any, issued under the End Conversion, the End Conversion Issue Price, being the higher of (i) S\$0.014 or (ii) 90% of the seven-day VWAP of the Shares as at the date of the End Events Notice. Assuming the End Conversion Issue Price is S\$0.014, the End Conversion Issue Price will represent a discount of at least approximately 89.0% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day. As the End Conversion Issue Price, if any, may represent a discount exceeding 10%, the Creditors Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM.

The significant discount of the Start Conversion Issue Price and the End Conversion Issue Price to the VWAP for trades done in the Shares on the SGX-ST on the Last Trading Day was negotiated between the Company, the Scheme Manager and the Creditors as part of the terms of the Scheme to restructure the Company's debts and liabilities. The significant discount was given so as to persuade the Creditors to convert their debts into equity. The rationale for the Scheme is set out in Section 1.5 of this Circular.

Singapore Infrastructure (Asia Pacific) Pte. Ltd. ("**SIAP**") is a subsidiary of a company based on the People's Republic of China which is engaged in the construction of bridges, tunnels, viaducts and elevated highways. SIAP had been looking for potential partners in the Singapore market and approached the Company via intermediaries to explore a co-operation.

The End Conversion Issue Price is pegged to the stated purchase price of the Shares under the investment agreement entered into between the Company and SIAP dated 23 November 2015, such purchase price being S\$0.014, because when the terms of the Scheme were being negotiated, SIAP had also been in negotiations to subscribe for new Shares in the Company and the Creditors were to subscribe for the End Conversion Shares at the same issue price. Even though the investment agreement entered into between the Company and SIAP dated 23 November 2015 was subsequently terminated, the stated purchase price of the Shares under the investment agreement entered into between the Company and Singapore Infrastructure (Asia Pacific) Pte. Ltd. dated 23 November 2015 is still referenced in the terms of the Scheme. As at the Latest Practicable Date, SIAP does not hold any Shares and, to the best of the knowledge of the Company, is not related to any of the Conversion Creditors, Ong Hock Leong and UOB.

2.3. **Approvals.** The Creditors Issuance shall be carried out in accordance with the terms of the Scheme. Under the Scheme, the Start Conversion and the End Conversion shall not be carried out unless and until all the Approvals have been obtained and none of such Approvals being or having been withdrawn, suspended or revoked as at the date of the Start Conversion and if applicable, the date of the End Conversion. The Approvals for the Start Conversion include the following:

- 2.3.1. the approval of the Shareholders for the Creditors Issuance, the UOB Issuance and the OHL Issuance; and
- 2.3.2. the approval in-principle of the SGX-ST for the listing and quotation of the Start Conversion Shares and if applicable, the End Conversion Shares, on the official list of the mainboard of the SGX-ST.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the only outstanding Approval for the Start Conversion is the approval of the Shareholders for the allotment and issue of the Start Conversion Shares. Assuming such Shareholders' approval is obtained at the EGM and all Approvals have not been withdrawn, suspended or revoked, the Start Conversion shall take place on or around 12 August 2016.

The End Conversion will take place on the later of (i) the date falling 14 Business Days after the first date by which all the necessary Approvals for the End Conversion have been obtained, or (ii) the date falling 14 Business Days after the date of the End Events Notice.

- 2.4. **Conversion Creditors.** The Conversion Creditors comprise Creditors (other than UOB and Ong Hock Leong) who are entitled to be allotted and issued new Shares pursuant to the Start Conversion in accordance with the terms of the Scheme. The identities of the Conversion Creditors as at the Latest Practicable Date and the number of Creditors Start Conversion Shares to be issued to each of them pursuant to the Start Conversion under the Scheme are set out in **Appendix B** to this Circular. As at the Latest Practicable Date, none of the Conversion Creditors is a Director or a substantial shareholder of the Company, or a person in the categories set out in Rule 812(1) of the Listing Manual.
- 2.5. **Rationale for the Creditors Issuance.** The Company believes that the Creditors Issuance pursuant to the Start Conversion and the End Conversion under the Scheme will allow the Company to address its solvency issues, facilitate its continuing operations and provide an opportunity for creditors to benefit from the potential rehabilitation of the Company. The Creditors Issuance is an integral aspect of the Scheme and the Company's debt restructuring plan; if the Creditors Issuance is not approved, the Scheme which has been approved by the Creditors and sanctioned by the Court will be terminated.
- 2.6. **Use of Proceeds.** There will not be any proceeds in cash from the Creditors Issuance as the Creditors Conversion Shares are issued in consideration of the repayment of outstanding debts of the Company in accordance with the terms of the Scheme.
- 2.7. **Rule 812(1).** None of the Creditors Conversion Shares will be placed by the Company to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

3. THE UOB ISSUANCE

- 3.1. **Debt-to-equity conversion.** The Scheme Manager has determined that the Approved Debt of UOB is S\$6,597,881.48. After the Write-Off, the Approved Debt of UOB is S\$3,430,898.37. However, these numbers are subject to downward adjustment depending on whether the sale of the Kranji Property is completed. The UOB Issuance is on the same terms as the Creditors Issuance in accordance with the terms of the Scheme. Under the Scheme, UOB will be allotted and issued new Shares as follows:
 - 3.1.1. the Company shall, under the Start Conversion, allot and issue up to 77,195,213 new Shares (the "**UOB Start Conversion Shares**") to UOB at the issue price of S\$0.02 in full satisfaction and complete extinguishment and discharge of 45% of its Approved Debt after the Write-Off, such amount being S\$1,543,904.26; and
 - 3.1.2. if the Company owes any amount in respect of UOB's Approved Debt (after the Write-Off and the Cash Payments), the Company shall, under the End Conversion, allot and issue such number of new Shares ("**UOB End Conversion Shares**") to UOB in full satisfaction and complete discharge of its remaining Approved Debt (after the Write-Off and the Cash Payments). The number of UOB End Conversion Shares can only be determined when the End Events Notice is issued.

The 77,195,213 UOB Start Conversion Shares represent 20.95% of the Company's issued share capital as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- 3.2. **Background.** The Company has obtained a loan facility from UOB, which is secured pursuant to a deed of assignment and mortgage-in-escrow between the Company and UOB over the Kranji Property. The total amount outstanding under the loan facility is S\$8,797,881.48. The value of the Kranji Property has been taken into account in determining the Approved Debt of UOB (the “**Assessed Value**”), such value being S\$2,200,000. Pursuant to the terms of the Scheme, if the amount realised by UOB from the sale of the Kranji Property (the “**Realised Amount**”) exceeds the Assessed Value, the Approved Debt of UOB shall be reduced by the amount by which the Realised Amount exceeds the Assessed Value.

Following a sale process conducted by UOB, it has on 18 March 2016 accepted an offer from Civil Tech Pte. Ltd. to purchase the Kranji Property at the price of S\$4,150,000. The book value of the Kranji Property as at 31 March 2016 is S\$3,550,000 and the valuation of the Kranji Property is S\$2,200,000 as at 7 April 2016 commissioned by UOB. Mr Teo Boon Tieng, an Independent Director of the Company, is a non-executive director of the holding company of Civil Tech Pte Ltd. Mr Teo Boon Tieng has represented to the Company that neither he nor his immediate family has an interest in Civil Tech Pte. Ltd, and that he does not have a direct or indirect interest in the Company’s disposal of the Kranji Property to Civil Tech Pte. Ltd., whose majority shareholder is Mr Tan Hang Meng. As such, Civil Tech Pte. Ltd. is not an interested person within the meaning of Chapter 9 of the Listing Manual and the sale of the Kranji Property does not constitute an interested person transaction under Chapter 9 of the Listing Manual. Mr Teo Boon Tieng is not required to abstain from voting on the Ordinary Resolution in relation to the UOB Issuance and does not hold any Shares.

As at the Latest Practicable Date, Civil Tech Pte Ltd and UOB are in process of obtaining the approval from Jurong Town Corporation (“**JTC**”) in respect of the sale of the Kranji Property.

Assuming that JTC approves the sale of the Kranji Property to Civil Tech Pte. Ltd. and such sale is completed at a consideration of S\$4,150,000, the Realised Amount will be S\$4,150,00 (less any costs or deductions required to complete the sale) and the Approved Debt of UOB will be reduced by the amount by which the Realised Amount exceeds the Approved Value, such amount being S\$1,950,000 (less any costs or deductions required to complete the sale). If the Approved Debt of UOB is reduced, the number of UOB Start Conversion Shares will be reduced accordingly.

Under the terms of the Scheme, the Scheme Manager has the discretion to, and has agreed with UOB that the UOB Conversion Shares will only be issued to UOB after the Kranji Property has been disposed of, which may take place after the issue of the Creditors Start Conversion Shares and the OHL Conversion Shares.

- 3.3. **Issue Price of the UOB Conversion Shares.** In accordance with the terms of the Scheme, the issue price of each UOB Conversion Share is:

3.3.1. in relation to UOB Start Conversion Shares issued under the Start Conversion, the Start Conversion Issue Price, being S\$0.02 per Conversion Creditors Share. This represents a discount of approximately 84.5% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day. As the Start Conversion Issue Price represents a discount exceeding 10%, the UOB Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM; and

3.3.2. in relation to UOB End Conversion Shares, if any, issued under the End Conversion, the End Conversion Issue Price, being the higher of (i) S\$0.014 or (ii) 90% of the seven-day VWAP of the Shares as at the date of the End Events Notice. Assuming the End Conversion Issue Price is S\$0.014, the End Conversion Issue Price will represent a discount of at least approximately 89.0% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day. As the End Conversion Issue Price, if any, may represent a discount exceeding 10%, the UOB Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM.

LETTER TO SHAREHOLDERS

The significant discount of the Start Conversion Issue Price and the End Conversion Issue Price to the VWAP for trades done in the Shares on the SGX-ST on the Last Trading Day was negotiated as part of the terms of the Scheme to restructure the Company's debts and liabilities. The rationale for the Scheme is set out in Section 1.5 of this Circular.

The End Conversion Issue Price is pegged to the stated purchase price of the Shares under the investment agreement entered into between the Company and SIAP dated 23 November 2015, such purchase price being S\$0.014, because when the terms of the Scheme were being negotiated, SIAP had also been in negotiations to subscribe for new Shares in the Company and the Creditors were to subscribe for the End Conversion Shares at the same issue price. Even though the investment agreement entered into between the Company and SIAP was subsequently terminated, the stated purchase price of the Shares under the investment agreement entered into between the Company and SIAP dated 23 November 2015 is still referenced in the terms of the Scheme. As at the Latest Practicable Date, ("SIAP") does not hold any Shares and, to the best of the knowledge of the Company, is not related to any of the Conversion Creditors, Ong Hock Leong and UOB.

The issue price of each UOB Start Conversion Share under the Start Conversion is similar to the issue price of each Creditors Start Conversion Share under the Start Conversion as set out in Section 2.2.1 of this Circular. As the Start Conversion Issue Price represents a discount exceeding 10%, the UOB Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM. The issue price of each UOB End Conversion Share under the End Conversion, if any, is similar to the issue price of each Creditors End Conversion Share under the End Conversion as set out in Section 2.2.2 of this Circular. As the End Conversion Issue Price, if any, may represent a discount exceeding 10%, the UOB Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM.

The issue price of each UOB Start Conversion Share under the Start Conversion was arrived at taking into account the issue price of the Creditors Start Conversion Shares under the Start Conversion. Accordingly, the issue price of the UOB Start Conversion Shares is the same as the issue price of the Creditors Start Conversion Shares and UOB has not been given any special or unique treatment under the Scheme.

The issue price of each UOB End Conversion Share under the End Conversion, if any, is determined in accordance with the terms of the Scheme and for the avoidance of doubt, will be the same as the issue price of each Creditors End Conversion Share under the End Conversion, if any.

- 3.4. **Approvals.** The UOB Issuance shall be carried out in accordance with the terms of the Scheme. Under the Scheme, the Start Conversion and the End Conversion shall not apply unless and until all the Approvals have been obtained and none of such Approvals being or having been withdrawn, suspended or revoked as at the date of the Start Conversion and if applicable, the date of the End Conversion. The Approvals are as set out in Section 2.3 of this Circular.
- 3.5. **UOB.** The Company has obtained a loan facility from UOB, which is secured pursuant to a deed of assignment and mortgage-in-escrow between the Company and UOB over the Kranji Property. Accordingly, UOB is a Creditor and has agreed to receive the UOB Conversion Shares pursuant to the Start Conversion and the End Conversion in accordance with the terms of the Scheme. As at the Latest Practicable Date, UOB does not hold any Shares other than Shares held as a custodian, nominee or trustee.
- 3.6. **Rationale for the UOB Issuance.** UOB is in the same position as the Conversion Creditors under the Scheme. Accordingly, the rationale for the UOB Issuance is the same as the rationale for the Creditors Issuance set out in Section 2.5 of this Circular.

LETTER TO SHAREHOLDERS

- 3.7. **Use of Proceeds.** There will not be any proceeds in cash from the UOB Issuance as the UOB Conversion Shares are issued in consideration of the repayment of outstanding debts of the Company in accordance with the terms of the Scheme.
- 3.8. **Rule 812(1).** Other than as disclosed in Section 3.5 of this Circular, none of the UOB Conversion Shares will be placed by the Company to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

4. THE OHL ISSUANCE

- 4.1. **Debt-to-equity conversion.** The Scheme Manager has determined that the Approved Debt of OHL is S\$9,874,434.49. Under the Scheme, the Company shall under the Start Conversion, allot and issue 493,721,724 OHL Conversion Shares to Ong Hock Leong at the issue price of S\$0.02 in full satisfaction and complete extinguishment and discharge of his Approved Debt.

Pursuant to the terms of the Scheme, Ong Hock Leong belongs to the first class of Creditors under the Scheme which means that:

- (i) no new Shares will be issued to Ong Hock Leong under the End Conversion;
- (ii) the Approved Debt in respect of Ong Hock Leong will not be subject to any discount and/or write down in accordance with the terms of the Scheme; and
- (iii) Ong Hock Leong will not receive any Cash Payments.

Ong Hock Leong belongs to the first class of Creditors and is the single largest Creditor with Approved Debt of S\$9,874,434.49. Ong Hock Leong has agreed to the debt-to-equity conversion of all of his Approved Debt into new Shares so that he does not receive any Cash Payments in order to preserve the Company's cash balances. In exchange for the debt-to-equity conversion of all his Approved Debt into new Shares, Ong Hock Leong's Approved Debt will not be subject to any discount or write-down under the Scheme.

- 4.2. **Issue Price of the OHL Conversion Shares.** The issue price of each OHL Conversion Share is the Start Conversion Issue Price, being S\$0.02 per OHL Conversion Share. This represents a discount of approximately 84.5% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day. As the Start Conversion Issue Price represents a discount exceeding 10%, the OHL Issuance is, pursuant to Rule 811(1) read with Rule 811(3) of the Listing Manual, subject to the approval of Shareholders at the EGM.

The issue price of each OHL Conversion Share under the Start Conversion was arrived at taking into account the issue price of the Creditors Start Conversion Shares under the Start Conversion. Accordingly, the issue price of the OHL Conversion Shares is the same as the issue price of the Creditors Start Conversion Shares.

The significant discount of the Start Conversion Issue Price to the VWAP for trades done in the Shares on the SGX-ST on the Last Trading Day was negotiated as part of the terms of the Scheme to restructure the Company's debts and liabilities. The rationale for the Scheme is set out in Section 1.5 of this Circular.

