

CIRCULAR DATED 3 APRIL 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the capital of Sarine Technologies Ltd. ("Company"), you should immediately hand this Circular and the attached Proxy Form to the purchaser or transferee or to the stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



SARINE TECHNOLOGIES LTD.

(Incorporated in Israel)
(Israel Registration No. 51 1332207)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

IMPORTANT DATES:

Last date and time for lodgement of Proxy Form	:	19 April 2020 at 4:00 pm Singapore time
Date and time of Extraordinary General Meeting	:	20 April 2020 at 4:00 pm Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm Singapore time on the same day and at the same place is concluded or adjourned)
Place of Extraordinary General Meeting	:	Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

2005 Plan	: The Sarin Technologies Ltd 2005 Share Option Plan
2019 Circular	: The Company's circular to Shareholders dated 12 April 2019, issued in connection with the 2019 EGM
2019 EGM	The extraordinary general meeting of the Company convened on 30 April 2019
Act	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
AGM	: The Annual General Meeting of the Company
Approval Date	: The date of the forthcoming EGM at which the proposed renewal of the Share Buy-Back Mandate is approved
Articles of Association	: The Articles of Association of the Company
CDP	: The Central Depository (Pte) Limited
CEO	: Chief Executive Officer
Circular	: This circular to Shareholders dated 3 April 2020
Code	: The Singapore Code on Takeovers and Mergers
Company or Sarine	: Sarine Technologies Ltd.
Controlling Shareholder	: Unless elsewhere defined in this Circular, a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares (or Dormant Shares) and Subsidiary Holdings in the Company (unless otherwise determined by the SGX-ST) or in fact exercises control over the Company
Directors	: The directors of the Company as at the date of this Circular
Dormant Shares	: Shares which were purchased or acquired and held as dormant shares by the Company in accordance with the Israeli Companies Law
EGM	: The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-2 of this Circular
EPS	: Earnings per Share
Group	: The Company and its subsidiaries
Israeli Companies Law	: The Companies Law, 5759-1999, and the Companies Ordinance (New version) 1983 of Israel, or any statutory modification, amendment or re-enactment thereof for the time being in force, and any reference to any provision of the said law is to that provision as so modified, amended or re-enacted or contained in any such subsequent act or acts
Latest Practicable Date	: The latest practicable date prior to the printing of this Circular, being 17 February 2020
Listing Manual	: The SGX-ST Listing Manual, as amended or modified from time to time
Listing Rules	: The listing rules of the SGX-ST set out in the Listing Manual
Market Day	: A day on which the SGX-ST is open for securities trading
NTA	: Net tangible assets
Proposal	: Has the meaning ascribed to it in Section 1.1 of this Circular
S\$	: Singapore dollars
SFA	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
SGX-ST	: The Singapore Exchange Securities Trading Limited

DEFINITIONS

Shareholders	: Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares, mean the persons whose securities accounts, maintained with CDP, are credited with the Shares
Shares	: Ordinary shares in the capital of the Company
Share Buy-Back	: The buy-back of Shares by the Company in accordance with the terms set out in this Circular as well as the Israeli Companies Law and the Listing Manual
Share Buy-Back Mandate	: The general mandate to be given by Shareholders to authorise the Directors to effect Share Buy-Backs
SIC	: Securities Industry Council
Subsidiary Holdings	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
Substantial Shareholder	: A Shareholder who holds, directly or indirectly, 5% or more of the issued voting shares of the Company
US\$	: United States dollars
%	: Per centum or percentage

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

US\$1.00	: S\$ 1.3902
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The terms “**Depositor**”, “**Depository Agent**”, “**Depository Register**” and “**Sub-Account Holder**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

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

Unless expressly stated otherwise herein, any reference to a time of day in this Circular shall be a reference to Singapore time.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual, or any statutory modification thereof, and not otherwise defined in this Circular shall have the meaning assigned to it under the Act, the SFA, the Listing Manual, or any statutory modification thereof, as the case may be.

CIRCULAR TO SHAREHOLDERS

SARINE TECHNOLOGIES LTD.
(Incorporated in Israel)
(Israel Registration No. 51 1332207)

LETTER TO THE SHAREHOLDERS

Directors:

Daniel Benjamin Glinert (*Executive Director and Chairman*)
Avraham Eshed (*Non-Executive Director*)
Uzi Levami (*Non-Executive Director*)
Chan Kam Loon (*Lead Independent Director*)
Yehezkel Pinhas Blum (*Independent Director*)
Valerie Ong Choo Lin (*Independent Director*)
Varda Shine (*Independent Director*)

Registered Office:

4 Haharash Street (third floor),
Hod Hasharon 4524076
Israel

To the Shareholders of
SARINE TECHNOLOGIES LTD.

Dear Sir/Madam,

1. INTRODUCTION

1.1. EGM

The Board of Directors of the Company is convening an EGM to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate (the "Proposal").

1.2. Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the aforementioned Proposal to be tabled at the EGM and to seek Shareholders' approval in relation thereto at the EGM to be held at Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987 on 20 April 2020 at 4:00 pm, Singapore time (or as soon thereafter as the AGM of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned). The notice of the EGM is set out on pages N-1 to N-2 of this Circular.

