

CIRCULAR DATED 14 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Technics Oil & Gas Limited (the “**Company**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

If you have sold or transferred your ordinary shares in the capital of the Company, please forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser.

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.



TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200205249E)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED APPOINTMENT OF NEXIA TS PUBLIC ACCOUNTING CORPORATION AS AUDITORS

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	27 April 2016 at 12:00 p.m.
Date and time of Extraordinary General Meeting	:	29 April 2016 at 12:00 p.m.
Place of Extraordinary General Meeting	:	72 Loyang Way, Singapore 508762

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DEFINITIONS

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

<i>“Act” or “Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>“Auditors”</i>	:	The auditors of the Company as appointed from time to time
<i>“Audit Committee”</i>	:	The audit committee of the Company as at the Latest Practicable Date
<i>“Associate”</i>	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
<i>“Board”</i>	:	The board of directors of the Company as at the Latest Practicable Date
<i>“Business Day”</i>	:	A day (other than Saturday, Sunday or public holiday) on which banks are open for business in Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 14 April 2016 in respect of the Proposed Appointment of Auditors
<i>“Company”</i>	:	Technics Oil & Gas Limited
<i>“Constitution”</i>	:	The constitution of the Company as amended, supplemented or modified from time to time
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital (excluding treasury shares) of the Company; or (b) in fact exercises Control over the Company
<i>“Directors”</i>	:	The directors of the Company as at the date of this Circular
<i>“FY”</i>	:	Financial year of the Company ended or ending 30 September (as the case may be)
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Latest Practicable Date”</i>	:	11 April 2016, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rule(s), as amended or modified from time to time
<i>“Nexia TS”</i>	:	Nexia TS Public Accounting Corporation
<i>“Proposed Appointment of Auditors”</i>	:	The proposed appointment of Nexia TS as auditors of the Company
<i>“Securities Account”</i>	:	The securities account maintained by a depositor with CDP (but does not include a securities sub-account)
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Shares”</i>	:	Fully paid ordinary shares in the capital of the Company
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued voting share capital of the Company

Currencies, Units and Others

<i>“%” or “per cent”</i>	:	Per centum or percentage
<i>“S\$”, “\$” or “cents”</i>	:	Singapore dollars and cents respectively

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be. The term “Subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

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 and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200205249E)

Directors

Tan Sri Nathan Elumalay, *Executive Chairman and Group Managing Director*
Tan Kia Teck Thomas, *Executive Director*
Narishnath Nathan, *Non-Executive Non-Independent Director*
Shamila Nathan, *Non-Executive Non-Independent Director*
Lee Kim Huat, *Independent Director*
Tay Beng Chai, *Independent Director*
S Sunthara Moorthy S Subramaniam, *Alternate Director to Shamila Nathan*

Registered Office

8 Wilkie Road #03-01
Wilkie Edge
Singapore 228095

14 April 2016

To: The Shareholders of Technics Oil & Gas Limited

Dear Sir/Madam

THE PROPOSED APPOINTMENT OF NEXIA TS AS AUDITORS OF THE COMPANY

1. INTRODUCTION

The Company had, in its announcement dated 22 January 2016, informed that RSM Chio Lim LLP does not wish to seek re-appointment as Auditors of the Company at the annual general meeting of the Company (“**AGM**”) held on 29 January 2016. At the AGM held on 29 January 2016 (“**2016 AGM**”), it was noted that RSM Chio Lim LLP had retired as Auditors.

On 22 January 2016, the Company announced that it was withdrawing resolution 5 from the notice of the 2016 AGM in relation to the appointment of Messrs Ernst & Young LLP as the new Auditors. Messrs Ernst & Young LLP had declined to be appointed due to, among others, the issuance of the qualified audit opinion on the financial position of the Group as at 30 September 2015 by RSM Chio Lim LLP, the Company’s previous auditors.

The Company proposes that Nexia TS be appointed as the Auditors for FY2016 at the forthcoming extraordinary general meeting to be convened for the Proposed Appointment of Auditors (“**EGM**”).

The Directors propose to seek Shareholders’ approval at the forthcoming EGM to be held on 29 April 2016 in relation to the Proposed Appointment of Auditors.

The purpose of this Circular is to provide Shareholders with relevant information relating to and to explain the rationale for the Proposed Appointment of Auditors.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

LETTER TO SHAREHOLDERS

2. THE PROPOSED APPOINTMENT OF AUDITORS

2.1 Background and Rationale

RSM Chio Lim LLP (“**RSM Chio Lim**”), the Company’s previous auditors who did not seek re-appointment and retired at the 2016 AGM, had been appointed since 2002. RSM Chio Lim was re-appointed as the auditors of the Company at the last AGM held on 30 January 2015 to hold office until the conclusion of the 2016 AGM. The Directors are of the view that it would be timely to effect a change of auditors. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional firm and thus, further enhance the value of the audit. As such, the Company has approached reputable audit firms in Singapore to propose for the audit of the Group for the financial year ending 30 September 2016.

After evaluating the adequacy of the resources and experience of Nexia TS, the audit engagement partner to be assigned to the audit, the audit firm’s other audit engagements and the number and experience of supervisory and professional staff to be assigned to the audit of the Company, services and fees, and the commitment of Nexia TS, the Directors, with the concurrence of the audit committee of the Company (“**Audit Committee**”), are of the view that Nexia TS should be appointed based on the above factors, and thus recommend that Nexia TS be appointed as the Auditors.