LETTER TO SHAREHOLDERS

- 4.3. **Ong Hock Leong.** Ong Hock Leong was the managing director of the Company from 31 March 2008 to 18 February 2016, and had issued advances to the Company and made payments on behalf of the Company to its creditors between March 2014 and January 2015 as follows:

Payments	Amount (S\$)
Payments to suppliers & sub-contractors	4,766,147.82
Working capital loans to Company	2,576,760.00
Payment to Building and Construction Authority of Singapore for dormitory rental	2,300,000.00
Payment of independent directors' fees	99,166.67
Payment to Building and Construction Authority of Singapore for sponsor of Scholarship	54,000.00
Repayment of bank loans	40,000.00
Payment of workers' wages, reimbursements and petty cash reimbursements	36,000.00
Payment to Land Transport Authority for relocation of lighting pole and penalty fee	25,500.00
Less: recovery of advertising expenses incurred on behalf of Ong Hock Leong	-23,140
	9,874,434.49

Accordingly, Ong Hock Leong is also a Creditor and has agreed to receive the OHL Conversion Shares pursuant to the Start Conversion in accordance with the terms of the Scheme.

Ong Hock Leong has been an advisor to the Board and the management team of the Company since 18 February 2016. The term of his appointment as advisor is for six months during which Ong Hock Leong will advise the Board and the management team of the Company on the overall management of the Group and the day-to-day operations of the Group. Under the terms of his consultancy agreement with the Company, Ong Hock Leong is paid a consulting fee of S\$26,000 per month.

- 4.4. **Approvals.** The OHL Issuance shall be carried out in accordance with the terms of the Scheme. Under the Scheme, the Start Conversion shall not apply unless and until all the Approvals have been obtained and none of such Approvals being or having been withdrawn, suspended or revoked as at the date of the Start Conversion. The Approvals are as set out in Section 2.3 of this Circular.
- 4.5. **Rationale for the OHL Issuance.** As Ong Hock Leong is also a Creditor, the rationale for the OHL Issuance is similar to the rationale for the Creditors Issuance set out in Section 2.5 of this Circular. In addition, in a demonstration of his support and commitment to the debt restructuring and the rehabilitation of the Company, Ong Hock Leong will not be receiving any cash distributions under the Scheme and all of the Group's debts to Ong Hock Leong will be converted to Shares.
- 4.6. **Use of Proceeds.** There will not be any proceeds in cash from the OHL Issuance as the OHL Conversion Shares are issued in consideration of the repayment of outstanding debts of the Company in accordance with the terms of the Scheme.
- 4.7. **Rule 812(1).** Rule 812(1) and Rule 812(2) of the Listing Manual provide that, save where specific shareholders' approval for such a placement has been obtained, an issue must not be made to, inter alia, an issuer's substantial shareholders. As Ong Hock Leong is a substantial shareholder of the Company, the OHL Issuance will be subject to the specific approval of Shareholders being obtained at the EGM pursuant to Rule 812 of the Listing Manual.

LETTER TO SHAREHOLDERS

Ong Hock Leong holds 20% of the share capital in the Company's controlling shareholder, SHEC Holdings Pte. Ltd., which in turn holds 39.98% of the share capital of the Company as at the Latest Practicable Date. Ong Hock Leong is not a director of SHEC Holdings Pte. Ltd. and the remaining shareholders of SHEC Holdings Pte. Ltd. are not his immediate family. Under Section 7 of the Companies Act, Ong Hock Leong is deemed to be interested in the Shares held by SHEC Holdings Pte. Ltd. as he holds not less than 20% of the voting power in the body corporate. However, as SHEC Holdings Pte. Ltd. and its directors do not act in accordance with the directions, instructions or wishes of Ong Hock Leong, Ong Hock Leong does not exercise control over the Shares held by SHEC Holdings Pte. Ltd. and is therefore not a controlling shareholder of the Company. The OHL Issuance does not constitute an interested person transaction under Chapter 9 of the Listing Manual.

5. THE SUBSCRIPTION SHARES ISSUANCE, THE WARRANTS ISSUANCE AND THE WARRANT SHARES ISSUANCE

5.1. **Subscription Agreement.** The Company entered into a subscription agreement dated 14 March 2016 and a supplemental agreement dated 22 April 2016 with the Subscriber, pursuant to which the Company agreed to allot and issue to the Subscriber, and the Subscriber agreed to subscribe for (i) 1,400,000,000 Subscription Shares for an aggregate issue price of S\$4,000,000; and (ii) 500,000,000 Warrants, each Warrant carrying the right to subscribe for one Warrant Share at the Exercise Price. The Subscription Shares and the Warrant Shares represent 379.92% and 135.69% respectively of the Company's issued share capital as at the Latest Practicable Date.

5.2. **Warrants.** The principal terms of the Warrants are as follows:

Number of Warrants	:	500,000,000
Exercise Price	:	S\$0.01 for each Warrant Share upon the exercise of a Warrant
Exercise Period	:	The Warrants may be exercised at any time from and including the date of the issue of the Warrants up to 5.00 p.m. on the date immediately preceding the third anniversary of the date of the issue of the Warrants, unless such date is a date on which the Register of Warranholders is closed or is not a Market Day, in which event the period shall end on the Market Day prior to the closure of the Register of Warranholders or the immediately preceding Market Day (the " Expiry Date "), as the case may be, but excluding such period(s) during which the Register of Warranholders may be closed pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. Notice of expiry of the Warrants shall be given to the Warranholders at least one month before the Expiry Date.
Form and subscription rights	:	The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, each Warrant shall entitle the Warranholder, at any time during the Exercise Period, to subscribe for one Warrant Share at the Exercise Price in force at the relevant date of exercise of the Warrants.

LETTER TO SHAREHOLDERS

Status of Warrant Shares : The Warrant Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allocations or other distributions, the record date for which falls on or after the date of exercise of the Warrants.

Transfer and Transmission : In order to transfer the Warrants, the Warrantholder and/or the transferee must fulfil the following conditions:

- (a) lodgement during normal business hours on any Market Day of the relevant Warrant Certificate(s) (as defined in the Deed Poll) in the name of the Warrantholder at the specified office of the Company together with an instrument of transfer in respect thereof, duly completed and signed by or on behalf of the Warrantholder and the transferee and, if required, duly stamped in accordance with any law for the time being in force relating to stamp duty; and
- (b) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) by the transferee for each Warrant Certificate to be issued in the name of the transferee in respect of the Warrants so transferred.

The Warrantholder specified in the Register of Warrantholders shall remain the registered holder of the Warrants until the name of the transferee is entered in the Register of Warrantholders.

Adjustments : The Exercise Price and/or the number of Warrants to be held by a Warrantholder will be subject to adjustment(s) under certain circumstances provided for in the terms and conditions of the Warrants set out in the Deed Poll.

Such circumstances include consolidation, subdivision or conversion of the Shares, certain capital distributions, rights, bonus or other capitalisation issues.

Any adjustments shall be certified by the auditors of the Company or such other competent professionals as may be nominated by the Company.

Any additional warrants which may be issued by the Company pursuant to such adjustment shall rank *pari passu* with the Warrants and will, for all purposes, form part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit, including but not limited to, the terms and conditions of the Warrants to be set out in the Deed Poll.

LETTER TO SHAREHOLDERS

Modification of rights of Warrantholders : The Company may, without the consent of the Warrantholders but in accordance with the terms of the Deed Poll, effect modifications to the Warrants, which, in the opinion of the Company, (i) is not materially prejudicial to the interests of the Warrants, (ii) is of a formal, technical or minor nature, (iii) is to vary or replace provisions relating to the transfer or exercise of the Warrants, or (iv) is to correct a manifest error or to comply with mandatory provisions of Singapore law or the rules and regulations of SGX-ST.

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

Notwithstanding anything in the terms and conditions of the Warrants to be set out in the Deed Poll, any material alteration to such terms and conditions to the advantage of the Warrantholders shall be approved by the Shareholders in general meeting (and if necessary, SGX-ST), except where the alterations are made pursuant to the terms of the issue of the Warrants.

Winding-up : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation), the Warrantholders may elect, in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Warrant Shares to which they would have become entitled pursuant to such exercise.

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

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

Listing : The Warrants will not be listed on the SGX-ST.

Governing Law : Laws of Singapore.

5.3. **Subscription Issue Price.** Based on the 1,400,000,000 Subscription Shares to be issued, the issue price of each Subscription Share will be approximately S\$0.0029. This represents a discount of approximately 97.79% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day.

LETTER TO SHAREHOLDERS

As the Subscription Shares will be issued at a discount exceeding 10%, under Rule 811(1) read with 811(3) of the Listing Manual, the Subscription Shares Issuance is subject to the approval of Shareholders at the EGM.

- 5.4. **Exercise Price.** The Exercise Price of S\$0.01 for each Warrant Share represents a discount of approximately 92.25% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day.

As the Warrant Shares will be issued at a discount exceeding 10%, under Rule 811(1) read with 811(3) of the Listing Manual, the Warrant Shares Issuance is subject to the approval of Shareholders at the EGM.

- 5.5. **Ranking.** The Subscription Shares and the Warrant Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, except that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Subscription Shares and the Warrant Shares (as the case may be).

- 5.6. **Conditions Precedent.** The completion of the Subscription Shares Issuance and the Warrants Issuance is subject to conditions set out in the Subscription Agreement, including, without limitation:

- 5.6.1. there being no objection to the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance by the Scheme Manager;
- 5.6.2. the approval of the Shareholders for the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance having been obtained;
- 5.6.3. the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares and the Warrant Shares on the official list of the mainboard of the SGX-ST having been obtained;
- 5.6.4. Ong Hock Leong's Approved Debt having been converted into the OHL Conversion Shares in accordance with the terms of the Scheme on the date of the completion of the Subscription Shares Issuance and the Warrants Issuance;
- 5.6.5. the Shares having been lifted from trading suspension as at the date of the completion of the Subscription Shares Issuance and the Warrants Issuance;
- 5.6.6. the net asset value of the Company, after taking into account certain events, being not less than S\$3,600,000; and
- 5.6.7. the aggregate amount of the debts of the Eligible Creditors (as defined in the Scheme), after taking into account certain events, being not more than S\$25,300,000 at any time prior to the date of the completion of the Subscription Shares Issuance and the Warrants Issuance.

- 5.7. **The Subscriber.** The Subscriber was incorporated in Singapore on 7 January 2004 with company registration number 200400237R. The beneficial shareholders of the Subscriber are Kridhan Infra Limited (90%) and Ang Boon Hai (10%). Kridhan Infra Limited is a company incorporated and publicly listed on the Bombay Stock Exchange. The directors of the Subscriber are Anil Agrawal and Ang Boon Hai. The Subscriber is principally engaged in the business of civil engineering, piling, foundation and geotechnical engineering works, mixed construction activities and marine services in Singapore, and is currently a major sub-contractor of the Company. The value of the sub-contracts that have been awarded by the Company to the Subscriber of S\$60.6 million

LETTER TO SHAREHOLDERS

represents 40.05% of the total value of the main contracts that have been awarded to the Company in respect of the Company's two ongoing projects of S\$151.3 million as of the Latest Practicable Date.

- 5.8. **Rationale.** The Subscriber is a willing investor and has entered into the Subscription Agreement for business integration and financial investment purposes. The Company agreed to the Subscription Shares Issuance and the Warrants Issuance as it requires funds to meet its working capital requirements. Further, the Company believes that the Subscriber's offer represents a fair price and that there will be synergies with the Subscriber as a Shareholder, especially given that it is an existing sub-contractor of the Company. Following the completion of the Subscription Shares Issuance and the Warrants Issuance, the Company will explore ways to integrate its business with that of the Subscriber's to enhance shareholders' value. In particular, the Subscriber's exposure to India through its parent company, which is incorporated and publicly listed on the Bombay Stock Exchange, opens opportunities for the Company to explore expansion into overseas markets.
- 5.9. **Use of Proceeds from the Subscription Shares Issuance.** Under the Subscription Agreement, the gross proceeds from the allotment and issue of the Subscription Shares will be S\$4,000,000. The net proceeds from the allotment and issue of the Subscription Shares after deducting the costs and expenses incurred in connection with the allotment and issue of the Subscription Shares is approximately S\$3.6 million and shall be used for working capital requirements only. Accordingly, the Company intends to use 100% of such proceeds for its working capital requirements. The Company will disclose a breakdown with specific details on the use of the proceeds from the Subscription Shares Issuance (including whether such a use is in accordance with the stated use and in accordance with the percentage allocated and where there is any material deviation from the stated use of proceeds, the Company will disclose the reasons for such deviation) in announcements and annual reports as and when such proceeds are materially disbursed.
- 5.10. **Use of Proceeds from the Warrant Shares Issuance.** Under the Subscription Agreement, the gross proceeds from the allotment and issue of the Warrant Shares (assuming all the Warrants are exercised) will be S\$5,000,000. As and when the Warrants are exercised, the Company will use the proceeds thereof (after deducting any fees and expenses incurred in connection with the Warrants) for its working capital requirements. The Company will disclose a breakdown with specific details on the use of the proceeds from the Warrant Shares Issuance (including whether such a use is in accordance with the stated use and in accordance with the percentage allocated and where there is any material deviation from the stated use of proceeds, the Company will disclose the reasons for such deviation) in announcements and annual reports as and when such proceeds are materially disbursed.
- 5.11. **Working Capital Facility.** On 14 March 2016, the Company announced that the Subscriber would make available a working capital loan facility of up to S\$3,000,000 ("**Working Capital Facility**") subject to the terms and conditions of a facility agreement to be entered into between the Company and the Subscriber. On 2 June 2016, the Company announced that it had entered into the Facility Agreement dated 2 June 2016 to set out the terms and conditions of the Working Capital Facility.

Under the Facility Agreement, the Working Capital Facility is available for drawdown in loan tranches to meet the Company's working capital requirements for six months after the date of the Facility Agreement. The Company will repay the Working Capital Facility in full on the date falling one year from the date of the Facility Agreement, and the interest payable on each loan tranche shall accrue at 5% per annum. If the Company fails to pay any amount payable by it under the Facility Agreement on its due date, then interest shall accrue at a rate of 10% per annum.

To secure the repayment of the Working Capital Facility, under the Facility Agreement, the Company has assigned all unencumbered receivables of the Group to the Subscriber and charged all unencumbered fixed assets of the Group in favour of the Subscriber under separate assignment of receivables and charge over fixed asset agreements.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the Subscriber has disbursed an aggregate sum of S\$1,800,000 to the Company under the Working Capital Facility.

- 5.12. **Set-off.** Under the Subscription Agreement, the Subscriber has the absolute discretion to offset any amounts for which the Company is liable or indebted to the Subscriber against the aggregate issue price of the Subscription Shares and/or the exercise price of the Warrants.
- 5.13. **Rights of the Subscriber.** Pursuant to the Term Sheet and the Subscription Agreement, the Subscriber shall be entitled to nominate a person and the Company shall appoint such nominated person as a Director of the Company at such time to be elected by the Subscriber. The Subscriber has appointed Mr Yeo Siang Thong as a Non-Executive Director of the Company, whose appointment took effect from 4 March 2016. Other than as disclosed above, there is no agreement to appoint any directors to the Board pursuant to the Subscription Shares Issuance.
- 5.14. **Shareholders' Undertaking.** SHEC Holdings Pte Ltd, the Estate of Ang Siew Kee (Deceased) and Ong Hoi Lian who collectively hold 49.7% of the issued Shares as at the Latest Practicable Date have undertaken to the Subscriber to vote their Shares in favour of the Ordinary Resolutions relating to the Creditors Issuance, the UOB Issuance, the OHL Issuance, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution to be proposed at the EGM.
- 5.15. **Transfer of Controlling Interest.** As at the Latest Practicable Date, the Subscriber does not hold any Shares. Subject to the necessary approvals, the Subscriber will acquire more than 15% of the enlarged share capital upon the completion of the Subscription Shares Issuance and the Warrant Shares Issuance. Hence, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance, if approved, will result in the transfer of Controlling Interest in the Company to the Subscriber through the allotment and issue of the Subscription Shares and the Warrant Shares to the Subscriber. Shareholders' approval for the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance is therefore required pursuant to Rule 803 of the Listing Manual.
- 5.16. **Rule 812(1).** None of the Subscription Shares or the Warrant Shares will be placed by the Company to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.
- 5.17. **Post-Completion.** The Company is a main contractor, whereas the Subscriber is a sub-contractor specializing in bored piling works. The Subscriber does not typically bid or tender for the same projects as the Company. The Subscriber would typically bid or tender for jobs from the main contractor (i.e. the Company). Nevertheless, the Company and the Subscriber will have a non-compete agreement in place to take effect on the completion of the Subscription Shares Issuance and the Warrants Issuance whereby the Company will have first right of refusal to bid or tender for any new civil engineering projects and the Subscriber will not bid or tender for any projects that the Company has submitted bids or tendered for. Any new sub-contracts awarded by the Company to the Subscriber after the completion of the Subscription Shares Issuance and the Warrants Issuance will be subject to Chapter 9 of the Listing Manual.