NOTE: As per the directives of the Singapore Ministry of Health, as relayed to us by the SGX Reg Co., social distancing must be observed at the Annual General Meeting. We regret that under these circumstances the venue we had already booked to accommodate 50-60 persons will now only accommodate the participation of some 20 shareholders in person. Other shareholders in Singapore and elsewhere are invited to participate in the Annual General Meeting by way of a Zoom meeting (number 400 650 831- use link <https://zoom.us/j/400650831> to join meeting or use Zoom app and enter meeting number 400650831 or dial in by phone [find local number: <https://zoom.us/u/abTjEz7yrq>] and follow instructions), on their electronic device of choice, which will allow them to watch and hear the proceedings, as well as to pose questions. However, voting, as it needs to be by poll and properly scrutinised, will be restricted only to those shareholders participating in person at the venue noted above. For that reason, and to also ensure all our shareholders' health, the Company **STRONGLY** urges and encourages shareholders to take avail of the Proxy mechanism delineated in the following pages and to submit their votes in due time prior to the actual meeting. Shareholders who do wish to attend the meeting in person are advised to register accordingly with the Company's Singapore Share Transfer Agent (attention James Cheong at jamescheong@mncsingapore.com) as early as possible, and await confirmation of their registration by return e-mail, as entry to the meeting will be allowed on a first come (first registered) – first served basis.

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2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Introduction

The Company's existing Share Buy-Back Mandate was approved by Shareholders at the 2019 EGM. The rationale for, the authority and limitations on, and the financial effects of the existing Share Buy-Back Mandate were set out in the 2019 Circular.

The Share Buy-Back Mandate was expressed to take effect from the date of passing of the Ordinary Resolution 2 approving it at the 2019 EGM and to expire on the date of the forthcoming AGM to be held on 20 April 2020. Accordingly, Shareholders' approval is now being sought for the renewal of the Share Buy-Back Mandate at the EGM, which will be held immediately after the AGM.

The Directors propose that the Share Buy-Back Mandate be renewed at the EGM to continue to authorise the Company to undertake buy-backs of the Shares. The Share Buy-Back Mandate is set out in the Ordinary Resolution in the notice of EGM accompanying this Circular.

2.2 Rationale

The rationale for renewing the Share Buy-Back Mandate is to continue to allow the Company the flexibility to undertake buy-backs of the Shares at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force. The Board of Directors believes that Share Buy-Backs provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner. Share Buy-Backs will allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share of the Company and the Group. The Directors also expect that Share Buy-Backs may help mitigate against short term market volatility and offset the effects of short term speculation.

The Directors will only engage in Share Buy-Backs when they believe that it would benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. In addition, the Directors do not intend to engage in Share Buy-Backs to such extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, the orderly trading of the Shares, or result in the Company being de-listed from the SGX-ST.

Any Share Buy-Back has to be made in accordance with, and in the manner prescribed by the Israeli Companies Law, the Listing Rules and such other laws and regulations as may be applicable from time to time.

2.3 Authority and Limits

The authority and limitations placed on the Share Buy-Backs under the Share Buy-Back Mandate, if renewed at the forthcoming EGM, are the same as previously approved by Shareholders at the 2019 EGM. They are summarised as follows:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 10% of the issued Shares of the Company as at the Approval Date (excluding any Dormant Shares which may be held by the Company from time to time and Subsidiary Holdings).

As at the Latest Practicable Date, there are no Subsidiary Holdings.

For illustrative purposes only, on the basis of 350,595,726 Shares in issue (and excluding 3,076,400 Dormant Shares) as at the Latest Practicable Date, not more than 35,059,572 Shares (representing 10% of the Shares in issue as at that date excluding Dormant Shares and Subsidiary Holdings) may be purchased or acquired by the Company pursuant to the renewed Share Buy-Back Mandate.

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In the event that any of the options that have vested are exercised during the period between the Latest Practicable Date and the date of the EGM, only those new Shares that are allotted and issued by the Approval Date pursuant to the exercise of such vested options will be taken into account for the purposes of determining the total number of Shares as at the Approval Date.

(b) Duration of authority

Under the renewed Share Buy-Back Mandate, Share Buy-Backs may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the renewed Share Buy-Back Mandate is revoked or varied by the Company in general meeting; or
- (iii) the date on which Share Buy-Backs are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Purchase Mandate to effect any Share Buy-back, if renewed at the forthcoming 2020 EGM, may be renewed at each AGM or any other general meeting of the Company.

(c) Manner of Share Buy-Backs

Share Buy-Backs may be made by way of:

- (i) an on-market purchase ("**On-Market Purchase**") transacted through the SGX-ST's trading system or on another stock exchange on which the Shares are listed; and/or
- (ii) an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Act and the Listing Rules.

Under the Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all of the following conditions:

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

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In addition, the Listing Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which contain at least the following information:

- (a) the terms and conditions of the offer;
 - (b) the period and procedures for acceptances;
 - (c) the reasons for the proposed Share Buy-Back;
 - (d) the consequences, if any, of Share Buy-Backs that will arise under the Code or other applicable takeover rules;
 - (e) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
 - (f) details of any Share Buy-Backs made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (g) whether the Shares purchased by the Company will be cancelled or kept as Dormant Shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buy-Back shall be determined by the Directors, but in any event, shall not exceed the Maximum Price, which:

- (i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring during such 5-market day period and the day which the purchases are made; and
- (ii) in the case of an Off-Market Purchase, shall mean the price per Share based on not more than 20% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme.

