

CIRCULAR DATED 4 NOVEMBER 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 stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of A-Smart Holdings Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the 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 the transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this Circular.



A-SMART HOLDINGS LTD.

(Incorporated in Singapore)
(Company Reg. No. 199902058Z)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

IMPORTANT DATES AND TIMES:

- | | | |
|---|---|--|
| Last Date and Time for Lodgement of Proxy Forms | : | 25 November 2020 at 11.00 a.m. |
| Date and Time of Extraordinary General Meeting | : | 27 November 2020 at 11.00 a.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place is concluded or adjourned) |
| Place of Extraordinary General Meeting | : | 61 Tai Seng Avenue #05-14 Print Media Hub@Paya Lebar iPark Singapore 534167 |

CONTENTS

	PAGE
DEFINITIONS.....	3
1. INTRODUCTION.....	5
2. SHARE BUY-BACK MANDATE	5
3. TERMS OF THE SHARE BUY-BACK MANDATE	6
4. STATUS OF PURCHASED SHARES.....	8
5. SOURCE OF FUNDS	10
6. FINANCIAL EFFECTS	11
7. TAX IMPLICATIONS.....	14
8. LISTING RULES.....	14
9. TAKEOVER IMPLICATIONS UNDER THE TAKE-OVER CODE.....	15
10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	20
11. SHARES PURCHASED BY THE COMPANY	21
12. EXTRAORDINARY GENERAL MEETING	21
13. ACTION TO BE TAKEN BY SHAREHOLDERS.....	21
14. DIRECTORS' RECOMMENDATION.....	21
15. DIRECTORS' RESPONSIBILITY STATEMENT	22
16. DOCUMENTS AVAILABLE FOR INSPECTION	22
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	23
PROXY FORM FOR EXTRAORDINARY GENERAL MEETING	

DEFINITIONS

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

ACRA	:	The Accounting and Corporate Regulatory Authority of Singapore
Act	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
AGM or Annual General Meeting	:	Annual general meeting of the Company
Annual Report	:	The annual report of the Company for the financial year ended 31 July 2020
Approval Date	:	The date of the forthcoming EGM at which the proposed Share Buy-Back Mandate is approved
CDP	:	The Central Depository (Pte) Limited
Take-over Code	:	The Singapore Code on Take-overs and Mergers
Company	:	A-Smart Holdings Limited
Constitution	:	The constitution of the Company as amended or modified from time to time
Directors	:	The directors of the Company as at the date of this Circular
EGM	:	The Extraordinary General Meeting of the Company to be held on 27 November 2020
EPS	:	Earnings per Share
FY	:	Financial year ended or ending 31 July 2020, as the case may be
Group	:	The Company and its subsidiaries
Latest Practicable Date	:	The latest practicable date prior to the printing of this Circular, being 23 October 2020
Listing Manual	:	SGX-ST Listing Manual
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
NAV	:	Net asset value
NTA	:	Net tangible assets
per cent or %	:	Per centum or percentage
Proxy Form	:	The proxy form in respect of the EGM as set out in this Circular

Relevant Period	:	period commencing from the date on this resolution is passed and expiring on the date of the next AGM of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;
S\$ and cents	:	Singapore dollars and cents, respectively
SGXNET	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shareholders	:	Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “ Shareholders ” shall in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
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 Act and the Listing Manual
Share Buy-Back Mandate	:	The general mandate to be given by Shareholders to authorise the Directors to effect Share Buy-Back
Share Options	:	Outstanding share options granted pursuant to the A-Smart Holdings Limited Employee Share Option Scheme
SIC	:	Securities Industry Council
Substantial Shareholder	:	A person who has an interest of not less than 5% of the issued voting shares of the Company

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

The terms “**associate**” and “**substantial shareholders**”, “**subsidiary**”, “**related corporations**” and “**treasury share**” shall have the meanings ascribed to them respectively in the 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. References to persons shall include corporations.

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

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

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

A-SMART HOLDINGS LTD.