6. THE FEE ISSUANCE

- 6.1. **Settlement of Fees.** The Company owes fees to E&Y for the services that E&Y has rendered as financial advisor to the Company in connection with the Company's debt restructuring. The Company and E&Y have agreed that the Fees shall be settled by way of the allotment and issue of 67,766,667 new Shares (the "**Fee Shares**"). Accordingly, the Company proposes to allot and issue the Fee Shares as full and final payment of the Fees, being an amount of S\$321,000 (inclusive of GST). The allotment and issuance of the Fee Shares is not part of the Scheme.

The 67,766,667 Fee Shares represent 18.39% of the Company's issued share capital as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- 6.2. **Issue Price.** The issue price of the Fee Shares is approximately S\$0.0047 per Fee Share. This represents a discount of approximately 96.3% to the VWAP of S\$0.129 for trades done in the Shares on the SGX-ST on the Last Trading Day.

As the Fee Shares will be issued at a discount exceeding 10%, under Rule 811(1) read with 811(3) of the Listing Manual, the Fee Issuance is subject to the approval of Shareholders at the EGM.

- 6.3. **Conditions to the Fee Issuance.** The Fee Issuance is subject to, *inter alia*, the following:
- 6.3.1. the approval of the Shareholders for the Fee Issuance having been obtained;
 - 6.3.2. the approval in-principle of the SGX-ST for the listing and quotation of the Fee Shares on the official list of the mainboard of the SGX-ST having been obtained; and
 - 6.3.3. the completion of the Start Conversion, the Subscription Shares Issuance and the Warrants Issuance.
- 6.4. **Timing.** The allotment and issue of the Fee Shares will take place at the same time as the allotment and issue of the Creditors Start Conversion Shares and the OHL Conversion Shares under the Start Conversion as well as the allotment and issue of the Subscription Shares and the Warrants under the Subscription Shares Issuance and the Warrants Issuance.
- 6.5. **E&Y.** Ernst & Young Solutions LLP is a limited liability partnership registered in Singapore and is engaged in the business of providing tax and transaction advisory services.
- 6.6. **Rationale.** E&Y is owed fees for services rendered as financial advisor to the Company in connection with the Company's debt restructuring to assist in analysing the Company's short-term cash flow, assessing the Company's short term funding gap, developing a debt restructuring plan and/or implementing a scheme of arrangement, identifying potential investors, assisting in the sale of non-core assets and identifying strategic white knight investors. The Company and E&Y have agreed that the Company shall allot and issue the Fee Shares to settle the Fees. The Company believes that the Fee Issuance will reduce the liabilities of the Company, which would improve the equity position of the Company.
- 6.7. **Use of Proceeds.** There will not be any proceeds in cash from the Fee Issuance as the Fee Shares are issued in consideration of the repayment of outstanding debts of the Company.
- 6.8. **Rule 812(1).** None of the Fee Shares will be placed by the Company to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

7. THE WHITEWASH RESOLUTION

- 7.1. **Rule 14 of the Code.** Under Rule 14 of the Code, where any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company (to which the Code applies), such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.
- 7.2. **The Concert Party Group.** The Concert Party Group includes the Subscriber and parties acting in concert with the Subscriber.
- 7.3. **Interests of the Concert Party Group.** As at the Latest Practicable Date, neither the Subscriber nor the Concert Party Group holds any Shares.

LETTER TO SHAREHOLDERS

- 7.4. **Creditors Issuance, OHL Issuance, Fee Issuance and Subscription Shares Issuance.** Assuming (i) the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance complete simultaneously, (ii) the UOB Issuance has not been completed, and (iii) no Creditors End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance (but before the UOB Issuance, the Warrants Issuance and the Warrant Shares Issuance) would amount to 1,400,000,000 Shares, representing approximately 50.62% of the enlarged voting rights of the Company.
- 7.5. **Start Conversion, Fee Issuance and Subscription Shares Issuance.** Assuming (i) the Start Conversion, the Fee Issuance and the Subscription Shares Issuance complete simultaneously, and (ii) no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Start Conversion, the Fee Issuance and the Subscription Shares Issuance (but before the Warrants Issuance and the Warrant Shares Issuance) would amount to 1,400,000,000 Shares, representing approximately 49.25% of the enlarged voting rights of the Company.
- 7.6. **Start Conversion, Fee Issuance, Subscription Shares Issuance, Warrants Issuance and Warrant Shares Issuance.** Assuming (i) the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance complete simultaneously and (ii) no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance would amount to 1,900,000,000 Shares, representing approximately 56.84% of the enlarged voting rights of the Company.
- 7.7. **Convertibles.** None of the members of the Concert Party Group holds any options convertible into Shares as at the Latest Practicable Date.
- 7.8. **Mandatory General Offer.** As the Subscriber may acquire Shares carrying 30% or more of the voting rights of the Company, the Subscriber may be obliged to make a mandatory general offer under Rule 14 of the Code unless otherwise exempt.
- 7.9. **Waiver from the SIC.** The SIC had on 28 April 2016 granted the Subscriber a waiver of the requirement for the Subscriber to make a mandatory general offer for the Company under Rule 14 of the Code as a result of the Subscription Shares Issuance and the Warrant Shares Issuance, subject to the following conditions:
- 7.9.1. a majority of holders of voting rights of the Company approve at the EGM, before the issue of the Subscription Shares and the Warrants under the Subscription Shares Issuance and the Warrants Issuance to the Subscriber, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Subscriber;
 - 7.9.2. the Whitewash Resolution is separate from other resolutions;
 - 7.9.3. each member of the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;
 - 7.9.4. the Concert Party Group did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):

LETTER TO SHAREHOLDERS

- (i) during the period between the announcement of the Subscription Shares Issuance and the Warrants Issuance, and the date shareholders' approval is obtained for the Whitewash Resolution and
 - (ii) in the six months prior to the announcement of the Subscription Shares Issuance and the Warrants Issuance, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Subscription Shares Issuance and the Warrants Issuance;
- 7.9.5. the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- 7.9.6. the Company sets out clearly in the Circular:
- (i) details of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance;
 - (ii) the dilution effect to existing holders of voting rights of the Company upon the issue of the Subscription Shares and the issue of the Warrant Shares, upon the exercise of the Warrants, to the Subscriber;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by the Subscriber upon the issue of the Subscription Shares and the exercise of the Warrants;
 - (v) specific and prominent reference to the fact that the issue of the Subscription Shares and the exercise of the Warrants will result in the Subscriber holding Shares carrying over 49% of the voting rights of the Company and the fact that the Concert Party Group will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (vi) the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Subscriber at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the commencement of the offer;
 - (vii) that Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;
- 7.9.7. this Circular states that the waiver granted by SIC to the Subscriber from the requirement to make a general offer under Rule 14 is subject to the conditions stated at Sections 7.9.1 to 7.9.6 above;
- 7.9.8. the Subscriber obtains the SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- 7.9.9. to rely on the Whitewash Resolution, the acquisition of the Subscription Shares and the Warrants under the Subscription Shares Issuance and the Warrants Issuance by the Subscriber must be completed within three (3) months of the approval of the Whitewash Resolution, and the acquisition of Warrant Shares by the Subscriber upon exercise of the Warrants must be completed within five (5) years of the date of the issue of the Warrants.

As at the Latest Practicable Date, the conditions imposed by the SIC described in Sections 7.9.5, 7.9.6 and 7.9.7 above have been satisfied.

LETTER TO SHAREHOLDERS

Notes:

- (1) SHEC Holdings Pte. Ltd. holds 147,329,650 Shares. Ong Hur Seng, Ong Hock Leong, Ong Hoi Lian and Ong Kah Lam each hold 20 per cent. of the issued share capital of SHEC Holdings Pte. Ltd. As they each hold not less than 20 per cent. of the issued share capital in SHEC Holdings Pte. Ltd., each of them is therefore deemed to have an interest in the shares held by SHEC Holdings Pte. Ltd. pursuant to Section 7 of the Companies Act.
- (2) The Estate of Ong Whay Yeow holds 7,333,340 Shares. Ong Whay Yeow passed away intestate on 29 April 1989. Under the Intestate Succession Act, Chapter 146 of Singapore, the beneficiaries under his estate are his spouse, Madam Ang Siew Kee (deceased on 18 August 2014) and his children, amongst which includes Ong Hock Leong. Each of them is therefore deemed to have an interest held in the name of the Estate of Ong Whay Yeow. Ong Hock Leong's deemed interest includes 523,810 Shares held in the name of the Estate of Ong Whay Yeow.
- (3) The shareholding held by non-substantial and non-public Shareholders refers to the aggregate Shares held by members of the Ong family who are immediate family members of the shareholders of SHEC Holdings Pte. Ltd.
- (4) Assuming no Creditors End Conversion Shares are issued under the End Conversion.
- (5) Assuming no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion.

Assuming the Creditors Issuance, OHL Issuance, Fee Issuance and Subscription Shares Issuance complete prior to the UOB Issuance, the Warrants Issuance and the Warrant Shares Issuance and that no further Creditors Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 50% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

Assuming the Start Conversion, the Fee Issuance and the Subscription Shares Issuance complete prior to the Warrants Issuance and the Warrant Shares Issuance and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 49% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

Assuming the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance complete and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 50% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the allotment and issuance of the Subscription Shares.

Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

- 7.11. **Summary of IFA Advice.** The Company has appointed SAC Capital Private Limited as the independent financial adviser to advise the Recommending Directors in connection with the Whitewash Resolution. The IFA Letter containing the opinion of the IFA is set out in **Appendix A** to this Circular and set out below is an extract of the IFA Letter in relation to the Whitewash Resolution:

"In arriving at our opinion in respect of the Whitewash Resolution, we have taken into account the following key considerations:

- (a) *the rationale for the Subscription Agreement, as set out in paragraph 6.1 of this letter;*

LETTER TO SHAREHOLDERS

- (b) *the historical financial performance and condition of the Group, as set out in paragraph 6.2 of this letter;*
- (c) *the Subscription Issue Price and the Exercise Price of the Warrants, as set out in paragraph 6.3 of this letter;*
- (d) *the financial effects of the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance namely, the improvement in NAV per Share and loss per Share of the Group, as set out in paragraph 6.4 of this letter; and*
- (e) *other relevant considerations as follows:*
 - (i) *the inter-conditionality of the Creditors Issuance, the UOB Issuance, the OHL Issuance, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution;*
 - (ii) *the absence of alternative debt restructuring proposals as at the Latest Practicable Date;*
 - (iii) *the working capital facility that would be made available to the Company by the Subscriber and an aggregate sum of S\$1,800,000 disbursed to the Company by the Subscriber as at the Latest Practicable Date;*
 - (iv) *the dilution effect on the Independent Shareholders, as set out in paragraph 6.5.4 of this letter;*
 - (v) *the implications of the approval of the Whitewash Resolution, as set out in paragraph 6.5.5 of this letter;*
 - (vi) *the residual value of the Group in the event of winding-up or liquidation in the absence of a successful debt restructuring exercise;*
 - (vii) *the disclaimer of opinion by the independent auditors of the Company in respect of the Group's audited financial statements for FY2015;*
 - (viii) *the possibility of the resumption of trading of the Shares after the completion of the Proposed Transactions;*
 - (ix) *there being no assurance of improvement to the Group's financial position and performance or enhancement of shareholder value after the injection of new funds from the proceeds of the Subscription Agreement and/or the steps taken or to be taken by the Company subsequent to the Proposed Transactions;*
 - (x) *the Subscriber and/or each member of the Concert Party Group and parties not independent of them abstaining from voting on the Whitewash Resolution (as the case may be) at the EGM; and*
 - (xi) *the Shareholders' Undertaking to the Subscriber to vote in favour of, inter alia, the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrants Shares Issuance and the Whitewash Resolution, as set out in paragraph 6.5.11 of this letter.*

Based on the above considerations, we are of the opinion that, on balance, the Whitewash Resolution, in the context of the Subscription Agreement (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders.

LETTER TO SHAREHOLDERS

Accordingly, we advise the Recommending Directors to recommend the Independent Shareholders to vote in favour of the Whitewash Resolution.”

Shareholders are advised to read and consider the IFA Letter in its entirety as set out in **Appendix A** to this Circular.

8. SGX-ST LISTING AND QUOTATION NOTICE

The SGX-ST has granted its in-principle approval for the listing and quotation of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrant Shares and the Fee Shares on the Official List of the SGX-ST subject to the following conditions:

8.11.1. Compliance with the SGX-ST's listing requirements;

8.11.2. Shareholders' approval for the issuance of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrants, the Warrant Shares and the Fee Shares, and the Whitewash Resolution;

8.11.3. Submission of the following documents:

- (i) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of proceeds from the proposed issuance of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrant Shares and the Fee Shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (ii) A written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
- (iii) A written confirmation from the Company that it will not issue the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrants and the Fee Shares to persons prohibited under Rule 812(1) of the Listing Manual;
- (iv) A written undertaking from the Company to announce any adjustment to the Warrants made pursuant to Rule 829(1) of the Listing Manual; and
- (v) A written undertaking from the Company that it will comply with Rule 831 of the Listing Manual in respect of the Warrants.

Admission of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrant Shares and the Fee Shares to, and quotation of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrant Shares and the Fee Shares on, the Official List of the SGX-ST are in no way reflective of the merits of the Creditors Start Conversion Shares, the UOB Start Conversion Shares, the OHL Conversion Shares, the Subscription Shares, the Warrants, the Warrant Shares, the Fee Shares, the Company and/or its subsidiaries. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

LETTER TO SHAREHOLDERS

9. FINANCIAL EFFECTS

9.1. Financial Effects of the Scheme

- 9.1.1. For illustration purposes only and based on the FY2015 Results and the 3Q2016 Results, the financial effects of the Scheme are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the Scheme. Further, the analysis below assumes that the Company issues 435,739,903 Creditors Conversion Shares (i.e. no Creditors Conversion Shares are issued under the End Conversion), 77,195,213 UOB Conversion Shares (i.e. no UOB End Conversion Shares are issued under the End Conversion) and 493,721,724 OHL Conversion Shares. The analysis below also does not take into account the financial effects of the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Fee Issuance.
- 9.1.2. Based on the assumptions above and assuming that the Scheme had been effected at the beginning of FY2015, the earnings per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares and the OHL Conversion Shares will increase from (13.93) cents to (2.71) cents. In addition, based on the assumptions above and assuming that the Scheme had been effected at the end of FY2015, the consolidated net asset value per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares and the OHL Conversion Shares will increase from (9.42) cents to (0.05) cents.
- 9.1.3. Based on the assumptions above and assuming that the Scheme had been effected at the beginning of 3Q2016, the loss per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares and the OHL Conversion Shares will decrease from (3.34) cents to 0.42 cents. In addition, based on the assumptions above and assuming that the Scheme had been effected at the end of 3Q2016, the consolidated net asset value per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares and the OHL Conversion Shares will increase from (12.77) cents to (0.65) cents.