2.4 Status of Purchased Shares

The Company, being an Israeli-incorporated company, is consequently subject to the Israeli Companies Law. Any Share which is purchased or acquired by the Company shall, unless held as Dormant Shares in accordance with the Israeli Companies Law, be deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Dormant Shares.

All Shares purchased or acquired by the Company (other than Dormant Shares held by the Company in accordance with the Israeli Companies Law) will be automatically de-listed by the SGX-ST and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

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Under the Israeli Companies Law, Shares purchased or acquired by the Company may be held or dealt with as Dormant Shares. Some of the provisions on Dormant Shares under the Israeli Companies Law are summarised below:

(a) Voting and other rights

The Dormant Shares shall be treated as having no voting rights or any other rights for as long as they are held by the Company as Dormant Shares.

(b) Disposal and cancellation

Where Shares are held as Dormant Shares, the Company may at any time sell, transfer or re-issue the Dormant Shares.

2.5 Source of Funds

Under the Israeli Companies Law, any Share Buy-Back may only be made out of the Company's profits, being its balance of surplus or surplus accumulated over the past two years, whichever is the greater, provided that the Company is solvent. A company's surplus is defined under the Israeli Companies Law as being sums included in a company's equity originating from the company's net profits, determined in accordance with accepted accounting principles.

2.6 Financial Effects

The financial effects on the Company and the Group arising from Share Buy-Backs made pursuant to the Share Buy-back Mandate will depend on, amongst others, whether the Share Buy-Backs are made by way of On-Market Share Purchases or Off-Market Share Purchases the number of Shares purchased or acquired and the price paid for such Shares and whether the Shares purchased or acquired are held in treasury (as Dormant Shares) or cancelled.

As the consideration paid by the Company for a Share Buy-Back will only be made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2019, are based on the assumptions set out below:

(a) Number of Shares purchased or acquired

For illustrative purposes only, on the basis of 350,595,726 Shares in issue (excluding any Dormant Shares and Subsidiary Holdings) as at the Latest Practicable Date, the exercise in full of the renewed Share Buy-Back Mandate will result in the purchase or acquisition of 35,059,572 Shares, representing 10% of the Shares in issue as at that date.

(b) Maximum price to be paid for Share Buy-Backs

For illustrative purposes only, in the case of an On-Market Purchase by the Company and assuming that the Company purchases or acquires 35,059,572 Shares at the Maximum Price of S\$0.36435 per Share (being 5% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 35,059,572 Shares is approximately S\$12,773,955.

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For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 35,059,572 Shares at the Maximum Price of S\$0.41640 per Share (being 20% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 35,059,572 Shares is approximately S\$14,598,806.

For illustrative purposes only, and based on the assumptions set out above, the financial effects of the Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate on the audited accounts of the Company and the Group for the financial year ended 31 December 2019 as if the renewed Share Buy-Back Mandate had been effective on 1 January 2019 are as follows:

(a) On-Market Purchases made entirely out of profits and cancelled

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
As at 31 December 2019	(US\$)	(US\$)	(US\$)	(US\$)
Cash and cash equivalents	18,284,000	10,851,000	7,433,000	–
Short-term investments	11,190,000	9,434,426	9,179,000	7,423,426
Current Assets	51,320,000	42,131,426	25,541,000	16,352,426
Current Liabilities	11,765,000	11,765,000	7,932,000	7,932,000
Working Capital	39,555,000	30,366,426	17,609,000	8,420,426
Non-current assets	25,815,000	25,815,000	47,252,000	47,252,000
Non-current liabilities*	5,950,000	5,950,000	5,441,000	5,441,000
Equity	59,420,000	50,231,426	59,420,000	50,231,426
NTA	55,795,000	46,606,426	59,146,000	49,957,426
Number of issued and paid Shares	353,672,126	353,672,126	353,672,126	353,672,126
Number of Dormant Shares	(3,076,400)	(3,076,400)	(3,076,400)	(3,076,400)
Number of Shares in issue	350,595,726	315,536,154	350,595,726	315,536,154
Financial Ratios				
NTA per Share (cents)	15.91	14.77	16.87	15.83
Gearing (%)	12%	14%	10%	12%
Current Ratio (times)	4.36	3.58	3.22	2.06
EPS (cents)	(0.39)	(0.43)	(0.39)	(0.43)

* Comprised primarily of lease liabilities associated with the adoption of IFRS 16. The Group has zero borrowings from banks as at 31 December 2019.

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(b) On-Market Purchases made entirely out of profits and held as dormant shares

	Group		Company	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
As at 31 December 2019	(US\$)	(US\$)	(US\$)	(US\$)
Cash and cash equivalents	18,284,000	10,851,000	7,433,000	–
Short-term investments	11,190,000	9,434,426	9,179,000	7,423,426
Current Assets	51,320,000	42,131,426	25,541,000	16,352,426
Current Liabilities	11,765,000	11,765,000	7,932,000	7,932,000
Working Capital	39,555,000	30,366,426	17,609,000	8,420,426
Non-current assets	25,815,000	25,815,000	47,252,000	47,252,000
Non-current liabilities*	5,950,000	5,950,000	5,441,000	5,441,000
Equity	59,420,000	50,231,426	59,420,000	50,231,426
NTA	55,795,000	46,606,426	59,146,000	49,957,426
Number of issued and paid Shares	353,672,126	353,672,126	353,672,126	353,672,126
Number of Dormant Shares	(3,076,400)	(38,135,972)	(3,076,400)	(38,135,972)
Number of Shares in issue	350,595,726	315,536,154	350,595,726	315,536,154
Financial Ratios				
NTA per Share (cents)	15.91	14.77	16.87	15.83
Gearing (%)	12%	14%	10%	12%
Current Ratio (times)	4.36	3.58	3.22	2.06
EPS (cents)	(0.39)	(0.43)	(0.39)	(0.43)

* Comprised primarily of lease liabilities associated with the adoption of IFRS 16. The Group has zero borrowings from banks as at 31 December 2019.