(Incorporated in Singapore)
(Company Reg. No. 199902058Z)

Registered Office:

Directors:

Ma Wei Dong (Executive chairman and non-independent director)
Lim Huan Chiang (Chief executive officer and non-independent director)
San Chong Keen (Lead independent and non-executive director)
Darlington Tseng Te Lin (Non-executive director)
Chu Hong Tao (Independent non-executive director)

61 Tai Seng Avenue
Print Media Hub@Paya
Lebar iPark #03-03
Singapore 534167

4 November 2020

To: The Shareholders of A-Smart Holdings Ltd.

Dear Sir/Madam

1. INTRODUCTION

The Directors of the Company propose to convene an EGM at 61 Tai Seng Avenue Print Media Hub@Paya Lebar iPark #03-03 Singapore 534167 (or as soon after the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day and at the same place) to seek Shareholders' approval of the Shareholders in relation to the proposed adoption of the Share Buy-Back Mandate.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to, the aforesaid proposal to be tabled at the EGM. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. SHARE BUY-BACK MANDATE

2.1 Introduction

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by its Constitution, the Companies Act, the Listing Manual, and such other laws and regulations as may, for the time being, be applicable.

It is a requirement of the Act that before a company purchases or acquires its own shares, its Constitution must expressly permit the company to purchase or otherwise acquire the shares issued by it. Article 50A of the Company's Constitution expressly permits the Company to, subject to and in accordance with the Companies Act, purchase or otherwise acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in general meeting.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from the Shareholders for the Share Buy-Back Mandate. An

ordinary resolution will be proposed, pursuant to which the Share Buy-Back Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buy-Back Mandate, as well as the rules and regulations set forth in the Act and the Listing Manual.

2.2 Rationale

The Company proposes to seek Shareholders' approval for the proposed adoption of the Share Buy-Back Mandate to give Directors the flexibility to purchase the Shares if and when circumstances permit, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Share Buy-Back are one of the ways through which Shareholders' value may be enhanced.

The Directors believe that the Share Buy-Back provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements, in an expedient and cost-efficient manner. Share Buy-Back also allow the Directors to exercise control over the Company's capital structure, dividend pay-out and cash reserves and, depending on market conditions, may lead to an enhancement of the EPS and/ or NAV per Share. The Directors further believe that Share Buy-Back may also help to buffer short-term market volatility and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Buy-Back, after taking into account factors such as the amount of surplus cash available and the prevailing market conditions.

The Share Buy-Back will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/ or Shareholders. No Share Buy-Back will be made in circumstances which the Directors believe will have or may have a material adverse effect on the financial position, liquidity and/ or listing status of the Company and the Group, and the working capital requirements and gearing level of the Company and the Group.

3. **TERMS OF THE SHARE BUY-BACK MANDATE**

The authority and limitations placed on the Share Buy-Back under the proposed Share Buy-Back Mandate, if approved at the forthcoming EGM, 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 ordinary share capital of the Company as at the Approval Date (excluding treasury shares and subsidiary holdings).

For illustrative purposes only, on the basis of 149,062,362 Shares issued as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming EGM, the purchase or acquisition by the Company pursuant to the Share Buy-Back Mandate of up to ten per cent (10.0%) of its issued Shares will result in the purchase or acquisition of 14,906,236 Shares (excluding treasury shares and subsidiary holdings).

In the event that any of the Share 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 Share 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 proposed Share Buy-Back Mandate, Share Buy-Back 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 whichever is earlier;
- (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, whichever is the earlier; or
- (iii) the date on which Share Buy-Back are carried out to the full extent mandated.

The Share Buyback Mandate may be renewed on an annual basis at a general meeting of the Company.

(c) Manner of Share Buy-Back

Share Buy-Back may be made by way of:

- (i) an on-market purchase (**On-Market Purchase**) transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; 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 in their discretion, which scheme shall satisfy all the conditions prescribed by the Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST.

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

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

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

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buy-Back;

- (iv) the consequences, if any, of Share Buy-Back that will arise under the Take-over Code or other applicable takeover rules;
 - (v) whether the Share Buy-Back, if made, could affect the listing of the Company's Shares on the SGX-ST;
 - (vi) details of any Share Buy-Back made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), specifying 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
 - (vii) Whether the Share Buy-Back will be cancelled or kept as treasury shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares in the event of any Share Buy-Back shall be determined by the Directors.

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

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purpose of determining the Maximum Price:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Share Buy-Back by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period.