9.2. Financial Effects of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance

- 9.2.1. For illustration purposes only and based on the FY2015 Results and the 3Q2016 Results, the financial effects of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance. Further, the analysis below assumes that the Company issues 1,400,000,000 Subscription Shares and 500,000,000 Warrant Shares. The analysis below also does not take into account the financial effects of the Scheme and the Fee Issuance.
- 9.2.2. Based on the assumptions above and assuming that the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance had been effected at the beginning of FY2015, the loss per Share after adjusting for the issue of the Subscription Shares and the Warrant Shares will decrease from (13.93) cents to (2.26) cents. In addition, based on the assumptions above and assuming that the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance had been effected at the end of FY2015, the consolidated net asset value per Share after adjusting for the issue of the Subscription Shares and the Warrant Shares will decrease from (9.42) cents to (1.15) cents.

LETTER TO SHAREHOLDERS

9.2.3. Based on the assumptions above and assuming that the Subscription Shares Issuance, the Warrants Issuances and the Warrant Shares Issuance had been effected at the beginning of 3Q2016, the loss per Share after adjusting for the issue of the Subscription Shares and the Warrant Shares will decrease from (3.34) cents to (0.54) cents. In addition, based on the assumptions above and assuming that the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance had been effected at the end of 3Q2016, the consolidated net asset value per Share after adjusting for the issue of the Subscription Shares and the Warrant Shares will increase from (12.77) cents to (1.69) cents.

9.3. **Financial Effects of the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance**

9.3.1. For illustration purposes only and based on the FY2015 Results and the 3Q2016 Results, the financial effects of the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance. Further, the analysis below assumes that the Company issues 435,739,903 Creditors Conversion Shares (i.e. no Creditors Conversion Shares are issued under the End Conversion), 77,195,213 UOB Conversion Shares (i.e. no UOB End Conversion Shares are issued under the End Conversion), 493,721,724 OHL Conversion Shares, 67,766,667 Fee Shares, 1,400,000,000 Subscription Shares and 500,000,000 Warrant Shares.

9.3.2. Based on the assumptions above and assuming that the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance had been effected at the beginning of FY2015, the earnings per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares, the OHL Conversion Shares, the Fee Shares, the Subscription Shares and the Warrant Shares will increase from (13.93) cents to (1.12) cents. In addition, based on the assumptions above and assuming that the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance had been effected at the end of FY2015, the consolidated net asset value per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares, the OHL Conversion Shares, the Fee Shares, the Subscription Shares and the Warrant Shares will decrease from (9.42) cents to 0.24 cents.

9.3.3. Based on the assumptions above and assuming that the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrants Shares Issuance had been effected at the beginning of 3Q2016, the loss per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares, the OHL Conversion Shares, the Fee Shares, the Subscription Shares and the Warrant Shares will decrease from (3.34) cents to 0.17 cents. In addition, based on the assumptions above and assuming that the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrants Shares Issuance had been effected at the end of 3Q2016, the consolidated net asset value per Share after adjusting for the issue of the Creditors Conversion Shares, the UOB Conversion Shares, the OHL Conversion Shares, the Fee Shares, the Subscription Shares and the Warrant Shares will increase from (12.77) cents to (0.01) cents.

LETTER TO SHAREHOLDERS

10. BORROWINGS

The borrowings of the Group as at 31 March 2016 are as follows:

	As at 31 March 2016	
	S\$'000	S\$'000
	Secured	Unsecured
Trade finance:		
ANZ	–	1,931
DBS	–	778
Finance lease liabilities:		
SCB	280	–
Bank borrowing:		
UOB	2,200	6,599
Loan from a non-related party:		
Quintestellar Re Capital Inc	–	1,216
Loan from a related party		
Ong Hock Leong	–	9,874
KH Foges Pte Ltd	–	1,800
Total	2,480	22,197

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Circular and other than their shareholdings in the Company, if any, as set out below, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Creditors Issuance, the UOB Issuance, the OHL Issuance, the Subscription Share Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Fee Issuance (the “Proposed Transactions”).

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

Director	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ong Hoi Lian ⁽¹⁾	23,054,070	6.26	147,329,650	39.98

Note:

(1) SHEC Holdings Pte. Ltd. holds 147,329,650 Shares. Ong Hur Seng, Ong Hock Leong, Ong Hoi Lian and Ong Kah Lam each hold 20 per cent. of the issued share capital of SHEC Holdings Pte. Ltd.. As they each hold not less than 20 per cent. of the issued share capital in SHEC Holdings Pte. Ltd., each of them is therefore deemed to have an interest in the shares held by SHEC Holdings Pte. Ltd. pursuant to Section 7 of the Companies Act.

LETTER TO SHAREHOLDERS

11.2. **Substantial Shareholders.** The interests of the substantial shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
SHEC Holdings Pte. Ltd. ⁽¹⁾	147,329,650	39.98	–	–
Ong Hock Leong ^{(1) (2)}	4,854,070	1.32	147,853,460	40.12
Ong Hur Seng ⁽¹⁾	12,954,070	3.52	147,329,650	39.98
Ong Kah Lam ⁽¹⁾	14,854,070	4.03	147,329,650	39.98
Ong Hoi Lian ⁽¹⁾	23,054,070	6.26	147,329,650	39.98
Edward Lee Ewe Ming	18,915,000	5.13	–	–

Notes:

- (1) Please refer to Note (1) under Section 11.1 of this Circular.
- (2) The Estate of Ong Whay Yeow holds 7,333,340 Shares. Ong Whay Yeow passed away intestate on 29 April 1989. Under the Intestate Succession Act, Chapter 146 of Singapore, the beneficiaries under his estate are his spouse, Madam Ang Siew Kee (deceased on 18 August 2014) and his children, amongst which includes Ong Hock Leong. Each of them is therefore deemed to have an interest held in the name of the Estate of Ong Whay Yeow. Ong Hock Leong's deemed interest includes 523,810 Shares held in the name of the Estate of Ong Whay Yeow.

12. DIRECTORS' SERVICE CONTRACTS

Under the terms of the Subscription Agreement, the Subscriber shall be entitled to nominate a person and the Company shall appoint such nominated person as a Director of the Company. The Subscriber has appointed Mr Yeo Siang Thong as a Non-Executive Director of the Company, whose appointment took effect from 4 March 2016.

Save as set out above, no person is proposed to be appointed as a Director in connection with the Proposed Transactions.

13. DIRECTORS' RECOMMENDATIONS

- 13.1. **Creditors Issuance.** Having considered the terms of the Scheme, the Directors are of the opinion that the Creditors Issuance would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the Creditors Issuance.
- 13.2. **UOB Issuance.** Having considered the terms of the Scheme and the UOB Issuance, the Directors are of the opinion that the UOB Issuance would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the UOB Issuance.
- 13.3. **OHL Issuance.** Having considered the terms of the Scheme and the OHL Issuance, the Directors are of the opinion that the OHL Issuance would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the OHL Issuance.
- 13.4. **Subscription Shares Issuance, Warrants Issuance and Warrant Shares Issuance.** Having considered the terms of the Subscription Agreement, the Directors are of the opinion that the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance.

LETTER TO SHAREHOLDERS

- 13.5. **Fee Issuance.** Having considered the terms of the Fee Issuance, the Directors are of the opinion that the Fee Issuance would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the Fee Issuance.
- 13.6. **Whitewash Resolution.** Having considered the terms of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance, and taking into account the letter by the Independent Financial Adviser, the Directors are of the opinion that the Whitewash Resolution would not be prejudicial to the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution relating to the Whitewash Resolution.
- 13.7. **Abstention by Yeo Siang Thong.** Mr Yeo Siang Thong has abstained from making recommendations on the Ordinary Resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution as he is the Chief Executive Officer of the Subscriber.

14. CONDITIONALITY

In voting for the Ordinary Resolutions, Shareholders should note the following:

- 14.1.1. the Ordinary Resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance are inter-conditional as they relate to the Scheme;
- 14.1.2. the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance are conditional upon the completion of the OHL Issuance as it is a condition under the Subscription Agreement that the Subscription Shares Issuance and the Warrant Issuance be completed at the same time as the OHL Issuance;
- 14.1.3. the Ordinary Resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution are inter-conditional as they relate to transactions under the Subscription Agreement; and
- 14.1.4. the Fee Issuance is conditional upon the completion of the Creditors Issuance, the OHL Issuance, the Subscription Shares Issuance and the Warrants Issuance.

This means that if any of the Ordinary Resolutions relating to the Creditors Issuance, the UOB Issuance and/or the OHL Issuance is not passed, none of the Ordinary Resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance would be taken to have been passed and the Start Conversion, the End Conversion, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Fee Issuance cannot be effected.

For the avoidance of doubt, the Creditors Issuance, the UOB Issuance and the OHL Issuance are not conditional upon the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and/or the Fee Issuance.

15. ABSTENTION FROM VOTING

- 15.1. **OHL Issuance.** Ong Hock Leong shall abstain and has undertaken to ensure that his associates will abstain, from voting on the Ordinary Resolution in relation to the OHL Issuance. In addition, Ong Hock Leong and his associates will not accept appointments as proxies unless specific instructions as to voting are given. Ong Hock Leong's associates who hold Shares as at the Latest Practicable Date are as follows:

LETTER TO SHAREHOLDERS

Name of Associate	Relationship	Number of Shares held as at the Latest Practicable Date
Ong Hock Shing	Brother	1,074,000
Estate of Ang Siew Kee, Deceased	Late mother	12,766,660
Estate of Ong Whay Yeow, Deceased	Late father	7,333,340

15.2. **Subscription Shares Issuance, Warrants Issuance and Warrant Shares Issuance.** The Subscriber shall abstain and has undertaken to ensure that its associates will abstain, from voting on the Ordinary Resolutions in relation to the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance. In addition, the Subscriber and its associates will not accept appointments as proxies unless specific instructions as to voting are given.

15.3. **Whitewash Resolution.** Pursuant to the conditions imposed by the SIC referred to in Section 7.9 of this Circular, each member of the Concert Party Group and parties not independent of them will abstain from voting on the Whitewash Resolution.

16. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages EGM-1 to EGM-5 of this Circular, will be held at Warren Golf and Country Club Conference Room 1 & 2 (Level 2), 81 Choa Chu Kang Way, Singapore 688623, on 2 August 2016 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolutions set out in the Notice of EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

17. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 58 Sungei Kadut Drive, Singapore 729572, not less than 48 hours before the time fixed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

18. 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 Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information 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 this Circular in its proper form and context.

19. CONSENT

SAC Capital Private Limited, as the IFA to the Recommending Directors in relation to the Whitewash Resolution, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter reproduced in **Appendix A** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

20. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 58 Sungei Kadut Drive, Singapore 729572, during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to the date of the EGM:

- 20.1. the Subscription Agreement;
- 20.2. the Constitution of the Company;
- 20.3. the IFA Letter;
- 20.4. the Annual Report of the Group for FY2015; and
- 20.5. the written consent of the IFA referred to in Section 19.

Yours faithfully
For and on behalf of
the Board of Directors of
SWEE HONG LIMITED

Peter Moe
Independent Director

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

18 July 2016

To: The Recommending Directors of Swee Hong Limited
(in relation to the Whitewash Resolution)

Mr Peter Moe
Mr Teo Boon Tieng
Mr Ong Hoi Lian

Dear Sirs

THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM KH FOGES PTE. LTD. AND ITS CONCERT PARTIES FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

1.1 The Scheme

On 5 September 2015, Swee Hong Limited (the “**Company**”) filed an application to the High Court of the Republic of Singapore (the “**Court**”) for leave to convene a meeting of classes of its creditors (the “**Creditors**”) for the purposes of considering and if thought fit, approving with or without modification the scheme of compromise and arrangement under Section 210 of the Companies Act dated 28 September 2015 (the “**Scheme**”) proposed to be made between the Company and its Creditors. The Scheme was approved (with modifications) by the requisite statutory majority of each of the two classes of Creditors on 6 November 2015. The first class of Creditors consisted of Ong Hock Leong and the second class of Creditors consisted of the rest of the Creditors. The Scheme was sanctioned by the Court on 25 November 2015 and is administered by the Scheme Manager (as defined in the Circular). The Scheme took effect on and from 2 December 2015, when a copy of the order of Court sanctioning the Scheme was lodged with the Registrar of Companies. Under the Scheme, subject to the necessary approvals being obtained, eligible Creditors will acquire new ordinary shares in the capital of the Company (“**Shares**”) by participating in the debt-to-equity conversion to be carried out in accordance with the Scheme.

In connection with the debt-to-equity conversion, the Company is proposing, *inter alia*, the following:

- (a) an allotment and issue of new Shares (“**Subscription Shares**”) to KH Foges Pte. Ltd. (“**KH Foges**” or the “**Subscriber**”) for an aggregate issue price of S\$4,000,000 on the terms and subject to the conditions of the subscription agreement dated 14 March 2016 between the Company and the Subscriber, amended by a supplemental agreement dated 22 April 2016 (as may be amended, modified and/or supplemented from time to time) (the “**Subscription Agreement**”) (the “**Subscription Shares Issuance**”);
- (b) an allotment and issue of 500,000,000 unlisted and transferable free warrants to the Subscriber under the Subscription Agreement (the “**Warrants**”), each Warrant carrying the right to subscribe for one new Share upon the exercise of the Warrant (the “**Warrant Share**”) at S\$0.01 in respect of each Warrant Share (the “**Exercise Price**”) (the “**Warrants Issuance and the Warrant Shares Issuance**”); and

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

- (c) a whitewash resolution (the “**Whitewash Resolution**”) which requires approval, by way of a poll, by a majority of shareholders of the Company (“**Shareholders**”) other than the Subscriber and parties acting in concert with it (the “**Concert Party Group**”) to waive their rights to receive a mandatory general offer for the Company from the Concert Party Group pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

1.2 The Whitewash Resolution

As at the Latest Practicable Date, neither Subscriber nor the Concert Party Group holds any Shares.

As a result of, *inter alia*, the Subscription Shares Issuance, the Warrants Issuance and Warrant Shares Issuance, the Subscriber may acquire Shares carrying 30% or more of the voting rights of the Company. Accordingly, pursuant to Rule 14 of the Code, the Subscriber and/or members of the Concert Party Group may be obliged to make a mandatory general offer for the Company.

The SIC had on 28 April 2016 granted the Subscriber a waiver of the requirement for the Subscriber to make a mandatory general offer for the Company under Rule 14 of the Code, subject to, *inter alia*, (a) a majority of the Shareholders other than the Concert Party Group and parties not independent of them (collectively, the “**Independent Shareholders**”) approving the Whitewash Resolution; and (b) the appointment of an independent financial adviser (the “**IFA**”) to advise the Independent Shareholders in relation to the Whitewash Resolution.

The Company has appointed us as the IFA to the directors who are regarded as independent in respect of the Whitewash Resolution (the “**Recommending Directors**”) to express an opinion on whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders.

2. TERMS OF REFERENCE

We have been appointed as the IFA to the Recommending Directors in relation to the Whitewash Resolution.

We are not and were not involved in any aspect of the negotiations entered into by the Company and its subsidiaries (the “**Group**”) in connection with the Whitewash Resolution or in the deliberations leading up to the decision by the Directors to undertake the Subscription Agreement and the Whitewash Resolution. Accordingly, we do not, by this letter, warrant the merits of the Subscription Agreement and the Whitewash Resolution, other than to express an opinion on whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders.