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(c) **Off-Market Purchases made entirely out of profits and cancelled**

	Group		Company	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
As at 31 December 2019	(US\$)	(US\$)	(US\$)	(US\$)
Cash and cash equivalents	18,284,000	10,851,000	7,433,000	–
Short-term investments	11,190,000	8,121,773	9,179,000	6,110,773
Current Assets	51,320,000	40,818,773	25,541,000	15,039,773
Current Liabilities	11,765,000	11,765,000	7,932,000	7,932,000
Working Capital	39,555,000	29,053,773	17,609,000	7,107,773
Non-current assets	25,815,000	25,815,000	47,252,000	47,252,000
Non-current liabilities*	5,950,000	5,950,000	5,441,000	5,441,000
Equity	59,420,000	48,918,773	59,420,000	48,918,773
NTA	55,795,000	45,293,773	59,146,000	48,644,773
Number of issued and paid Shares	353,672,126	353,672,126	353,672,126	353,672,126
Number of Dormant Shares	(3,076,400)	(3,076,400)	(3,076,400)	(3,076,400)
Number of Shares in issue	350,595,726	315,536,154	350,595,726	315,536,154
Financial Ratios				
NTA per Share (cents)	15.91	14.35	16.87	15.42
Gearing (%)	12%	14%	10%	13%
Current Ratio (times)	4.36	3.47	3.22	1.90
EPS (cents)	(0.39)	(0.43)	(0.39)	(0.43)

* Comprised primarily of lease liabilities associated with the adoption of IFRS 16. The Group has zero borrowings from banks as at 31 December 2019.

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(d) Off-Market Purchases made entirely out of profits and held as Dormant Shares

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
As at 31 December 2019	(US\$)	(US\$)	(US\$)	(US\$)
Cash and cash equivalents	18,284,000	10,851,000	7,433,000	–
Short-term investments	11,190,000	8,121,773	9,179,000	6,110,773
Current Assets	51,320,000	40,818,773	25,541,000	15,039,773
Current Liabilities	11,765,000	11,765,000	7,932,000	7,932,000
Working Capital	39,555,000	29,053,773	17,609,000	7,107,773
Non-current assets	25,815,000	25,815,000	47,252,000	47,252,000
Non-current liabilities*	5,950,000	5,950,000	5,441,000	5,441,000
Equity	59,420,000	48,918,773	59,420,000	48,918,773
NTA	55,795,000	45,293,773	59,146,000	48,644,773
Number of issued and paid Shares	353,672,126	353,672,126	353,672,126	353,672,126
Number of Dormant Shares	(3,076,400)	(38,135,972)	(3,076,400)	(38,135,972)
Number of Shares in issue	350,595,726	315,536,154	350,595,726	315,536,154
Financial Ratios				
NTA per Share (cents)	15.91	14.35	16.87	15.42
Gearing (%)	12%	14%	10%	13%
Current Ratio (times)	4.36	3.47	3.22	1.90
EPS (cents)	(0.39)	(0.43)	(0.39)	(0.43)

* Comprised primarily of lease liabilities associated with the adoption of IFRS 16. The Group has zero borrowings from banks as at 31 December 2019.

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial year 2019 numbers and is not necessarily representative of the future financial performance of the Company or the Group.

Although the renewed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares (excluding Dormant Shares and Subsidiary Holdings), the Company may not necessarily buy back or be able to buy back the entire 10% of the issued Shares (excluding Dormant Shares and Subsidiary Holdings), nor to such an extent that would materially and adversely affect the financial position of the Company or the Group. In addition, the Company may (i) cancel all or part of the Shares bought back; or (ii) hold all or part of the Shares as Dormant Shares.

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Share Buy-Backs will only be effected after assessing the relative impact of a Share Buy-Back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and the performance of the Shares).

2.7 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Buy-backs by the Company, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.8 Listing Rules

2.8.1 Reporting requirements

The Listing Rules provide that a listed company shall notify the SGX-ST of any Share Buy-Back as follows:

- (a) in the case of an On-Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

The notification of such Share Buy-Backs to the SGX-ST shall be in the form of Appendix 8.3.1 to the Listing Manual and shall include, amongst others, details such as the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

2.8.2 Insider trading

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because a listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not engage in any Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate at any time after a price sensitive matter or development has occurred or has been the subject of a decision until the price sensitive information has been announced. In particular, in line with the best practices on dealings in securities in the Listing Manual, the Company will not purchase or acquire any shares pursuant to the proposed Share Buy-Back Mandate during the period commencing two weeks before the announcement of the Group’s financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Group’s full-year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Group’s half year and full year financial statements (if the Company does not announce its quarterly financial statements).