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares in accordance with the Act, 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 treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company in accordance with the Act) 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.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at the time.

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) Maximum holdings

The number of shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled within six (6) months from the day the aforesaid limit is first exceeded or such further periods as Accounting and Corporate Regulatory Authority of Singapore (“ACRA”) may allow.

(b) Voting and other rights

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

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on a winding-up) may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. Also, a subdivision of any treasury share into treasury shares of a larger amount or consolidation of treasury shares into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

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

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees’ share scheme;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore.

As at the Latest Practicable Date, the Company does not hold any of its Shares as treasury shares.

Under Rule 704(28) of the Listing Manual, the Company must make an immediate announcement via SGXNet if there is any sale, transfer, cancellation and/ or use of treasury shares. Such announcement must state the following:-

- (a) date of the sale, transfer, cancellation and/ or use;
- (b) purpose of such sale, transfer, cancellation and/ or use;
- (c) number of treasury shares sold, transferred, cancelled and/ or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/ or use;

- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/ or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

Pursuant to the Act, Shares bought back by the Company, unless kept as treasury shares, shall be cancelled. Where the Shares are cancelled, the Company shall:-

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total issued Shares of the Company will remain unchanged.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Act) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. Accordingly, in the event that the Shares purchased or acquired by the Company are cancelled, the total number of issued Shares will be reduced by the number of Shares so cancelled.

5. SOURCE OF FUNDS

In undertaking the Share Buy-Back, the Company shall only apply funds legally available in accordance with its Constitution and the applicable laws in Singapore.

The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Act provides that purchases and acquisitions of Shares may be made out of the Company's capital or profits so long as the Company is solvent (as defined in Section 76F(4) of the Act).

Any purchases or acquisitions of Shares may be made only if the Company is solvent and out of the Company's capital or profits. For this purpose, pursuant to the Act, a company is solvent if at the date of payment made by the Company in consideration of acquiring any right with respect to the purchase or acquisition of its own Shares:-

- (a) There is no ground on which the Company could be found to be unable to pay its debts;
- (b) If –
 - (i) It is intended to commence winding up of the company within the period of 12 months immediately after the date of payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) It is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

The Company will use internal resources and/ or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buy-Back Mandate. To effect the purchase of Shares pursuant to the Share Buy-Back Mandate, the Directors will consider, *inter alia*, the working capital requirements of the Company, the expansion and investment plans of the Company, the availability of internal resources, the rationale for the purchase or acquisition of Shares and the prevailing market conditions.

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of the Group. The purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate will only be undertaken if, in the reasonable opinion of the Directors, it can benefit the Group and Shareholders.

6. FINANCIAL EFFECTS

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/ or profits of the Company, the number of Shares purchased or acquired, the consideration paid for at the relevant time. The financial effects on the Group and Company based on the audited financial statements of the Group and Company for the financial year ended 31 July 2020 are based on the assumptions set out below.

(a) Purchase or acquisition out of capital or profits

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding any expenses (excluding brokerage or commission) incurred directly in the purchase or acquisition) will not affect the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

(b) Maximum Price paid for Shares purchased or acquired

Based on 149,062,362 issued shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase of 10% of such issued shares will result in the purchase of 14,906,236 shares.

Assuming the Company purchases the 14,906,236 shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

- i) in the case of Market Purchases of Shares, S\$3,920,340 based on S\$0.263 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the last five (5) market days preceding the Latest Practicable Date); and
- ii) in the case of Off-Market Purchases of Shares, S\$4,471,870 based on S\$0.30 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date).

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

The Share Buy-Back Mandate had been effective on 1 August 2019; and

- (1) The purchase of Shares took place at the beginning of the financial year on 1 August 2019; and
- (2) There was no issuance of Shares after the Latest Practicable Date; and
- (3) the Share purchases were funded entirely by internal resources,

the financial effects on the unaudited financial statements of the Group and Company for the financial year ended 31 July 2020 would have been as follows:

MARKET PURCHASE ⁽¹⁾

	GROUP		COMPANY	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
At 31 July 2020				
Share capital	147,360	147,360	147,360	147,360
Treasury shares	-	(3,920)	-	(3,920)
Foreign Currency Translation Reserve	(14)	(14)	-	-
Share option reserve	15	15	15	15
Accumulated losses	(130,811)	(130,811)	(142,654)	(142,654)
<hr/>				
Equity Attributable to Owners of the Company	16,550	12,630	4,721	801
Non-Controlling Interests	168	168	-	-
<hr/>				
Total Equity	16,718	12,798	4,721	801
<hr/>				
Current Assets	18,388	14,468	16,760	12,840
Current liabilities	2,492	2,492	18,356	18,356
Borrowings	3,613	3,613	68	68
Cash and Cash Equivalents	8,884	4,964	7,429	3,509
Net Tangible Assets (NTA) ⁽²⁾	16,550	12,630	4,721	801
Net profit/ (loss) after tax	210	210	(903)	(903)
Profit attributable to Owners of the Company	141	141	(903)	(903)
<hr/>				
Number of Shares ('000)	149,062	134,156	149,062	134,156
<hr/>				
Financial Ratios				
NTA per share (cents)	11.1	9.4	3.2	0.6
Gearing (times) ⁽³⁾ (Net D/E)	n.a.	n.a.	n.a.	n.a.
Current Ratio (times) ⁽⁴⁾	7.4	5.8	0.9	0.7
Earnings Per Share (cents) ⁽⁵⁾	0.1	0.1	(0.6)	(0.7)

OFF-MARKET PURCHASE ⁽¹⁾

	GROUP		COMPANY	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
At 31 July 2020				
Share capital	147,360	147,360	147,360	147,360
Treasury shares	-	(4,472)	-	(4,472)
Foreign Currency Translation Reserve	(14)	(14)	-	-
Share option reserve	15	15	15	15
Accumulated losses	(130,811)	(130,811)	(142,654)	(142,654)
Equity Attributable to Owners of the Company	16,550	12,078	4,721	249
Non-Controlling Interests	168	168	-	-
Total Equity	16,718	12,246	4,721	249
Current Assets	18,388	13,916	16,760	12,288
Current liabilities	2,492	2,492	18,356	18,356
Borrowings	3,613	3,613	68	68
Cash and Cash Equivalents	8,884	4,412	7,429	2,957
Net Tangible Assets (NTA) ⁽²⁾	16,550	12,078	4,721	249
Net profit/ (loss) after tax	210	210	(903)	(903)
Profit attributable to Owners of the Company	141	141	(903)	(903)
Number of Shares ('000)	149,062	134,156	149,062	134,156
Financial Ratios				
NTA per share (cents)	11.1	9.0	3.2	0.2
Gearing (times) ⁽³⁾ (Net D/E)	n.a.	n.a.	n.a.	n.a.
Current Ratio (times) ⁽⁴⁾	7.4	5.6	0.9	0.7
Earnings Per Share (cents) ⁽⁵⁾	0.1	0.1	(0.6)	(0.7)

Notes to the foregoing tables:

- (1) The disclosed financial effects remain the same irrespective of whether:
 - (a) the purchase of the Shares is effected out of capital or profits; or
 - (b) the purchased Shares are held in treasury or are cancelled.
- (2) NTA equals to Total Equity less Non-Controlling Interests.
- (3) Gearing is defined as Borrowings (net of Cash and Cash Equivalents) divided by Equity Attributable to Owners of the Company. Hence, the Gearing Ratio is not applicable (n.a.) when it is negative.
- (4) Current Ratio equals Current Assets divided by Current Liabilities.
- (5) Earnings per Share is based on 149,062,362 Shares and 134,156,125 Shares respectively.

SHAREHOLDERS SHOULD NOTE THAT THE FOREGOING FINANCIAL EFFECTS ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 JULY 2020 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND COMPANY FOR THE FINANCIAL YEAR ENDED 31 JULY 2020 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.

It should be noted that although the Share Buy-Back Mandate will authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding any treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire the entire 10%. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share buyback before execution.

7. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

8. LISTING RULES

8.1 Reporting requirements

The Act and the Listing Manual require the Company to make the following reports in relation to the Share Buy-Back Mandate:-

- (a) To lodge a copy of the Shareholders' resolution approving the Share Buy-Back Mandate with ACRA within 30 days of the passing of such resolution;
- (b) To notify ACRA of an acquisition or purchase of Shares on the SGX-ST or otherwise within 30 days, such notification shall be in the prescribed form and shall include:-
 - (i) The date of the acquisition or purchase of Shares;
 - (ii) The total number of Shares acquired or purchased;
 - (iii) The number of Shares cancelled;
 - (iv) The number of Shares held as treasury shares;
 - (v) The Company's issued share capital before the acquisition or purchase and after such acquisition or purchase;
 - (vi) The amount of consideration paid by the Company for the acquisition or purchase;
 - (vii) Whether the Shares were purchased or acquired out of the profits or the capital of the Company; and
 - (viii) Such other information as required by the Act

Pursuant to the Listing Manual, the Company will report purchases of Shares to the SGX-ST in the forms prescribed which shall include details including, *inter alia*, the date of purchase, the price paid and the number of issued shares remaining in the share capital of the Company after the Share Buy-Back, and to make an announcement to the public:-

- (a) in the case of an On-Market Purchase, no later than 9.00 a.m. on the Market Day following the day on which it makes an On-Market Purchase; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, not later than 9.00 a.m. on the second Market Day following the close of acceptances of the offer.

Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual and must include details, *inter alia*, the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

8.2 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-Back pursuant to the proposed 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 securities dealings in the Listing Manual, the Company will not engage in any Share Buy-Back pursuant to the proposed Share Buy-Back Mandate during the period of one month immediately preceding the announcement of the Company’s half year or full year results, as the case may be.

8.3 Listing status

The Listing Rules require a listed company to ensure that at least 10% of its shares are at all times held by the public. As defined in the Listing Rules, the “public” refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Rules) of such persons.

As at the Latest Practicable Date, approximately 38.48% 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 held by the public would be reduced to approximately 28.65%. 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-Back up to the full 10% limit pursuant to the proposed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST.

Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct the Share Buy-Back pursuant to the proposed Share Buy-Back Mandate (if adopted) under appropriate circumstances will be beneficial to the Company. It is also possible that the public float may also change from time to time and such flexibility will be reduced if the Company seeks a lower limit based on the current level of the public float. Accordingly, for greater flexibility, the Company is seeking Shareholders’ approval to enable the Company to purchase or acquire up to a maximum of 10% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings). Nevertheless, the Director will ensure that the Company will not undertake any Share Buy-Back if the public float is below 10%, or if this result in the public float falling below 10%.

9. **TAKEOVER IMPLICATIONS UNDER THE TAKE-OVER CODE**

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

(a) Obligation to Make a Take-over Offer

Pursuant to Appendix 2 of the Take-over Code, any increase in the percentage of voting rights held by a shareholder and persons acting in concert with him resulting from a Share Buy-Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, *inter alia*, 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 6 months.

Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14 of the Take-over Code.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with each other, namely:

- (i) the following companies;-
 - (a) A company;
 - (b) The parent company of (a);
 - (c) The subsidiaries of (a);
 - (d) The fellow subsidiaries of (a);
 - (e) The associated companies of any of (a), (b), (c) or (d);
 - (f) Companies whose associated companies include any of (a), (b), (c), (d) or (e); and
 - (g) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (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). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunties) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).;
- (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 whose investment 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 adviser, 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;
- (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) the following persons and entities:-
- (a) An individual;
 - (b) The close relatives of (a);
 - (c) The related trusts of (a);
 - (d) Any person who is accustomed to act in accordance with the instructions of (a); and
 - (e) Companies controlled by any of (a), (b), (c) or (d); and
 - (f) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

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

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its ordinary shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights 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 Share Buy-Back Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL ("SIC") AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

(d) The Relevant Director and his concert parties

As at the Latest Practicable Date, in respect of Mr Ma Wei Dong, the Non-Independent and Non-Executive Chairman/Director of the Company (the "Relevant Director") who is also the controlling shareholder of the Company, the following persons are presumed to be acting in concert with the Relevant Director under the Take-over Code:

- (i) Madam Jin Liyan,

who, collectively with the Relevant Director, are hereafter referred to as the “Relevant Parties”.

As at the Latest Practicable Date, the Relevant Parties have an aggregate interest (direct and deemed) in 75,353,000 Shares, representing approximately 50.55% of the total number of issued Shares (excluding treasury shares). The interests of the Relevant Parties in the issued Shares as at the Latest Practicable Date are set out in Section 9(h) of this Circular.