We have not conducted a comprehensive review of the business, operations or financial condition of the Company or the Group. We have also not evaluated the strategic or commercial merits or risks of the Subscription Agreement or the future growth prospects or earnings potential of the Group after the completion of the Subscription Agreement. Accordingly, we do not express any view as to the prices at which the Shares may trade upon completion of the Subscription Agreement or on the future financial performance of the Group after the completion of the Subscription Agreement.

In the course of our evaluation, we have held discussions with the Directors and the management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Subscription Agreement and the Whitewash Resolution has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgment (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Save as disclosed, all information relating to the Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at 12 July 2016 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and have not been furnished with any such evaluation or appraisal.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position and earnings potential of the Group. We have not been provided with, nor do we have access to, any business plan or financial projections of the future performance of the Group and we did not conduct any discussions with the Directors and/or the Management on any such business plan or financial projections of the Group.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In arriving at our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Whitewash Resolution should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own 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, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

3. THE PROPOSED TRANSACTIONS

In connection with the Scheme, the Company is proposing the following transactions:

- (a) an allotment and issue of new Shares (the “**Creditors Conversion Shares**”) to the Creditors other than Ong Hock Leong and United Overseas Bank Limited (“**UOB**”) who are entitled to be allotted and issued the Creditors Conversion Shares (collectively, the “**Conversion Creditors**”) pursuant to the Start Conversion (as defined below) and the End Conversion (as defined below) (the “**Creditors Issuance**”). Further details of the Creditors Issuance are set out in section 2 of the “Letter to Shareholders” in the Circular;
- (b) an allotment and issue of the new Shares (the “**UOB Conversion Shares**”) to UOB pursuant to the Start Conversion (as defined below) and the End Conversion (as defined below) (the “**UOB Issuance**”). Further details of the UOB Issuance are set out in section 3 of the “Letter to Shareholders” in the Circular;
- (c) an allotment and issue of new Shares (the “**OHL Conversion Shares**”) to Ong Hock Leong pursuant to the Start Conversion (as defined below) (the “**OHL Issuance**”). Further details of the OHL Issuance are set out in section 4 of the “Letter to Shareholders” in the Circular;
- (d) the Subscription Shares Issuance;
- (e) the Warrants Issuance and the Warrant Shares Issuance;
- (f) an allotment and issue of new Shares (the “**Fee Shares**”) to Ernst & Young Solutions LLP (“**E&Y**”) as full and final repayment (being an amount of S\$321,000 (the “**Fees**”) of the fees owing by the Company to E&Y for the services that E&Y has rendered as financial advisor to the Company in connection with the Company’s debt restructuring (the “**Fee Issuance**”). Further details of the Fee Issuance are set out in section 6 of the “Letter to Shareholders” in the Circular; and
- (g) the Whitewash Resolution.

4. THE SCHEME AND THE SUBSCRIPTION AGREEMENT

4.1 Background Information on the Scheme

As set out in section 1.3 of the “Letter to Shareholders” in the Circular, the Scheme comprises:

- (a) a determination by the Scheme Manager of the Approved Debt (as defined in the Circular) of the Creditors which has been completed and comprises the following:
 - (i) S\$37,242,732, being the Approved Debt of the Conversion Creditors;
 - (ii) S\$9,874,434.49, being the Approved Debt of Ong Hock Leong; and
 - (iii) S\$6,597,881.48, being the Approved Debt of UOB which may be reduced depending on the sale of the Kranji Property (as defined below);
- (b) an initial write-off of 48% of the Approved Debt of the Conversion Creditors and UOB (the “**Write-Off**”), such Write-Off equating to S\$21,043,494.47;

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE
RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH
RESOLUTION**

- (c) a debt-to-equity conversion (the “**Start Conversion**”) pursuant to which:
- (i) the Conversion Creditors will receive 435,739,903 new Shares (the “**Creditors Start Conversion Shares**”) at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of 45% of their respective Approved Debt after the Write-Off, such amount being S\$8,714,798.06;
 - (ii) UOB will receive up to 77,195,213 new Shares (the “**UOB Start Conversion Shares**”) at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of 45% of its Approved Debt after the Write-Off, such amount being S\$1,543,904.26, which may be reduced depending on the sale of the Kranji Property; and
 - (iii) Ong Hock Leong will receive 493,721,724 OHL Conversion Shares at the issue price of S\$0.02 each in full satisfaction and complete extinguishment and discharge of all his Approved Debt, such amount being S\$9,874,434.49;
- (d) cash distributions and payments (the “**Cash Payments**”) made to the Conversion Creditors and UOB in accordance with the terms of the Scheme by way of:
- (i) an initial auction pursuant to which each of the Conversion Creditors and UOB may offer for the Company’s acceptance a discount off the face value of their respective Approved Debt (after the Write-Off) or a portion thereof and the Scheme Manager shall determine whether each such offer shall be accepted by the Company (in whole or in part) based on, *inter alia*, the amount available for distribution and payment under such auction and the amount of the discount offered by the relevant Creditors;
 - (ii) following such auction, a *pari passu* payment to each of the Conversion Creditors and UOB based on the amount of their respective Approved Debt (after the Write-Off) then subsisting, on the terms specified in the Scheme; and
 - (iii) cash distributions and payments by way of a series of auctions and subsequent *pari passu* payments, similar to that as described above whenever the Company has accumulated sufficient cash for distribution from its Continuing Projects (as defined in the Circular), on the terms specified in the Scheme; and
- (e) if the Company owes any amount in respect of the Approved Debt (after the Write-Off, the Start Conversion and the Cash Payments) to any Conversion Creditor and/or UOB, a debt-to-equity conversion pursuant to which the Conversion Creditor and/or UOB will receive new Shares (the “**End Conversion Shares**”) in full satisfaction and complete discharge of their remaining Approved Debt (the “**End Conversion**”).

The Company believes that the Scheme is the best way to restructure its debt and liabilities in a manner which would maximise the value of the Company and its assets for the Creditors and Shareholders.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

4.2 The Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance

4.2.1 Information on the Subscriber

The Subscriber was incorporated in Singapore on 7 January 2004 and the beneficial shareholders of the Subscriber are Kridhan Infra Limited (90%) and Ang Boon Hai (10%). Kridhan Infra Limited is a company incorporated and publicly listed on the Bombay Stock Exchange. The directors of the Subscriber are Anil Agrawal and Ang Boon Hai. The Subscriber is principally engaged in the business of civil engineering, piling, foundation and geotechnical engineering works, mixed construction activities and marine services in Singapore, and is currently a major sub-contractor of the Company. The value of the sub-contracts that have been awarded by the Company to the Subscriber of S\$60.6 million represents 40.05% of the total value of the main contracts that have been awarded to the Company in respect of the Company's two ongoing projects of S\$151.3 million as of the Latest Practicable Date.

4.2.2 Terms of the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance

Under the Subscription Agreement, the Company agreed to allot and issue to the Subscriber (i) 1,400,000,000 Subscription Shares for an aggregate issue price of S\$4,000,000; and (ii) 500,000,000 Warrants, each Warrant carrying the right to subscribe for one Warrant Share at the Exercise Price. The Subscription Shares and the Warrant Shares represent 379.93% and 135.69% respectively of the Company's issued share capital as at the Latest Practicable Date.

Based on the 1,400,000,000 Subscription Shares to be issued, the issue price of each Subscription Share (the "**Subscription Issue Price**") will be approximately S\$0.0029.

Under the deed poll to be executed by the Company constituting the Warrants and containing, *inter alia*, provisions for the protection of the rights and interests of the registered holders of the Warrants (the "**Warrantholders**") (the "**Deed Poll**"), the Company agreed to issue to the Subscriber, and the Subscriber agreed to subscribe for 500,000,000 Warrants at the Exercise Price, where the Warrants may be exercised at any time from and including the date of the issue of the Warrants up to 5.00 p.m. on the date immediately preceding the third anniversary of the date of the issue of the Warrants pursuant to the terms and conditions set out in the Deed Poll. The Exercise Price is at S\$0.01 for each Warrant Share upon the exercise of a Warrant.

The Subscription Shares and the Warrant Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, except that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Subscription Shares and the Warrants Shares (as the case may be).

5. THE WHITEWASH RESOLUTION

As at the Latest Practicable Date, neither the Subscriber nor the Concert Party Group holds any Shares.

As set out in sections 7.4, 7.5 and 7.6 of the "Letter to Shareholders" in the Circular,

- (a) Assuming (i) the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance complete simultaneously, (ii) the UOB Issuance has not been completed, and (iii) no Creditors End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance (but before the UOB Issuance, the Warrants Issuance and the Warrant Shares Issuance) would amount to 1,400,000,000 Shares, representing approximately 50.62% of the enlarged voting rights of the Company;

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

- (b) Assuming (i) the Start Conversion, the Fee Issuance and the Subscription Shares Issuance complete simultaneously, and (ii) no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Start Conversion, the Fee Issuance and the Subscription Shares Issuance (but before the Warrants Issuance and the Warrant Shares Issuance) would amount to 1,400,000,000 Shares, representing approximately 49.25% of the enlarged voting rights of the Company; and
- (c) Assuming (i) the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance complete simultaneously and (ii) no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Subscriber's direct shareholding interest and the Concert Party Group's aggregate shareholding interest in the Company after the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance would amount to 1,900,000,000 Shares, representing approximately 56.84% of the enlarged voting rights of the Company.

Based on the above, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance may result in the Subscriber holding more than 30% of the voting rights of the Company and accordingly, the Subscriber and/or each member of the Concert Party Group may be obliged to make a mandatory general offer for the Company pursuant to Rule 14 of the Code.

The SIC had on 28 April 2016 granted the Subscriber a waiver of the requirement for the Subscriber to make a mandatory general offer for the Company under Rule 14 of the Code as a result of the Subscription Shares Issuance and the Warrant Shares Issuance, subject to certain conditions, as set out in section 7.9 of the "Letter to Shareholders" in the Circular.

Shareholders should note that (a) the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance are inter-conditional as they relate to the Scheme; (b) the Subscription Shares Issuance, the Warrants Issuance and the Warrants Shares Issuance are conditional upon the completion of the OHL Issuance as it is a condition under the Subscription Agreement that the Subscription Shares Issuance and the Warrant Issuance be completed at the same time as the OHL Issuance; (c) the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrants Shares Issuance and the Whitewash Resolution are inter-conditional as they relate to transactions under the Subscription Agreement; and (d) the Fee Issuance is conditional upon the completion of the Creditors Issuance, OHL Issuance, the Subscription Shares Issuance and the Warrants Issuance.

This means that if any of the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and/or the OHL Issuance is not passed, none of the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance would be taken to have been passed and the Start Conversion, the End Conversion, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Fee Issuance cannot be effected.

Independent Shareholders should also note that:

- (a) **by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a general offer from the Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the allotment and issuance of the Subscription Shares;**

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

- (b) pursuant to obtaining the Independent Shareholders' approval for the Whitewash Resolution, assuming the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance complete and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 49% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
- (c) by voting for the Whitewash Resolution, they could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

6. EVALUATION OF THE WHITEWASH RESOLUTION

In the course of our evaluation of the Whitewash Resolution, we have examined the following factors which have a significant bearing on our assessment:

- (a) the rationale for the Subscription Agreement;
- (b) the historical financial performance and condition of the Group;
- (c) the Subscription Issue Price and the Exercise Price of the Warrants;
- (d) the financial effects of the Proposed Transactions on the Group; and
- (e) other relevant considerations.

6.1 Rationale for the Subscription Agreement

The rationale for the Subscription Agreement, as set out in section 5.8 of the "Letter to Shareholders" in the Circular, is reproduced in italics below:

"The Subscriber is a willing investor and has entered into the Subscription Agreement for business integration and financial investment purposes. The Company agreed to the Subscription Shares Issuance and the Warrants Issuance as it requires funds to meet its working capital requirements. Further, the Company believes that the Subscriber's offer represents a fair price and that there will be synergies with the Subscriber as a Shareholder, especially given that it is an existing sub-contractor of the Company. Following the completion of the Subscription Shares Issuance and the Warrants Issuance, the Company will explore ways to integrate its business with that of the Subscriber's to enhance shareholders' value. In particular, the Subscriber's exposure to India through its parent company, which is incorporated and publicly listed on the Bombay Stock Exchange, opens opportunities for the Company to explore expansion into overseas markets."

6.2 Historical Financial Performance and Condition of the Group

The salient historical financial information of the Group for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 ("FY2013", "FY2014" and "FY2015" respectively) and for the 9 months ended 31 March 2015 and 31 March 2016 ("9M2015" and "9M2016" respectively) is set out below:

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE
RECOMMENDING DIRECTORS IN RELATION TO THE WHITWASH
RESOLUTION**

Consolidated Statement of Comprehensive Income	----- Audited -----			-----Unaudited-----	
(S\$'000)	FY2013	FY2014 (restated)	FY2015	9M2015	9M2016
Revenue	27,966	31,369	22,121	26,216	24,176
Gross (loss)/profit	(6,255)	(7,628)	(5,014)	5,342	958
Loss before income tax	(17,567)	(20,075)	(19,462)	(1,495)	(12,308)
Net loss from continuing operations	(16,283)	(19,982)	(19,445)	(1,495)	(12,308)
Loss from discontinued operations, net of tax ⁽¹⁾	-	-	(31,862)	-	-
Net loss attributable to equity holders of the Company	(16,283)	(19,982)	(51,306)	(1,495)	(12,308)

Balance Sheets	----- Audited -----			----Unaudited----
(S\$'000)	30 June 2013	30 June 2014	30 June 2015	31 March 2016
Current assets	42,938	22,526	18,509	22,338
Discontinued operations and assets classified as held-for-sale ⁽¹⁾	-	-	32,907	336
Current liabilities	21,498	37,941	96,075	80,365
Liabilities directly associated with assets classified as held-for-sale ⁽¹⁾	-	-	2,314	-
Working capital	21,440	(15,415)	(46,973)	(57,691)
Equity attributable to equity holders of the Company	36,585	16,619	(34,717)	(47,059)

Consolidated Statement of Cash Flows	----- Audited -----			-----Unaudited-----	
(S\$'000)	FY2013	FY2014	FY2015	9M2015	9M2016
Net cash (used in)/provided by operating activities	(9,040)	4,729	13,748	17,941	(9,684)
Net cash (used in)/provided by investing activities	(3,529)	(25,879)	(38,386)	(43,802)	29,738
Net cash (used in)/provided by financing activities	3,207	7,021	28,222	26,377	(18,869)
Net increase/(decrease) in cash and cash equivalents	(9,362)	(14,130)	3,584	516	1,185
Cash and cash equivalents at end of financial year	13,711 ⁽²⁾	(419) ⁽²⁾	3,165 ⁽²⁾	1,252	4,379

Notes:

- (1) Assets of disposal group classified as held-for-sale: The Company had on 11 June 2015 entered into a sale and purchase agreement with a third party for the sale of the investment property (dormitory) under construction. The transaction was completed on 16 July 2015. The results for FY2015 from the dormitory are presented in the statement of comprehensive income as "Discontinued operations", while the carrying amount of the investment property under construction and other receivables are presented on the balance sheet as "Discontinued operations and assets classified as held-for-sale".

Asset classified as held-for-sale: Under the Scheme, the management has indicated its intention to dispose its leasehold building to finance the Group's operations. The carrying amount of the leasehold building is presented on the balance sheet as "Discontinued operations and assets classified as held-for-sale".

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

- (2) After netting off bank overdraft and short-term bank deposit which have been pledged to financial institution as security for financial facilities.

Source: *Annual reports of the Company for FY2014 and FY2015 and announcement of the Group's unaudited financial statements for 9M2016*

We note the following:

- (a) the Group's total revenue increased by S\$3.4 million from S\$28.0 million in FY2013 to S\$31.4 million in FY2014, mainly due to an increase in revenue from the civil engineering and the tunnelling segments as new contracts and projects secured in FY2013 progressed to more active construction phase in FY2014.