2.8.3 Listing status

The Listing Rules require a listed company to ensure that at least 10% of its total number of issued shares (excluding treasury shares (or Dormant Shares), preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The ‘public’, as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the associates of such persons. As at the Latest Practicable Date, approximately 46.24 % of the Company’s Shares are held in the hands of the public. Assuming that the Company purchases the maximum of 10% of the issued Shares from such public Shareholders and the Shares bought back are cancelled, the resultant percentage of the issued Shares excluding Dormant Shares and Subsidiary Holdings, held by the public would be reduced to approximately 40.28%. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake Share Buy-Backs up to the full 10% limit pursuant to the renewed Share Buy-Back Mandate without affecting the orderly trading or listing status of the Shares on the SGX-ST.

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2.9 Takeover Implications under the Code

2.9.1 Provisions under the Code

Some of the provisions of the Code are summarised below:

- (a) Under Appendix 2 of the Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buy-Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Code.
- (b) Pursuant to Rule 14 of the Code, a shareholder and persons acting in concert with the shareholder will incur an obligation to make a mandatory takeover offer if, amongst others, he and persons acting in concert with him increase their voting rights in the company to 30% or more or, if they, together holding between 30% and 50% of the company's voting rights, increase their voting rights in the company by more than 1% in any period of six months.
- (c) Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the Code presumes certain persons to be acting in concert, amongst others:
 - (i) a company, its parent, its subsidiaries and fellow subsidiaries, any associated companies of the above companies, any companies whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above companies for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be the test of associated company status;
 - (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
 - (iii) a company with any of its pension funds and employee share schemes;
 - (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
 - (v) a financial or other professional advisor, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
 - (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
 - (vii) partners; and
 - (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance with his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

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- (d) The effect of Rule 14 and Appendix 2 of the Code is that:
- (i) unless exempted, directors and persons acting in concert with them will incur an obligation to make a takeover offer if, as a result of the company purchasing or acquiring its shares, the voting rights held by such directors and their concert parties would increase to 30% or more, or if they together hold between 30% and 50% of the Company's voting rights, their voting rights increases by more than 1% in any period of six months; and
 - (ii) a shareholder not acting in concert with the directors will not be required to make a takeover offer if, as a result of the company purchasing or acquiring its shares, the voting rights of such shareholder would increase to 30% or more, or if such shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such shareholder would increase by more than 1% in any period of six months. Such shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Buy Back Mandate.

2.9.2 SIC ruling

As mentioned in the 2019 Circular, the SIC had in their letter dated 28 March 2017 ruled that the presumption that Eitan Kenneth is acting in concert with the members of the new concert party group (as set out in the table below) with respect to the Company ("**New Concert Party Group**") is rebutted. Further the Company has been informed that since the 2019 EGM, Moran Hightech Ltd. had sold all of its shares in the Company. Thus, the names of Moran Hightech Ltd. and of its sole shareholder, Mr. Gilad Moran have been removed from the New Concert Party Group. The members of the New Concert Party Group are as below:

Table A

- (a) Hargem Ltd;
- (b) Hanoh Stark Holdings Ltd;
- (c) Ehud Harel (the sole shareholder of Hargem Ltd and brother-in-law of Hanoh Stark);
- (d) Hanoh Stark (the sole shareholder of Hanoh Stark Ltd and brother-in-law of Ilan Weisman);
- (e) Ilan Weisman;
- (f) Idit Weisman (wife of Ilan Weisman);
- (g) Ilan Weisman and Co. Ltd (a company controlled by Ilan Weisman);
- (h) Avraham Eshed (a director of Sarine);
- (i) Nitza Eshed (wife of Avraham Eshed);
- (j) Gemstar Ltd (a company controlled by Avraham Eshed);
- (k) Eyal Mashiah;
- (l) Oz Mashiah (sibling of Eyal Mashiah);
- (m) Ifat Oved (sibling of Eyal Mashiah);
- (n) Ramgem Ltd (a company controlled by Eyal Mashiah);
- (o) Ram Investments Ltd (a company wholly-owned by Eyal Mashiah);

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- (p) Fabulous Ltd;
- (q) Colgem EL 97 Ltd;
- (r) Israel Zeev Eliezri (a Controlling Shareholder of Colgem EL 97 Ltd);
- (s) Precious Stones Ltd (a Controlling Shareholder of Fabulous Ltd and a company controlled by Alfio Harari);
- (t) Alfio Harari;
- (u) Glinert Projects Initiation and Execution Ltd. (formerly known as D. Glinert Holdings Ltd);
- (v) A. Shapira 2000 Systems Ltd;
- (w) U LevAmi Holdings Ltd;
- (x) Daniel Benjamin Glinert (a director of Sarine and the minority shareholder of Glinert Projects Initiation and Execution Ltd.);
- (y) Michal Haya Glinert (wife of Daniel Benjamin Glinert and the Controlling Shareholder of Glinert Projects Initiation and Execution Ltd.);
- (z) Aharon Shapira (the sole shareholder of A. Shapira 2000 Systems Ltd); and
- (aa) Uzi Levami (a director of Sarine and the sole shareholder of U LevAmi Holdings Ltd);

As at the Latest Practicable Date, and for the purposes of the Code, the New Concert Party Group is interested in an aggregate of approximately 36.06% of the issued Shares. In the event that the Company undertakes any purchase or acquisition of Shares of up to the maximum limit of 10% of the issued Shares of the Company excluding Dormant Shares and Subsidiary Holdings as permitted by the Share Buy-Back Mandate, the aggregate shareholdings and voting rights of the New Concert Party Group will increase from approximately 36.06% to 40.07%. Accordingly, subject to the exemption set forth in section 2.9.3 below, if such increase in shareholding were to occur over any 6 month period, the shareholding of the New Concert Party Group would have increased by more than 1% and they would be required to make a general offer for the Shares held by other Shareholders pursuant to Rule 14 of the Code.