In the event that the Company should, pursuant to the Share Buy-Back Mandate, purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings) (“Full Buy-back”), the aggregate shareholding interest of approximately 50.55% held by the Relevant Parties may increase by more than 1% in any 6-month period. If the shareholding interest held by the Relevant Parties should fall to between 30% to 50%, the Relevant Director and other members of the Relevant Parties could incur a mandatory take-over obligation for the issued Shares under the Take-over Code.

(e) Conditions for exemption from having to make a take-over offer

The Relevant Director and persons acting in concert with him will be exempted from the requirement to make a general offer for the Company under Rule 14, when read with Appendix 2 of the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Director and persons acting in concert with him by more than 1% in any 6-month period as a result of the Company purchasing its Shares under the Share Buy-Back Mandate, subject to the following conditions:

- (i) the Circular to Shareholders seeking their approval for the Share Buy-Back Mandate will contain advice to the effect that by voting in favour of the resolution to approve the adoption of the Share Buy-Back Mandate (the “Buy-back Resolution”), Shareholders are waiving their right to a general offer at the required price from any of the Relevant Director and persons acting in concert with him;
- (ii) the aforesaid Circular discloses the names and voting rights of the Relevant Director and persons acting in concert with him (a) as of the time of the Buy-back Resolution, and (b) after a Full Buy-back;
- (iii) the Buy-back Resolution is approved by a majority of the Shareholders who are present and voting at the meeting on a poll who could not become obliged to make a general offer for the Company as a result of the buy-back of Shares by the Company pursuant to the Share Buy-Back Mandate;
- (iv) within 7 days after the passing of the Buy-back Resolution, the Relevant Director is to submit to the SIC a duly signed form as prescribed by the SIC;
- (v) the Relevant Director and persons acting in concert with him abstain from (a) voting on the Buy-back Resolution, and (b) recommending Shareholders to vote in favour of the Buy-back Resolution; and
- (vi) the Relevant Director and persons acting in concert with him have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the adoption of the Share Buy-Back Mandate is imminent and the earlier of:
 - (a) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (b) the date on which the Company announces that it has (1) bought back such number of Shares as authorised by the shareholders at the latest general meeting, or (2) decided to cease buying back the Shares, as the case may be,

if any such acquisitions, taken together with the Share buy-back, would cause the aggregate voting rights in the Company of the Relevant Director and persons acting in concert with him to increase by more than 30% or more; and

- (vii) the Relevant Director and persons acting in concert with him, together 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 Mandate is imminent and the earlier of:
 - (a) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (b) the date on which the Company announces that it has (1) bought back such number of Shares as authorised by shareholders at the latest general meeting or (2) decided to cease buying back the Shares, as the case may be,

if such acquisitions, taken together with the 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 Relevant Director and persons acting in concert with him increase by more than 1% solely as a result of the buy-back of Shares and none of them has acquired any Shares during the relevant period defined above, then the Relevant Director and/or persons acting in concert with him would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Buy-Back Mandate and the increase in the aggregate voting rights held by the Relevant Director and the persons acting in concert with him is less than 1%, the Relevant Director and persons acting in concert with him may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Buy-Back Mandate will be taken into account together with any voting rights acquired by the Relevant Director and persons acting in concert with him (by whatever means) in determining whether they have increased their voting rights by more than 1% in any 6-month period.

(f) Advice to Shareholders

Shareholders should note that by voting in favour of the ordinary resolution relating to the Share Buy-Back Mandate, they will be waiving their rights to a take-over offer at the required price by the Concert Parties who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, would increase their collective interest in the Shares by more than 1% in any period of 6 months. Such a take-over offer, if required to be made and had not been exempted by SIC, would have to be made in cash or be accompanied by a cash alternative at not less than the highest price (excluding stamp duty and commission) paid by the Concert Parties for any Share within the preceding six (6) months.

(g) 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 exemption (see condition (iv) of sub-paragraph (e) above headed "*Conditions for exemption from having to make a take-over offer*") from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Buy-Back Mandate.