The Group's total revenue decreased by S\$9.3 million from S\$31.4 million in FY2014 to S\$22.1 million in FY2015, mainly due to slow progress of the on-going projects due to the Company's financial difficulties. Revenue from the civil engineering segment decreased by S\$4.1 million from S\$19.9 million in FY2014 to S\$15.8 million in FY2015. Similarly, revenue from the tunneling segment decreased by S\$5.1 million from S\$11.4 million in FY2014 to S\$6.3 million in FY2015.

The Group's total revenue decreased by 7.8% from S\$26.2 million in 9M2015 to S\$24.2 million in 9M2016 primarily due to (i) the decrease in revenue from the tunneling segment mainly due to slow progress in one of the tunneling projects and (ii) the discontinuation of the dormitory business segment in 9M2016, partially offset by the increase in revenue from the civil engineering segment mainly due to increased progress of the on-going projects, particularly the ER382 Bukit Brown and progress claim as part of the finalization of accounts for the completed Main Gardens project;

- (b) the Group's gross loss increased by S\$1.3 million from S\$6.3 million in FY2013 to S\$7.6 million in FY2014. This was mainly due to (i) an increase in gross loss from the civil engineering segment from S\$1.2 million in FY2013 to S\$1.4 million in FY2014 as a result of cost overrun for an ongoing project, and (ii) certain reclassification of expenses from Administrative expenses to Cost of works during FY2014.

The Group's gross loss decreased by S\$2.6 million from S\$7.6 million in FY2014 to S\$5.0 million in FY2015. This was mainly due to a decrease in gross loss by S\$2.7 million from the tunneling segment from S\$5.6 million in FY2014 to S\$2.9 million in FY2015, as a result of a decrease in provision for cost over-run provided in FY2015 as compared to FY2014. The decrease in gross loss in FY2015 was partially offset by an increase in gross loss from the civil engineering segment, which increased by S\$0.1 million from S\$2.1 million in FY2014 to S\$2.2 million in FY2015, mainly due to slowdown in progress of projects during the year which resulted in cost over-runs.

Gross profit decreased by 82.1% from S\$5.3 million in 9M2015 to S\$1.0 million in 9M2016 mainly due to (i) provision made for foreseeable losses of S\$0.9 million for a tunneling project which experienced delays due to the Company's financial situation and (ii) the absence of gross profit contribution from the discontinued dormitory business segment in 9M2016;

- (c) the Group's net loss before income tax increased by S\$2.5 million from S\$17.6 million in FY2013 to S\$20.1 million in FY2014. The increase in net loss before income tax was mainly due to (i) an increase in marketing expenses in promoting the new Prefabricated Prefinished Volumetric Construction system, and (ii) an increase in administrative expenses due to higher allowance for impairment of construction contract amounts due from customers, and an increase in staff and agency costs.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

The Group incurred a lower net loss before income tax from continuing operations of S\$19.5 million in FY2015 as compared to a net loss before income tax of S\$20.1 million in FY2014. The decrease was mainly due to a decrease in distribution and marketing expenses from S\$0.4 million in FY2014 to S\$0.04 million in FY2015 as a result of reduced marketing and advertisement expenses in FY2015. The decrease was partially offset by an increase in administrative expenses from S\$12.0 million in FY2014 to S\$14.6 million in FY2015, mainly due to an increase in impairment of property, plant and equipment in FY2015.

The Group's incurred a loss before income tax of S\$12.3 million in 9M2016, an increase of S\$10.8 million as compared to a loss before income tax of S\$1.5 million in 9M2015 mainly due to lower gross profit recorded in 9M2016 and higher administrative expenses (mainly comprised of accrual expenses relating to the Creditors) incurred in 9M2016;

- (d) the Group's working capital had gradually declined from a positive S\$21.4 million as at 30 June 2013 to a negative S\$57.7 million as at 31 March 2016;
- (e) the Group's total equity attributable to equity holders of the Company decreased from a positive S\$36.6 million as at 30 June 2013 to a negative S\$47.1 million as at 31 March 2016, mainly due to the accumulated losses over the years;
- (f) the Group recorded a net operating cash outflow of S\$9.0 million in FY2013 as compared to net operating cash inflows of S\$4.7 million and S\$13.7 million in FY2014 and FY2015 respectively, mainly due to increases in trade and other payables. The Group recorded a net operating cash inflow of S\$17.9 million in 9M2015 as compared to net operating cash outflow of S\$9.7 million in 9M2016 mainly due to increase in construction contract work-in-progress.

The Group utilised investing cash outflows of S\$3.5 million, S\$25.9 million and S\$38.4 million in FY2013, FY2014 and FY2015 respectively. The increase in investing cash outflow in FY2015 was mainly due to additions to investment property under construction. The Group recorded a net investing outflow of S\$43.8 million in 9M2015 as compared to the net investing inflow of S\$29.7 million in 9M2016 mainly due to net proceeds received from the disposal of investment property under construction in 9M2016.

The Group recorded net financing cash inflows of S\$3.2 million, S\$7.0 million and S\$28.2 million in FY2013, FY2014 and FY2015 respectively. The increase in cashflow from financing activities in FY2015 was mainly due to proceeds from bank borrowings to fund the construction of investment property and a loan from director for working capital purposes. The Group recorded net financing inflow of S\$26.4 million in 9M2015 as compared to the net financing outflow of S\$18.9 million in 9M2016, mainly due to the repayment of bank borrowings; and

- (g) as at 31 March 2016, the Group's cash and cash equivalents amounted to S\$4.4 million.

6.3 The Subscription Issue Price and the Exercise Price of the Warrants

We noted that the Subscription Issue Price of approximately S\$0.0029 and the Exercise Price of S\$0.01 for each Warrant under the Warrant Shares Issuance is lower than the issue price of the OHL Conversion Shares, Creditors Conversion Shares and the UOB Conversion Shares under the Start Conversion, being S\$0.02 per Share (where Ong Hock Leong, the Creditors and/or UOB are unrelated third parties).

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

As the issue price of the Creditors Conversion Shares and the UOB Conversion Shares under the End Conversion, if applicable, will be based on the higher of (i) S\$0.014 or (ii) 90% of the seven-day VWAP of the Shares as at the date of the End Events Notice (as defined in the Circular) (the “**End Conversion Issue Price**”), it is indeterminable as at the Latest Practicable Date. Assuming the End Conversion Issue Price is S\$0.014, we noted that the Subscription Issue Price and the Exercise Price is lower than the End Conversion Issue Price.

As set out in section 5.8 of the “Letter to Shareholders” in the Circular, we noted that the Company agreed to the Subscription Shares Issuance and the Warrants Issuance as it requires funds to meet its working capital requirements. Further, the Company believes that the Subscriber’s offer represents a fair price and that there will be synergies with the Subscriber as a Shareholder, especially given that it is an existing sub-contractor of the Company. Following the completion of the Subscription Shares Issuance and the Warrants Issuance, the Company will explore ways to integrate its business with that of the Subscriber’s to enhance shareholders’ value. In particular, the Subscriber’s exposure to India through its parent company, which is incorporated and publicly listed on the Bombay Stock Exchange, opens opportunities for the Company to explore expansion into overseas markets.

6.3.1 Latest unaudited net asset value (“NAV”) of the Group

Based on the unaudited financial statements of the Group for 9M2016, the Group recorded a negative NAV of S\$47.1 million as at 31 March 2016, or a negative S\$0.1277 per Share based on 368,500,000 issued Shares.

Accordingly, each of the Subscription Issue Price (approximately at S\$0.0029) and the Exercise Price (S\$0.01) represents a premium of S\$0.1306 and S\$0.1377 over the unaudited NAV per Share as at 31 March 2016 respectively.

The Directors have confirmed that, to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that as at 31 March 2016; and (b) there are no contingent liabilities, bad or doubtful debts or impairment losses as at the Latest Practicable Date which are likely to have a material impact on the unaudited NAV of the Group as at 31 March 2016.

6.3.2 Historical market prices of the Shares

On 9 February 2015, the Company requested a trading halt of the Shares. On 11 February 2015, the Company announced that it had, on 10 February 2015, filed an application to the Court to propose a scheme of arrangement between the Company and certain of its creditors for the purposes of implementing and facilitating the Company’s debt restructuring plan. The trading halt of the Shares was converted to a trading suspension on 11 February 2015.

Prior to the trading suspension, the last transacted price of the Shares was S\$0.126 on 5 February 2015. Based on the then-latest publicly available financial information of the Group, being its unaudited financial statements for the 3 months ended 30 September 2014 (“**3M2015**”) which was announced on 14 November 2014, the Group had incurred a net loss of S\$2.1 million for 3M2015 and shareholders’ equity amounted to S\$0.01 million (or S\$0.0393 per Share) as at 30 September 2014. In comparison, based on the Group’s audited financial statements for FY2015 and the Group’s unaudited financial statements for 9M2016, the Group had incurred a net loss of S\$51.3 million for FY2015 and its shareholders’ equity amounted to a negative S\$47.1 million (or a negative S\$0.1277 per Share) as at 31 March 2016.

Having regard to the trading suspension which has been in effect since February 2015 and the significant deterioration in the Group’s operating performance and shareholders’ equity since then, we are of the view that it would not be meaningful to benchmark the Subscription Issue Price and the Exercise Price of the Warrants against the historical market prices of the Shares.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

6.4 Financial Effects of the Proposed Transactions on the Group

The financial effects of the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance have been set out in section 9.3 of the “Letter to Shareholders” in the Circular and are based on the audited consolidated financial statements of the Group for FY2015 and the unaudited financial statements for 9M2016. Such analysis has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance. Shareholders should note the bases and assumptions made in the computation of such financial effects for illustrative purposes.

We note the following:

- (a) the NAV per Share of the Group would improve from a negative 12.77 cents as at 31 March 2016 to negative 0.01 cents; and
- (b) the loss per Share of the Group would improve from a negative 13.93 cents in FY2015 to a negative 1.12 cents.

6.5 Other Relevant Considerations

6.5.1 Inter-conditionality of the Creditors Issuance, the UOB Issuance, the OHL Issuance, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution

Shareholders should note, *inter alia*, the following:

- (a) the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance are inter-conditional;
- (b) the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance are conditional upon the completion of the OHL Issuance; and
- (c) the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution are inter-conditional.

Accordingly, if any of the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and/or the OHL Issuance is not passed, none of the ordinary resolutions relating to the Creditors Issuance, the UOB Issuance and the OHL Issuance would be taken to have been passed and the Start Conversion, the End Conversion, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance cannot be effected. In addition, if the ordinary resolutions relating to the Whitewash Resolution is not passed, none of the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance would be taken to have been passed.

6.5.2 Absence of alternative debt restructuring proposals

We understand that as at the Latest Practicable Date, given that the Scheme has been approved by Creditors on 6 November 2015 and sanctioned by the Court on 25 November 2015, neither the Company nor the Scheme Manager had received any other viable alternative proposals for the debt restructuring of the Group. Accordingly, the Proposed Transactions represent the only viable proposal, as at the Latest Practicable Date, for the debt restructuring of the Group.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

6.5.3 Working capital facility

On 14 March 2016, the Company announced that the Subscriber would make available a working capital loan facility of up to S\$3,000,000 subject to the terms and conditions of a facility agreement to be entered into between the Company and the Subscriber. On 2 June 2016, the Company announced that it had entered into a facility agreement dated 2 June 2016 to set out the terms and conditions of the working capital loan facility.

As at the Latest Practicable Date, the Subscriber had disbursed an aggregate sum of S\$1,800,000 to the Company under the working capital loan facility.

6.5.4 Dilution effect on the Independent Shareholders

The potential changes in the shareholding structure of the Company pursuant to the Proposed Transactions, as set out in section 7.10 of the “Letter to Shareholders” in the Circular, (i) as at the Latest Practicable Date, (ii) after the Start Conversion, the Fee Issuance and the Subscription Shares Issuance (but before the UOB Issuance, the Warrants Issuance and the Warrant Shares Issuance) and (iii) after the Start Conversion, the Fee Issuance and the Subscription Shares Issuance (but before the Warrants Issuance and the Warrant Shares Issuance), and (iv) after the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance is set out below:

As at the Latest Practicable Date

	As at the Latest Practicable Date	
	Direct Interest No. of Shares	%
Directors of the Company		
Peter Moe	–	–
Teo Boon Tieng	–	–
Ong Hoi Lian ⁽¹⁾	23,054,070	6.26
Yeo Siang Thong	–	–
Substantial Shareholders (other than the Directors)		
SHEC Holdings Pte. Ltd. ⁽¹⁾	147,329,650	39.98
Ong Hock Leong ⁽¹⁾⁽²⁾	4,854,070	1.32
Ong Hur Seng ⁽¹⁾	12,954,070	3.52
Ong Kah Lam ⁽¹⁾	14,854,070	4.03
Edward Lee Ewe Ming	18,915,000	5.13
Non-substantial and non-public Shareholders⁽³⁾	65,447,870	17.76
New Shareholders		
Subscriber	–	–
Conversion Creditors ⁽⁴⁾	–	–
UOB	–	–
E&Y	–	–
Existing public Shareholders of the Company	81,091,200	22.00
Total	368,500,000	100.0

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE
RECOMMENDING DIRECTORS IN RELATION TO THE WHITWASH
RESOLUTION**

After the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance (but before the UOB Issuance, the Warrants Issuance and the Warrants Shares Issuance)

	After the Creditors Issuance, the OHL Issuance, the Fee Issuance and the Subscription Shares Issuance⁽⁴⁾	
	Direct Interest No. of Shares	%
Directors of the Company		
Peter Moe	–	–
Teo Boon Tieng	–	–
Ong Hoi Lian ⁽¹⁾	23,054,070	0.83
Yeo Siang Thong	–	–
Substantial Shareholders (other than the Directors)		
SHEC Holdings Pte. Ltd. ⁽¹⁾	147,329,650	5.33
Ong Hock Leong ⁽¹⁾⁽²⁾	498,575,794	18.03
Ong Hur Seng ⁽¹⁾	12,954,070	0.47
Ong Kah Lam ⁽¹⁾	14,854,070	0.54
Edward Lee Ewe Ming	18,915,000	0.68
Non-substantial and non-public Shareholders⁽³⁾	65,447,870	2.37
New Shareholders		
Subscriber	1,400,000,000	50.62
Conversion Creditors ⁽⁴⁾	435,739,903	15.75
UOB	–	–
E&Y	67,766,667	2.45
Existing public Shareholders of the Company	81,091,200	2.93
Total	2,765,728,294	100.0

Assuming the Creditors Issuance, OHL Issuance, Fee Issuance and Subscription Shares Issuance complete prior to the UOB Issuance, the Warrants Issuance and the Warrants Shares Issuance and that no further Creditors Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 50% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE
RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH
RESOLUTION**

After the Start Conversion, the Fee Issuance and the Subscription Shares Issuance (but before the Warrants Issuance and the Warrant Shares Issuance)

	After the Start Conversion, the Fee Issuance and the Subscription Shares Issuance⁽⁵⁾	
	Direct Interest No. of Shares	%
Directors of the Company		
Peter Moe	–	–
Teo Boon Tieng	–	–
Ong Hoi Lian ⁽¹⁾	23,054,070	0.81
Yeo Siang Thong	–	–
Substantial Shareholders (other than the Directors)		
SHEC Holdings Pte. Ltd. ⁽¹⁾	147,329,650	5.18
Ong Hock Leong ⁽¹⁾⁽²⁾	498,575,794	17.54
Ong Hur Seng ⁽¹⁾	12,954,070	0.46
Ong Kah Lam ⁽¹⁾	14,854,070	0.52
Edward Lee Ewe Ming	18,915,000	0.67
Non-substantial and non-public Shareholders⁽³⁾	65,447,870	2.30
New Shareholders		
Subscriber	1,400,000,000	49.25
Conversion Creditors ⁽⁴⁾	435,739,903	15.33
UOB	77,195,213	2.72
E&Y	67,766,667	2.38
Existing public Shareholders of the Company	81,091,200	2.84
Total	2,842,923,507	100.0

Assuming the Start Conversion, the Fee Issuance and the Subscription Shares Issuance complete prior to the Warrants Issuance and the Warrants Shares Issuance and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 49% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

After the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance

	After the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance⁽⁵⁾	
	Direct Interest No. of Shares	%
Directors of the Company		
Peter Moe	–	–
Teo Boon Tieng	–	–
Ong Hoi Lian ⁽¹⁾	23,054,070	0.69
Yeo Siang Thong	–	–
Substantial Shareholders (other than the Directors)		
SHEC Holdings Pte. Ltd. ⁽¹⁾	147,329,650	4.41
Ong Hock Leong ⁽¹⁾⁽²⁾	498,575,794	14.91
Ong Hur Seng ⁽¹⁾	12,954,070	0.39
Ong Kah Lam ⁽¹⁾	14,854,070	0.44
Edward Lee Ewe Ming	18,915,000	0.57
Non-substantial and non-public Shareholders⁽³⁾	65,477,870	1.96
New Shareholders		
Subscriber	1,900,000,000	56.84
Conversion Creditors ⁽⁴⁾	435,739,903	13.03
UOB	77,195,213	2.31
E&Y	67,766,667	2.03
Existing public Shareholders of the Company	81,091,200	2.42
Total	3,342,923,507	100.0

Assuming the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance complete and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group will hold Shares carrying over 50% of the enlarged voting rights of the Company and accordingly, will be free to, as a group, acquire further Shares without incurring an obligation under Rule 14 of the Code to make a general offer.