2.9.3 Conditions for exemption from having to make a take-over offer

The New Concert Party Group will be exempted from the requirement to make an offer under Rule 14 of the Code, subject to the following conditions set out in Appendix 2 of the Code:

- (a) the circular to Shareholders on the resolution to approve the Share Buy-Back Mandate contains advice to the effect that by voting for the resolution, Shareholders are waiving their rights to a general offer at the required price from the New Concert Party Group, who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months; and the names of the members of the New Concert Party Group, and their voting rights at the time of the resolution and after the proposed buy-back under the Share Buy-Back Mandate are disclosed in the same circular;
- (b) the resolution to authorise a Share Buy-Back Mandate is approved by a majority of the Shareholders present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the Share Buy-Back under the Share Buy-Back Mandate;
- (c) the New Concert Party Group abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buy-Back Mandate;

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- (d) within seven (7) days after the passing of the resolution to approve the Share Buy-Back Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the New Concert Party Group, holding between 30% and 50% of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Share Buy-Back Proposal is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the EGM in respect of the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Share Buy-Back, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

It follows that where the aggregate voting rights held by the New Concert Party Group increase by more than 1% solely as a result of the Share Buy-Back and none of them has acquired any Shares during the relevant period defined above, then the New Concert Party Group would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption has been granted, would continue to enjoy the exemption.

Shareholders should note that by voting in favour of the Share Buy-Back Mandate, they are waiving their rights to a general offer at the required price from the New Concert Party Group, who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months.

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

Appendix 2 of the Code requires that the resolution to authorise the Share Buy-Back Mandate be approved by majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Code as a result of the Share Buy-Back. Accordingly, the resolution relating to the proposed renewal of the Share Buy-Back Mandate set out in the notice of EGM is proposed to be taken on a poll and members of the New Concert Party Group shall abstain from voting on such resolution and will not accept nominations as proxy or otherwise for voting at the EGM in respect thereof.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Code as a result of Share Buy-Backs by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

2.9.4 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemptions (see paragraph (d) of Section 2.9.3 above) from the requirement to make a take-over offer under Rule 14 of the Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, each of the Directors has informed the Company that he/she will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution in relation to the proposed renewal of the Share Buy-Back Mandate.

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2.9.5 Voting rights of the New Concert Party Group

Assuming that there is no change in the interest of each member of the New Concert Party Group between the Latest Practicable Date and the date of the EGM, the aggregate interest, both direct and deemed in Shares of each member of the New Concert Party Group as at the date of the EGM and after the purchase by the Company of 10% of the issued ordinary share capital of the Company pursuant to the Share Buy-Back Mandate are as follows:

Name of member of New Concert Party Group	Before Share Buy-Back (as at the date of the EGM)		After the Share Buy-Back	
	Number of Shares	% of the total issued Shares ⁽¹⁾	Number of Shares	% of the total issued Shares ⁽²⁾
Hargem Ltd	25,608,848	7.30%	25,608,848	8.12%
Hanoh Stark Holdings Ltd	24,590,524	7.01%	24,590,524	7.80%
Ehud Harel	25,796,348	7.36%	25,796,348	8.18%
Hanoh Stark	24,590,524	7.01%	24,590,524	7.80%
Ilan Weisman	1,538,676	0.44%	1,538,676	0.49%
Idit Weisman	1,538,676	0.44%	1,538,676	0.49%
Ilan Weisman and Co. Ltd	1,538,676	0.44%	1,538,676	0.49%
Avraham Eshed	15,126,922	4.31%	15,126,922	4.80%
Nitza Eshed	15,126,922	4.31%	15,126,922	4.80%
Gemstar Ltd	14,335,672	4.09%	14,335,672	4.54%
Eyal Mashiah	14,625,396	4.17%	14,625,396	4.64%
Oz Mashiah	14,525,396	4.14%	14,525,396	4.60%
Ifat Oved	14,525,396	4.14%	14,525,396	4.60%
Ramgem Ltd	14,525,396	4.14%	14,525,396	4.60%
Ram Investments Ltd	14,525,396	4.14%	14,515,396	4.60%
Fabulous Ltd	1,322,972	0.38%	1,322,972	0.42%
Colgem EL 97 Ltd	5,130,692	1.46%	5,130,692	1.63%
Israel Zeev Eliezri	5,130,692	1.46%	5,130,692	1.63%
Precious Stones Ltd	1,322,972	0.38%	1,322,972	0.42%
Alfio Harari	1,322,972	0.38%	1,322,972	0.42%
Glinert Projects Initiation and Execution Ltd.	10,423,953	2.97%	10,423,953	3.30%
A. Shapira 2000 Systems Ltd	8,494,006	2.48%	8,494,006	2.76%
U LevAmi Holdings Ltd	11,622,906	3.32%	11,622,906	3.68%
Daniel Benjamin Glinert	12,379,156	3.53%	12,379,156	3.92%
Michal Haya Glinert	12,379,156	3.53%	12,379,156	3.92%
Aharon Shapira	8,694,006	2.42%	8,694,006	2.69%
Uzi Levami	12,335,406	3.52%	12,335,406	3.91%

Notes:

- (1) Based on 350,595,726 issued Shares (excluding Dormant Shares) as at the Latest Practicable Date.
- (2) Based on 315,536,154 issued Shares (excluding Dormant Shares), being the 350,595,726 Shares referred to in note (1) above, after repurchase of 35,059,572 Shares.