As at the Latest Practicable Date, the Relevant Director has informed the Company that he will be submitting a Form 2 to the SIC within 7 days after the passing of the ordinary resolution authorising the adoption of the Share Buy-Back Mandate at the AGM.

(h) **Voting rights of the Relevant Parties before and after share purchase**

Based on the direct holdings of Shares of the Relevant Parties as at the Latest Practicable Date, and assuming that:

- (i) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the AGM;
- (ii) no new Shares are issued to the Relevant Director and/or the Relevant Parties by the Company following the approval being received from Shareholders at the AGM for the adoption of the Share Buy-Back Mandate; and
- (iii) the Relevant Parties do not sell or otherwise dispose of their holding of Shares, the aggregate interest (direct and deemed) of the Relevant Parties in the issued Shares as at the date of the AGM and after the purchase by the Company of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Buy-Back Mandate are as follows:

Relevant Parties	Before Share Buy-Back (as at date of AGM)		After Share Buy-Back (as at date of AGM)	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Relevant Director				
Ma Weidong	75,000,000	50.31	75,000,000	55.90
Concert parties				
Jin Liyan	353,000	0.24	353,000	0.26

Notes:

- (1) “%” Before Share Buy-Back is rounded to 2 decimal places and is based on 149,062,362 issued Shares (excluding treasury shares) as at the Latest Practicable date, and “%” after Share Buy-Back is rounded to 2 decimal places and is based on 134,156,125 issued Shares (excluding treasury shares). There were no subsidiary holdings as at the Latest Practicable date.

10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of our Directors and Substantial Shareholders as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Interests of Directors				
Ma Weidong ⁽²⁾	75,000,000	50.31	353,000	0.24
Lim Huan Chiang	787,000	0.53	-	-
Darlington Tseng Te-Lin	278,825	0.19	-	-
Interests of substantial shareholders				
Tseng An Hsiung Andy ⁽³⁾	-	-	7,879,674	5.29

Notes:

- (1) “%” is based on 149,062,362 issued Shares (excluding treasury shares) as at the Latest Practicable date.
- (2) Mr. Ma Weidong is deemed interested in 353,000 ordinary shares held by his spouse, Mrs Jin Li Yan by virtue of Section 7 of the Companies Act, Chapter 50 (“Act”).
- (3) Mr. Tseng An Tsiung Andy is deemed interested in:
 - a) 3,822,842 ordinary shares held by Wellspring Investment Ltd by virtue of Section 7 of the Act;
 - b) 44,800 ordinary shares held by his spouse, Mrs Tseng Shu Eng Eng by virtue of Section 7 of the Act; and
 - c) 4,012,032 ordinary shares held by Dai Dai Development International Holdings Limited by virtue of Section 7 of the Act.

11. SHARES PURCHASED BY THE COMPANY

The Company has not made any Share Buy-Back in the 12 months preceding the date of this Circular.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 23 of this Circular, will be held at 61 Tai Seng Avenue #05-14 Print Media Hub@Paya Lebar iPark Singapore 534167 on Friday, 27 November 2020 at 11.00 a.m. (or as soon after the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m on the same day and at the same place for the purpose of considering and, if thought fit, passing with or without modifications, the Special Resolutions and the Ordinary Resolutions set out in the notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder who is unable to attend the EGM and wishes to appoint a proxy or proxies 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 61 Tai Seng Avenue #03-03 Print Media Hub@Paya Lebar iPark Singapore 534167, not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he subsequently wishes to do so.

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 maintained by CDP not less than 72 hours before the time fixed for the EGM or any adjournment thereof.

14. DIRECTORS’ RECOMMENDATION

Proposed Share Buy-Back Mandate: The Directors are of the opinion that the proposed Share Buy-Back Mandate will be in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed Share Buy-Back Mandate.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

15. 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 Share Buy-Back Mandate, 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 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.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 61 Tai Seng Avenue #03-03 Print Media Hub@Paya Lebar iPark Singapore 534167 during normal office hours from the date of this Circular up to and including the date of the EGM:

- (1) the Constitution of the Company; and
- (2) Annual Report.

Yours faithfully
For and on behalf of
the Board of Directors of
A-SMART HOLDINGS LIMITED

LIM HUAN CHIANG
Executive Director and Chief Executive Officer