Notes:

- (1) SHEC Holdings Pte. Ltd. holds 147,329,650 Shares. Ong Hur Seng, Ong Hock Leong, Ong Hoi Lian and Ong Kah Lam each hold 20 per cent. of the issued share capital of SHEC Holdings Pte. Ltd. As they each hold not less than 20 per cent. of the issued share capital in SHEC Holdings Pte. Ltd., each of them is therefore deemed to have an interest in the shares held by SHEC Holdings Pte. Ltd. pursuant to Section 7 of the Companies Act.
- (2) The Estate of Ong Whay Yeow holds 7,333,340 Shares. Ong Whay Yeow passed away intestate on 29 April 1989. Under the Intestate Succession Act, Chapter 146 of Singapore, the beneficiaries under his estate are his spouse, Madam Ang Siew Kee (deceased on 18 August 2014) and his children, amongst which includes Ong Hock Leong. Each of them is therefore deemed to have an interest held in the name of the Estate of Ong Whay Yeow. Ong Hock Leong's deemed interest includes 523,810 Shares held in the name of the Estate of Ong Whay Yeow.
- (3) The shareholding held by non-substantial and non-public Shareholders refers to the aggregate Shares held by members of the Ong family who are immediate family members of the shareholders of SHEC Holdings Pte. Ltd.
- (4) Assuming no Creditors End Conversion Shares are issued under the End Conversion.
- (5) Assuming no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

As set out above, the aggregate shareholding interest of the Independent Shareholders may be diluted from 100.0% as at the Latest Practicable Date to a minimum of 43.16% after the completion of the Proposed Transactions. The dilution to 43.16% would be mainly due to the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrant Issuance and the Warrant Shares Issuance respectively.

6.5.5 Implications of the approval of the Whitewash Resolution

By voting in favour of the Whitewash Resolution, the Independent Shareholders will be waiving their rights to receive a mandatory general offer for all their Shares from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for the Shares in the 6 months preceding the date of the allotment and issuance of the Subscription Shares which the Concert Party Group would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code.

Pursuant to obtaining the Independent Shareholders' approval for the Whitewash Resolution, assuming the Proposed Transactions complete and that no Creditors End Conversion Shares or UOB End Conversion Shares are issued under the End Conversion, the Concert Party Group, which would hold Shares carrying more than 49% of the enlarged voting rights of the Company, will be free, as a group, to acquire further Shares without incurring any obligation under Rule 14.1 of the Code to make a mandatory general offer for the Company.

In addition, by voting for the Whitewash Resolution, Independent Shareholders could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

6.5.6 Residual value of the Group in the event of winding-up or liquidation

In view of the significant negative NAV of the Group amounting to S\$47.1 million as at 31 March 2016, it appears unlikely that Shareholders would be able to realise any value from their Shares in the event of a winding-up or liquidation of the Group in the absence of a successful debt restructuring exercise.

6.5.7 Disclaimer of opinion by the independent auditors of the Company in respect of the Group's audited financial statements for FY2015

We note that Nexia TS Public Accounting Corporation, the independent auditors of the Company, had highlighted a disclaimer of opinion in respect of the Group's audited financial statements for FY2015, as set out in italics below:

“Basis for Disclaimer of Opinion

The following circumstances give rise to uncertainties as to the appropriateness of the use of going concern in the preparation of the financial statements of the Group for the current year:

- (a) *As disclosed in Note 4 to the financial statements, the Group reported a gross loss of \$5,014,178 (2014: \$7,627,589) and total comprehensive loss of \$51,336,116 (2014: \$19,966,274) for the financial year ended 30 June 2015. Furthermore, as at 30 June 2015, the Group's and Company's current liabilities exceeded their current assets by \$46,973,165 (2014: \$15,414,546) and \$47,766,403 (2014: \$16,218,994), respectively and the Group and Company have net liabilities of \$34,716,966 (2014: net assets of \$16,619,150) and \$34,908,198 (2014: net assets of \$16,483,514), respectively.*

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

- (b) *As at 30 June 2015, the Group has balances of trade and other payables and borrowings amounting to \$25,352,461 and \$43,037,876, respectively which are overdue. As the Company failed to meet their financial obligations on their respective due dates, certain creditors filed legal actions/proceedings to the High Court of the Republic of Singapore (the "Court") against the Company to demand payments. As disclosed in Note 4 to the financial statements, during the financial year, the Company filed an application to the Court ("Application") to propose a scheme of arrangement between the Company and certain of its creditors ("Scheme") for the purposes of implementing and facilitating the Company's debt restructuring plan. On 25 November 2015, the Court approved the Scheme and granted the orders in the Application (the "Order of Court"). The Company extracted the Order of Court on 30 November 2015 and lodged a copy of the Order of Court with the Registrar of Companies on 2 December 2015. As such, the Scheme takes effect and is binding on all parties on and from 2 December 2015.*

These conditions above indicate that there is an existence of material uncertainties which may cast significant doubt on the Group's and Company's abilities to continue as going concerns. Nevertheless, the financial statements are prepared on a going concern basis because of the following assumptions and measures undertaken by management and the Board of Directors:

- i) As disclosed in Note 31(a), the successful implementation of the Scheme of Arrangement.*
- ii) As disclosed in Note 31(c), the disposal of leasehold land and leasehold building under construction for a sales price amounting to \$3,550,000.*
- iii) As disclosed in Note 31(d), the proposed share placement for an aggregate issue price of \$8,025,000.*
- iv) The Company is currently marketing for sale its office building located at 190A/190C Choa Chu Kang Avenue 1, Singapore 689466 to generate funds for the Scheme.*
- v) With the successful outcome of the above measures, the Company expects to bid for potential new projects in the next twelve months.*

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets to current assets and non-current liabilities to current liabilities. The financial statements do not include any adjustment which may arise from these uncertainties.

The ability of the Group and the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due depends on the favourable outcome of the assumptions and measures undertaken as disclosed above which we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of these assumptions and measures. Therefore, we are not able to form an opinion as to whether the going concern basis of preparation of the accompanying financial statements of the Group and the Company is appropriate.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements."

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

In relation to the proposed disposal of the lease (the “**Kranji Property**”) granted by Jurong Town Corporation (“**JTC**”) relating to the leasehold land and leasehold building under construction, the Company had subsequently announced on 23 March 2016 that it had been notified by solicitors acting for UOB that pursuant to the tender for the purchase of the Kranji Property conducted from 1 February 2016 to 1 March 2016, UOB had accepted an offer from Civil Tech Pte Ltd to purchase the Kranji Property at the price of S\$4,150,000.

6.5.8 Possibility of the resumption of trading of the Shares after the completion of the Proposed Transactions

We note that the trading in the Shares on the SGX-ST had been halted, and subsequently suspended, since 9 February 2015. The Proposed Transactions represent a viable proposal, which is acceptable to all relevant stakeholders of the Company, towards a resumption of trading of the Shares.

Based on the announcement made by the Company on 29 April 2016, it is currently expected that barring unforeseen circumstances, the Company would request the resumption of trading of the Shares shortly after the completion of the Proposed Transactions.

6.5.9 No assurance of improvement to the Group’s financial position and performance or enhancement of shareholder value

Shareholders should note that there is no assurance that the injection of new funds from the proceeds of the Subscription Agreement and/or the steps taken or to be taken by the Company subsequent to the Proposed Transactions to improve its financial position and performance will be successful or would result in an enhancement of shareholder value.

6.5.10 Abstention from voting

As set out in section 15 of the “Letter to Shareholders” in the Circular:

- (a) the Subscriber shall abstain and has undertaken to ensure that its associates will abstain, from voting on the ordinary resolutions in relation to the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance. In addition, the Subscriber and its associates will not accept appointments as proxies unless specific instructions as to voting are given; and
- (b) pursuant to the conditions imposed by the SIC, each member of the Concert Party Group and parties not independent of them will abstain from voting on the Whitewash Resolution.

Accordingly, the Subscription Shares Issuance, Warrants Issuance and the Warrant Shares Issuance would proceed only if a majority of the Independent Shareholders were to vote in favour of the Whitewash Resolution.

6.5.11 Shareholders’ Undertaking

SHEC Holdings Pte. Ltd., the Estate of Ang Siew Kee (Deceased) and Ong Hoi Lian who collectively hold 49.7% of the issued Shares as at the Latest Practicable Date have undertaken to the Subscriber to vote their Shares in favour of, *inter alia*, the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrants Shares Issuance and the Whitewash Resolution.

APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH RESOLUTION

7 OUR OPINION AND ADVICE

In arriving at our opinion in respect of the Whitewash Resolution, we have taken into account the following key considerations:

- (a) the rationale for the Subscription Agreement, as set out in paragraph 6.1 of this letter;
- (b) the historical financial performance and condition of the Group, as set out in paragraph 6.2 of this letter;
- (c) the Subscription Issue Price and the Exercise Price of the Warrants, as set out in paragraph 6.3 of this letter;
- (d) the financial effects of the Start Conversion, the Fee Issuance, the Subscription Shares Issuance, the Warrants Issuance and the Warrant Shares Issuance namely, the improvement in NAV per Share and loss per Share of the Group, as set out in paragraph 6.4 of this letter; and
- (e) other relevant considerations as follows:
 - (i) the inter-conditionality of the Creditors Issuance, the UOB Issuance, the OHL Issuance, the Subscription Shares Issuance, the Warrants Issuance, the Warrant Shares Issuance and the Whitewash Resolution;
 - (ii) the absence of alternative debt restructuring proposals as at the Latest Practicable Date;
 - (iii) the working capital facility made available to the Company by the Subscriber and an aggregate sum of S\$1,800,000 disbursed to the Company by the Subscriber as at the Latest Practicable Date;
 - (iv) the dilution effect on the Independent Shareholders, as set out in paragraph 6.5.4 of this letter;
 - (v) the implications of the approval of the Whitewash Resolution, as set out in paragraph 6.5.5 of this letter;
 - (vi) the residual value of the Group in the event of winding-up or liquidation in the absence of a successful debt restructuring exercise;
 - (vii) the disclaimer of opinion by the independent auditors of the Company in respect of the Group's audited financial statements for FY2015;
 - (viii) the possibility of the resumption of trading of the Shares after the completion of the Proposed Transactions;
 - (ix) there being no assurance of improvement to the Group's financial position and performance or enhancement of shareholder value after the injection of new funds from the proceeds of the Subscription Agreement and/or the steps taken or to be taken by the Company subsequent to the Proposed Transactions;
 - (x) the Subscriber and/or each member of the Concert Party Group and parties not independent of them abstaining from voting on the Whitewash Resolution (as the case may be) at the EGM; and

**APPENDIX A – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE
RECOMMENDING DIRECTORS IN RELATION TO THE WHITEWASH
RESOLUTION**

- (xi) the Shareholders' Undertaking to the Subscriber to vote in favour of, *inter alia*, the ordinary resolutions relating to the Subscription Shares Issuance, the Warrants Issuance, the Warrants Shares Issuance and the Whitewash Resolution, as set out in paragraph 6.5.11 of this letter.

Based on the above considerations, we are of the opinion that, on balance, the Whitewash Resolution, in the context of the Subscription Agreement (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders.

Accordingly, we advise the Recommending Directors to recommend the Independent Shareholders to vote in favour of the Whitewash Resolution.

Our opinion and advice are addressed to the Recommending Directors in connection with and for the purposes of their consideration of the Whitewash Resolution. The recommendation to be made by them to the Independent Shareholders shall remain the responsibility of the Recommending Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the forthcoming EGM and for the purposes of the Whitewash Resolution.