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2.10 Shares purchased by the Company

Since the approval of the existing Share Buy-Back Mandate at the 2019 EGM up to the date of this Circular, the Company has not bought back any Shares.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Director's Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the capital of the Company are as follows:

	Direct interest (No. of Shares)	Deemed interest (No. of Shares)	Total interest (No. of Shares)	% of total issued Shares ⁽¹⁾
<u>Directors</u>				
Daniel Benjamin Glinert ⁽²⁾	—	12,359,156	12,359,156	3.53
Uzi Levami ⁽³⁾	—	12,335,406	12,335,406	3.52
Avraham Eshed ⁽⁴⁾	—	15,126,922	15,126,922	4.31
Yehezkel Pinhas Blum	—	—	—	—
Chan Kam Loon ⁽⁵⁾	569,000	24,000	593,000	0.17
Valerie Ong Choo Lin ⁽⁶⁾	—	575,000	575,000	0.16
Varda Shine	—	—	—	—
<u>Substantial Shareholders</u>				
Hanoh Stark ⁽⁷⁾	—	24,590,524	24,590,524	7.01
Ehud Harel ⁽⁸⁾	—	25,796,348	25,796,348	7.36
Axxion S.A.	—	32,193,900	32,193,900	9.18

Notes:

- (1) The total interest as a percentage of the issued share capital of the Company, comprising 350,595,726 Shares (excluding Dormant Shares) as at the Latest Practicable Date.
- (2) Daniel Benjamin Glinert is deemed a shareholder of the Company by virtue of (i) his and his wife's (Michal Haya Glinert) indirect ownership through Glinert Projects Initiation and Execution, Ltd. of 633,953 Shares held on their behalf by Bank Hapoalim (Israel) through HSBC Singapore custodians; (ii) his and his wife's indirect ownership through Glinert Projects Initiation and Execution, Ltd. of 10,423,953 Shares held on their behalf by UOB Kay Hian Pte. Ltd.; (iii) his indirect ownership of 300,500 Shares held on his behalf by Eyal Khayat, the 2005 Plan trustee, through UOB Kay Hian Pte. Ltd., pursuant to the 2005 Plan; and (iv) the indirect ownership of 1,000,750 Shares held on his wife's behalf by UOB Kay Hian Pte. Ltd. Daniel Benjamin Glinert is not deemed to be interested in the shares held in trust by his wife (as a bare trustee), through UOB Kay Hian Pte. Ltd., for his son, as Daniel Benjamin Glinert does not have authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, such Shares; accordingly, Daniel Benjamin Glinert is not deemed interested in such Shares pursuant to Section 4 of the SFA.
- (3) Uzi Levami is deemed a shareholder of the Company by virtue of (i) his indirect ownership through U. Levami Holdings Ltd. of 11,622,906 Shares held on his behalf by Bank Hapoalim (Israel) through HSBC Singapore custodians; and (ii) his indirect ownership of 712,500 Shares held on his behalf by Eyal Khayat, the 2005 Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the 2005 Plan.
- (4) Avraham Eshed is deemed a shareholder of the Company by virtue of (i) his indirect ownership through Gemstar, Ltd. of 14,335,672 Shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians; (ii) 562,500 Shares held on his behalf by Eyal Khayat, the 2005 Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the 2005 Plan; and (iii) his indirect ownership of 228,750 Shares held on his behalf by Union Bank of Israel Ltd.

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- (5) Chan Kam Loon is deemed a shareholder of the Company by virtue of (i) his direct holdings of 569,000 Shares; and (ii) the direct holdings of his wife (Au Yin Ling Patricia) of 24,000 Shares.
- (6) Valerie Ong Choo Lin is deemed a shareholder of the Company by virtue of her indirect ownership of 575,000 Shares held on her behalf by Bank of Singapore Nominees Pte Ltd.
- (7) Hanoh Stark is deemed a shareholder of the Company by virtue of his indirect ownership through Stark Hanoh Holdings, Ltd. of 24,590,524 Shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians.
- (8) Ehud Harel is deemed a shareholder of the Company by virtue of (i) his indirect ownership through Hargem, Ltd. of 25,608,848 Shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians; and (ii) his indirect ownership of 187,500 Shares held on his behalf by Eyal Khayat, the 2005 Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the 2005 Plan.

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N[1] to N[2] of this Circular, is being convened on 20 April 2020 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987, for the purpose of considering and, if thought fit, passing, with or without any modifications the proposed resolution set out in the notice.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent at 112 Robinson Road, #05-01, Singapore 068902 or the Company's offices at 4 Haharash Street (third floor), Hod Hasharon 4524076, Israel not less than 24 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

6. DIRECTORS' RECOMMENDATIONS

Having considered the rationale of the Proposal, the Directors (save for Avraham Eshed, Daniel Benjamin Glinert and Uzi Levami, who are abstaining from recommending Shareholders to vote in favour of Ordinary Resolution 1 to approve the proposed renewal of the Share Buy-Back Mandate in accordance with the conditions referred to in Section 2.9.3 above) are of the opinion that the Proposal is in the interests of the Company. Accordingly, the Directors (save for Avraham Eshed, Daniel Benjamin Glinert and Uzi Levami) recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the proposed renewal of the Share Buy-Back Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at 112 Robinson Road, #05-01, Singapore 068902 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2019;
- (b) the 2019 Circular; and
- (c) the Articles of Association of the Company.