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

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Ong Hwee Li
CEO

APPENDIX B – CONVERSION CREDITORS

No	Conversion Creditor	No. of Creditors Start Conversion Shares
1.	Bellerophon Holdings Pte Ltd	119,490,696
2.	ACL Construction (S) Pte Ltd	107,296,955
3.	Joo Bee Engineering Contractor Pte Ltd	26,205,768
4.	Lim Kim Lee	24,096,092
5.	Australia and New Zealand Banking Group Limited	22,591,405
6.	Grandeur Trading & Services Pte Ltd	15,851,958
7.	Tehc International Pte Ltd	10,323,461
8.	DBS Bank Ltd	9,097,543
9.	CCK Construction & Services Pte Ltd	7,973,505
10.	UBTS Private Limited	7,331,061
11.	SPC Industries Sdn Bhd	6,463,741
12.	Lam Hwa Engineering & Trading Pte Ltd	6,281,224
13.	Hetat Pte Ltd	4,708,904
14.	Playpoint (Singapore) Pte Ltd	4,414,162
15.	Teesin Machinery (Pte) Ltd	3,985,595
16.	Ngee Cheong Contractors Pte Ltd	3,732,459
17.	Unitised Building Limited	3,256,624
18.	NCS Communications Engineering Pte Ltd	2,754,923
19.	Hup Huat Building Construction (Pte) Ltd	2,562,626
20.	Kurihara Kogyo Co Ltd	2,442,380
21.	Kobe Construction Pte Ltd	2,408,005
22.	Sam Lain Equipment Services Pte Ltd	2,365,855
23.	Taikisha (Singapore) Pte Ltd	2,203,465
24.	McKnight Engineering Pte Ltd	1,813,500
25.	IDI Laser Services Pte Ltd	1,727,622
26.	Proace Construction Pte Ltd	1,714,034
27.	HSL Ground Engineering Pte Ltd	1,616,366
28.	Financial PR Pte Ltd	1,598,050
29.	CT-Art Creation Pte Ltd	1,587,337
30.	Inter Terminal Services	1,481,460
31.	Leong Kim Hardware & Building Material Pte Ltd	1,375,854
32.	TF Group Pte Ltd	1,340,511
33.	Lee Welded Mesh Singapore Pte Ltd	1,166,796
34.	Neo & Goh Construction Pte Ltd	1,146,391
35.	C.P. Ong Construction Pte Ltd	1,090,213
36.	Aver Asia (S) Pte Ltd	957,819
37.	Kingview Engineering Pte Ltd	780,799
38.	Chuan Lin Piling Construction Pte Ltd	749,662
39.	New Sam Transport	684,029
40.	Hock Seng Heng Transport & Trading Pte Ltd	662,565
41.	Anderco Pte. Ltd.	607,482
42.	Istar Trading Pte Ltd	600,473
43.	Thong Hup Gardens Pte Ltd	598,196

APPENDIX B – CONVERSION CREDITORS

No	Conversion Creditor	No. of Creditors Start Conversion Shares
44.	Jian Man Construction Pte Ltd	589,742
45.	Proficient Electrical Engineering & Plumbing	513,571
46.	Asiabuild Metal Engineering Pte Ltd	508,298
47.	Kyoob Architects Pte Ltd	507,019
48.	Ka-Tech Asia Pte Ltd	488,241
49.	Sita Pest Control & Fumigation Services Pte Ltd	460,560
50.	Sim Chee Siong	409,500
51.	ABV Technology Pte Ltd	402,110
52.	Soil Investigation Pte Ltd	394,291
53.	Chun Hock Engineering Works	391,890
54.	C.K. Supplies & Services Pte Ltd	388,756
55.	KPMG Services Pte Ltd	381,138
56.	Sia & Yeo Heavy Equipment Pte Ltd	368,211
57.	Archilite Engineering Pte Ltd	282,610
58.	Signmechanic Pte Ltd	262,458
59.	Sin Yuan (Asia) Pte Ltd	256,564
60.	Shareinvestor Pte Ltd	253,927
61.	Land Equipment Pte Ltd	252,657
62.	Startly Construction Pte Ltd	247,927
63.	Evershine Projects Pte Ltd	243,672
64.	Tan Yong Hsin	234,000
65.	Hiap Tong Crane & Transport Pte Ltd	233,792
66.	MacSteel Pte Ltd	233,769
67.	Resource Hardware & Trading Pte Ltd	225,587
68.	Woodlands Auto Spare Pte Ltd	212,020
69.	Marshall Cavendish Business Information Private Limited	209,020
70.	Step Oiltools Pte Ltd	201,102
71.	Upside Down Concepts Pte Ltd	196,548
72.	Kim Gan Enterprise Pte Ltd	193,010
73.	Envirospec Pte Ltd	185,456
74.	People Profilers (Executive Search) Pte Ltd	183,278
75.	Electronics & Engineering Pte Ltd	179,705
76.	NHY Battery & Motor	176,204
77.	Globe Surveying & Engineering LLP	175,710
78.	GRID Communications Pte Ltd	173,532
79.	Richee Engineering Enterprise Pte Ltd	164,174
80.	People Profilers Pte Ltd	163,748
81.	Fuji Signcrafts Industries Pte Ltd	161,525
82.	Ground Instrumentation & Engineering Pte Ltd	150,040
83.	Fong Consult Private Limited	144,474
84.	Ming Hup Trading Pte Ltd	144,218
85.	AD Architectural Model Pte Ltd	140,400
86.	Toppan Vite Pte. Ltd.	140,251

APPENDIX B – CONVERSION CREDITORS

No	Conversion Creditor	No. of Creditors Start Conversion Shares
87.	Print Dynamics Pte Ltd	125,190
88.	Cape Engineering Construction Pte Ltd	121,917
89.	Fasten Enterprises (Pte) Ltd	112,671
90.	Casy Consultancy Services	101,716
91.	Geoeng Consultants (S) Pte Ltd	97,126
92.	SE Global Machinery Engineering Pte Ltd	91,551
93.	Buildersmart Pte Ltd	91,237
94.	Kelly Consultancy Services	89,505
95.	Ban Seng Engineering Pte Ltd	88,834
96.	Hock Seng Machinery Pte Ltd	87,127
97.	Sum Soon Tyres & Battery Service	86,720
98.	Teng Soon Auto Spare Parts Trading	85,082
99.	Gim Tian Logistics Pte Ltd	84,127
100.	Entrepot Marketing Pte Ltd	76,416
101.	Image Office Chairs Manufacturer & Trading Pte Ltd	75,375
102.	Chua Chuan Ho Construction	75,114
103.	Mun Yin Electrical Engineering	70,960
104.	Chye Hin Hardware Pte Ltd	69,320
105.	L E Construction & Engineering Pte Ltd	68,934
106.	Sunway Marketing (S) Pte Ltd	67,860
107.	Hitachi Construction Machinery (Malaysia) Sdn Bhd	64,861
108.	Soon Yue Electrical Co Pte Ltd	62,720
109.	Teng Motor Towing Service	60,453
110.	Chloride Batteries S.E. Asia Pte Limited	55,083
111.	Manuli Fluiconnecto Pte Ltd	47,295
112.	BS Industrial & Construction Supply Pte Ltd	43,730
113.	Breen International Pte Ltd	42,770
114.	Kodi Engineering Services Pte Ltd	42,689
115.	UIA Technology Pte Ltd	39,557
116.	Spearing Search Consultancy Pte Ltd	37,325
117.	Toh Thong Hup Pte Ltd	35,053
118.	23 Comm Services	34,866
119.	ParexGroup Pte Ltd	34,051
120.	Soon Yiap Aluminium Contractor	33,050
121.	Tan Hoe Siok	32,935
122.	Core-Fix Tech Systems (S) Pte Ltd	31,297
123.	Cycle Aire (S) Pte Ltd	30,984
124.	South East Battery Service Pte Ltd	27,260
125.	Eng Guan Building Materials Pte Ltd	22,784
126.	Leeden National Oxygen Ltd	21,879
127.	Goldbell Engineering Pte Ltd	20,040
128.	Lucky Store	18,753
129.	PTI Bio-Fuel Systems Pte Ltd	18,152

APPENDIX B – CONVERSION CREDITORS

No	Conversion Creditor	No. of Creditors Start Conversion Shares
130.	Singapore Institute of Surveyors and Valuers	17,526
131.	Wong Fong Engineering Works (1988) Pte Ltd	17,489
132.	Graphics Corner Pte Ltd	16,525
133.	KF Property Network Pte Ltd	16,274
134.	Kian Ann Engineering Pte Ltd	15,909
135.	Pee Huan Pte Ltd	15,022
136.	Lam Fong Machinery & Services	14,040
137.	Lucky Mechanical Engineering	12,446
138.	Singapore Test Services Pte Ltd	10,253
139.	Pioneer Turbo-Injection Pte Ltd	7,020
140.	San Hup Machinery Company Pte Ltd	6,703
141.	Innocom Technologies Pte Ltd	4,056
Total number of Creditors Start Conversion Shares:		435,739,903

NOTICE OF EXTRAORDINARY GENERAL MEETING

SWEE HONG LIMITED

(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore on 3 June 1980)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Swee Hong Limited (the “**Company**”) will be held at Warren Golf and Country Club Conference Room 1 & 2 (Level 2), 81 Choa Chu Kang Way, Singapore 688623 on 2 August 2016 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions:

Ordinary Resolution 1

PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO THE CONVERSION CREDITORS IN ACCORDANCE WITH THE SCHEME

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 2 and 3 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to directors of the Company (“**Directors**”) to allot and issue new ordinary shares in the capital of the Company to the Conversion Creditors (as defined below) in full satisfaction and complete extinguishment and discharge of their respective Approved Debt (as defined below) in accordance with the terms of the Scheme (as defined below) (“**Creditors Issuance**”);
- (b) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the Creditors Issuance under the Scheme and this Ordinary Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the Creditors Issuance under the Scheme and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

Ordinary Resolution 2

PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO UNITED OVERSEAS BANK LIMITED IN ACCORDANCE WITH THE SCHEME

RESOLVED THAT, subject to and contingent upon Ordinary Resolutions 1 and 3 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to the Directors to allot and issue new ordinary shares in the capital of the Company to United Overseas Bank Limited (“**UOB**”) in full satisfaction and complete extinguishment and discharge of its Approved Debt in accordance with the terms of the Scheme (“**UOB Issuance**”);
- (b) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the UOB Issuance under the Scheme and this Ordinary Resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the UOB Issuance under the Scheme and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

Ordinary Resolution 3

PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ONG HOCK LEONG IN ACCORDANCE WITH THE SCHEME

RESOLVED THAT, subject to and contingent upon Ordinary Resolutions 1 and 2 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to the Directors to allot and issue up to 493,721,724 new ordinary shares in the capital of the Company to Ong Hock Leong in full satisfaction and complete extinguishment and discharge of his Approved Debt in accordance with the terms of the Scheme ("**OHL Issuance**");
- (b) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the OHL Issuance under the Scheme and this Ordinary Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the OHL Issuance under the Scheme and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

Ordinary Resolution 4

PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KH FOGES PTE. LTD. UNDER THE SUBSCRIPTION SHARES ISSUANCE

RESOLVED THAT, subject to and contingent upon Ordinary Resolutions 3, 5 and 6 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to the Directors to allot and issue up to 1,400,000,000 new ordinary shares in the capital of the Company to KH Foges Pte. Ltd. ("**KH Foges**") for an aggregate issue price of S\$4,000,000 in accordance with the terms and subject to the conditions of the subscription agreement dated 14 March 2016 as amended by a supplemental agreement dated 22 April 2016 ("**Subscription Agreement**") entered into between the Company and KH Foges ("**Subscription Shares Issuance**");
- (b) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents including, without limitation, the Subscription Agreement) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the Subscription Shares Issuance, the Subscription Agreement and this Ordinary Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the Subscription Shares Issuance, the Subscription Agreement and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Ordinary Resolution 5

PROPOSED ISSUE OF UNLISTED FREE WARRANTS TO KH FOGES PTE. LTD., EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 3, 4 and 6 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to the Directors to create and issue:-
- (i) 500,000,000 unlisted free warrants (the “**Warrants**”) in registered form to KH Foges, each carrying the right to subscribe for one ordinary share in the capital of the Company (the “**Warrant Shares**”) at an exercise price of S\$0.01 for each Warrant Share at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll (the “**Deed Poll**”) constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may think fit; and
 - (ii) such further Warrants in registered form as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants for all purposes to form part of the same series, save as may be otherwise provided in the terms and conditions of the Deed Poll),
- (the “**Warrants Issuance**”);
- (b) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:-
- (i) up to 500,000,000 Warrant Shares (i) on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may be otherwise provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of exercise of the Warrants; and
 - (ii) on the same basis as paragraph (b)(i) above, such further Warrant Shares as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(ii) above,
- (the “**Warrant Shares Issuance**”);
- (c) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents including, without limitation, the Subscription Agreement) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the Warrants Issuance, the Warrant Shares Issuance, the Subscription Agreement and this Ordinary Resolution; and
- (d) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the Warrants Issuance, the Warrant Shares Issuance, the Subscription Agreement and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Ordinary Resolution 6

THE WHITEWASH RESOLUTION

RESOLVED THAT, subject to and contingent upon Ordinary Resolutions 4 and 5 as set out in this Notice of EGM being passed and subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter dated 28 April 2016, the Independent Shareholders do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Concert Party Group in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the issue of the Subscription Shares and the Warrant Shares pursuant to the exercise of the Warrants to KH Foges.

Ordinary Resolution 7

PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ERNST & YOUNG SOLUTIONS LLP

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3, 4 and 5 as set out in this Notice of EGM being passed:

- (a) approval be and is hereby given to the Directors to allot and issue 67,766,667 new ordinary shares in the capital of the Company to Ernst & Young Solutions LLP ("**E&Y**") at an issue price of approximately S\$0.0047 as full and final repayment of a debt of S\$321,000 (inclusive of GST) owing by the Company to E&Y, being part of the fees owing by the Company to E&Y for the services that E&Y has rendered as financial advisor to the Company in connection with the Company's debt restructuring ("**Fee Issuance**");
- (b) the Directors and the Chief Financial Officer of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including, without limitation, approving, amending, modifying, supplementing and executing all such documents) as they and/or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to the Fee Issuance and this Ordinary Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director and/or the Chief Financial Officer of the Company in connection with the Fee Issuance and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

Definitions

"**Approved Debt**" means, in respect of any Creditor, such amount of Debt of such Creditor which is determined in accordance with the terms of the Scheme as such Creditor's entitlement to distributions, payments and/or the receipt of Creditors Conversion Shares under the Scheme;

"**Concert Party Group**" means KH Foges and parties acting in concert with it;

"**Conversion Creditors**" means Creditors (other than Ong Hock Leong and UOB) who are entitled to any distribution, payment or receipt of Creditors Conversion Shares in accordance with the terms of the Scheme;

"**Creditors**" means each person to whom the Company was indebted or liable in any way as at 31 August 2015 in respect of or arising from any and all agreements, transactions, dealings, matters and events made or occurring on or before 31 August 2015, other than those persons specified in Appendix A to the Scheme;

NOTICE OF EXTRAORDINARY GENERAL MEETING

“**Debt**” means, in respect of any Creditor, the total amount for which the Company is liable or indebted to such Creditor as at 31 August 2015 in respect of or arising from all transactions, dealings, matters and events (including the amount for which the Company is liable to any governmental authority or department in respect of taxes), less the aggregate of:

- (i) all sums paid to or received by such Creditor on or after 31 August 2015 in payment of any amount for which the Company is liable or indebted as at 31 August 2015 to such Creditor; and
- (ii) the value as at 31 August 2015 of any and all assets of the Company held by such Creditor as at that date as security for any indebtedness or liability of the Company to such Creditor subsisting as at that date;

“**GST**” means the goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A of Singapore;

“**Independent Shareholders**” means shareholders of the Company other than the Concert Party Group and parties not independent of them for the purposes of Ordinary Resolution 6 of this Notice of EGM; and

“**Scheme**” means the scheme of compromise and arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore dated 28 September 2015 which has been modified and duly approved by the Creditors on 6 November 2015, sanctioned by the High Court of the Republic of Singapore on 25 November 2015 and which took effect on and from 2 December 2015.

By Order of the Board

Peter Moe
Independent Director

Singapore
18 July 2016

Notes:

1. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Any such proxy need not be a member of the Company. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the EGM.
3. The instrument appointing a proxy must be lodged 58 Sungei Kadut Drive, Singapore 689466 not less than 48 hours before the time appointed for holding the EGM.
4. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to attend and vote at the EGM.

This page has been intentionally left blank.

SWEE HONG LIMITED

(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore on 3 June 1980)

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Swee Hong Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We _____ (Name), NRIC/Passport Number* _____

of _____ (Address)

being a member/members of **SWEE HONG LIMITED** (the “Company”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
and/or (delete as appropriate)			
Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held at Warren Golf and Country Club Conference Room 1 & 2 (Level 2), 81 Choa Chu Kang Way, Singapore 688623 on 2 August 2016 at 9:30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions as set out in the Notice of EGM. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our proxy/proxies will vote or abstain from voting at his/their discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Please tick here if more than two proxies will be appointed (Please refer to Note 2). This is only applicable for members who are relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50).

Ordinary Resolution	No. of Votes For *	No. of Votes Against *
1. To approve the Creditors Issuance		
2. To approve the UOB Issuance		
3. To approve the OHL Issuance		
4. To approve the Subscription		
5. To approve the Warrants Issuance and the Warrant Shares Issuance		
6. To approve the Whitewash Resolution		
7. To approve the Fee Issuance		

* If you wish to exercise all your votes “For” or “Against”, please tick (P) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)/Common Seal of
Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50) entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.
2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.
3. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100% of the shareholding and any second-named proxy as alternate to the firstnamed.
4. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 58 Sungei Kadut Drive, Singapore 729572, not less than 48 hours before the time appointed for holding the EGM.
7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for holding the EGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

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