Yours faithfully
for and on behalf of the Board of Directors of
SARINE TECHNOLOGIES LTD.

Daniel Benjamin Glinert
Executive Director and Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

SARINE TECHNOLOGIES LTD.

(Incorporated in Israel)
(Israel Registration No. 51 1332207)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of **SARINE TECHNOLOGIES LTD.** will be held on 20 April 2020 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987, for the purpose of considering and, if thought fit, passing the resolutions enumerated below with or without any modification(s).

NOTE: As per the directives of the Singapore Ministry of Health, as relayed to us by the SGX Reg Co., social distancing must be observed at the Annual General Meeting. We regret that under these circumstances the venue we had already booked to accommodate 50-60 persons will now only accommodate the participation of some 20 shareholders in person. Other shareholders in Singapore and elsewhere are invited to participate in the Annual General Meeting by way of a Zoom meeting (number 400 650 831- use link <https://zoom.us/j/400650831> to join meeting or use Zoom app and enter meeting number 400650831 or dial in by phone [find local number: <https://zoom.us/u/abTjEz7yrq>] and follow instructions), on their electronic device of choice, which will allow them to watch and hear the proceedings, as well as to pose questions. However, voting, as it needs to be by poll and properly scrutinised, will be restricted only to those shareholders participating in person at the venue noted above. For that reason, and to also ensure all our shareholders' health, the Company **STRONGLY** urges and encourages shareholders to take avail of the Proxy mechanism delineated in the following pages and to submit their votes in due time prior to the actual meeting. Shareholders who do wish to attend the meeting in person are advised to register accordingly with the Company's Singapore Share Transfer Agent (attention James Cheong at jamescheong@mncsingapore.com) as early as possible, and await confirmation of their registration by return e-mail, as entry to the meeting will be allowed on a first come (first registered) – first served basis.

ORDINARY RESOLUTION 1

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

That:

1. the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) an on-market purchase ("**On-Market Purchase**") transacted through the SGX-ST's trading system or on another stock exchange on which the Shares are listed; and/or
 - (ii) an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Act and the Listing Rules,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");

2. unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is revoked or varied by the Company in general meeting; or
 - (iii) the date on which Share Buy-Backs are carried out to the full extent mandated;

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. in this resolution:

“Prescribed Limit” means 10% of the issued ordinary Shares of the Company as at the date of the passing of this resolution; and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Purchase, 5% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring during such 5-market day period and the day which the purchases are made; and
- (ii) in the case of an Off-Market Purchase, 20% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme; and

4. the Directors of the Company, be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

By Order of the Board

Amir Jacob Zolty
Company Secretary
3 April 2020

Notes:

- 1. Capitalised terms used in this Notice of Extraordinary General Meeting which are not defined herein shall, unless the context requires otherwise, have the same meanings ascribed to them in the Company’s circular to Shareholders dated 3 April 2020 (“2020 Circular”).
- 2. A Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder of the Company.
- 3. If the appointer is a corporation, the instrument of proxy must be executed under seal or by the hand of its duly authorised officer or attorney.
- 4. The instrument appointing a proxy must be deposited either at the office of the Company’s Singapore Share Transfer Agent at 112 Robinson Road, #05-01, Singapore 068902 or the Company’s offices at 4 Haharash Street (Third floor), Hod Hasharon 4524076 Israel not less than twenty four (24) hours before the time for holding the Extraordinary General Meeting.
- 5. For more information on the sources of funds to be used to finance the Share Buy-Backs by the Company including the amount of financing and the financial effects on the Company and the Group arising from the Share Buy-Backs made pursuant to the proposed Share Buy-Back Mandate, please refer to Sections 2.5 and 2.6 of the 2020 Circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholders' 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.

SARINE TECHNOLOGIES LTD.

(Incorporated in Israel)

Israel Registration No. 51 1332207

PROXY FORM

I/We _____, NRIC/Passport no. _____

of _____

being a member/members of Sarine Technologies Ltd., hereby appoint

Name	Address	NRIC/Passport No.	No. of Shares

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	No. of Shares

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held on 20 April 2020 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the Extraordinary General Meeting.)

No.	Resolution	For	Against
1	Ordinary Resolution 1 To approve the proposed renewal of the Share Buy-Back Mandate		

Dated this _____ day of _____ 2020

Total Number of Shares Held

Signature(s) of Member(s) or Common Seal

Important: Please Read Notes Overleaf

Notes

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies must be deposited either at the office of the Company's Singapore Share Transfer Agent at 112 Robinson Road #05-01 Singapore 068902 or at the Company's offices at 4 Haharash Street (Third floor), Hod Hasharon 4524076, Israel not less than 24 hours before the time appointed for holding the meeting.
- 4 Where a member appoints more than one proxy, he shall specify the number of shares to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a company or other body corporate, it must be executed under its common seal or stamp or under the hand of its duly authorised agent or attorney on behalf of the corporation.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
- 7 A company or other body corporate which is a member may authorise, by resolution of its directors or any other managing body, such person as it thinks fit to act as its representative at the meeting.
- 8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.