Nexia TS had, on 3 March 2016, provided the Company its consent to act as Auditors for FY2016. The appointment of Nexia TS as Auditors will take effect upon the approval of the same by Shareholders at the EGM, at a remuneration to be determined by the Directors. Upon appointment, Nexia TS will hold office until the conclusion of the next AGM of the Company.

2.2 Information on Nexia TS

About Nexia TS

Nexia TS is associated with Smith & Williamson, and both Nexia TS and Smith & Williamson are independent member firms of Nexia International. Nexia International is a leading global network of independent accounting and consulting firms with a worldwide turnover in excess of USD3.1 billion, with substantial representation in the major financial centres of the world, which are supported by some 24,000 professional staff and over 570 offices in more than 110 countries globally. Smith & Williamson is a leading financial services firm and one of the top 10 largest firms of accounts in the United Kingdom (“**UK**”), with 12 offices in the UK, Ireland and Jersey, and has 1,500 staff. Its services include investment management, accountancy, tax, corporate and financial advisory.

Nexia TS (formerly practicing as Nexia Tan & Sitoh) was founded in 1993 by 2 Chartered Accountants, namely Mr Henry SK Tan and Mr Sitoh Yih Pin. Nexia TS is registered with the Accounting and Corporate Regulatory Authority and has 19 directors and about 180 professionals offering auditing, accounting, advisory and taxation services. Nexia TS has offices in Singapore, Malaysia, Myanmar and Shanghai, People’s Republic of China, and is amongst the top 10 largest accounting firms in Singapore. It serves listed and non-listed companies in various areas of work.

About the Audit Engagement Partner

The engagement director in charge will be Mr. Philip Tan Jing Choon. Mr. Philip is a practising member of the Institute of Singapore Chartered Accountants (ISCA) and a public accountant registered with ACRA. He has more than 20 years of professional experience in providing audit and assurance services to a variety of clients involved in construction and real estate development, property management, shipping, manufacturing, transportation, plantation, trading and retail.

Mr. Philip started his audit career in Pricewaterhouse/Pricewatercoopers in Malaysia before joining PricewaterhouseCoopers Singapore as an Audit Manager in 2006. Mr. Philip left PricewaterhouseCoopers Singapore as an Audit Senior Manager, specialising on Reporting Accountants role, to join Nexia TS in November 2011.

LETTER TO SHAREHOLDERS

His past and present clients include locally listed companies in Malaysia and Singapore as well as American, Japanese, European and UK based multinational companies. He is also the head of Nexia TS Capital Markets Group covering initial public offerings (“IPO”), reverse takeovers and other capital market transactions. He is currently the engagement director for 4 companies listed on the Official List of the SGX-ST.

For more information on Nexia TS, please visit www.nexiats.com.sg.

2.3 Requirements pursuant to Rules 712 and 715 of the Listing Manual

Nexia TS is an established firm in Singapore registered with the Accounting and Corporate Regulatory Authority of Singapore. The Directors, having considered various factors including, *inter alia*, the fee structure, the size and complexity of the Group, the adequacy of resources of Nexia TS, their experiences and audit engagements, the number and expertise of the supervisory and professional staff to be assigned to the audit of the financial statements of the Group and Nexia TS proposed audit requirements of the Group, are of the opinion that Nexia TS will be able to meet the audit requirements of the Group and that Rule 712 of the Listing Manual has been complied with.

Following Shareholders’ approval of the Proposed Appointment of Auditors, the Company will also appoint Nexia TS to audit all its Singapore-incorporated subsidiaries.

In view of the above, the Directors confirm that Rule 715 of the Listing Manual has been complied with.

2.4 Audit Committee’s Statement

The Audit Committee has reviewed the Proposed Appointment of Auditors and recommends the appointment of Nexia TS as new Auditors, having satisfied itself of the suitability of Nexia TS to meet the audit requirements of the Group and ensuring compliance with Rules 712 and 715 of the Listing Manual.

2.5 Confirmation from Outgoing Auditors

In accordance with the requirements of Rule 1203(5)(a) of the Listing Manual, RSM Chio Lim have confirmed that except for the qualified opinion and emphasis of matter as contained in the independent auditors’ report to the audited financial statements dated 6 January 2016, they are not aware of any professional reasons by Nexia TS not to accept the appointment as auditors of the Company. The nature and content of the qualified opinion and emphasis of matter contained in the independent auditors’ report to the audited financial statements is annexed hereto as Appendix I.

2.6 Confirmation from the Company

In accordance with the requirements of Rules 1203(5)(b) to 1203(5)(e) of the Listing Manual, the Company confirms that:

- (a) there were no disagreements with RSM Chio Lim on accounting treatments within the last 12 months from the date of this Circular;
- (b) it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders;
- (c) the specific reasons for the Proposed Appointment of Auditors are disclosed in Section 2.1 of this Circular; and
- (d) it has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of Nexia TS as the new auditors of the Company.

LETTER TO SHAREHOLDERS

3. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and/or substantial shareholders of the Company in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% of voting Shares	Number of Shares	% of voting Shares
Directors				
Tan Sri Nathan Elumalay ⁽¹⁾	–	–	68,315,300	29.87
Tan Kia Teck Thomas ⁽²⁾	160,000	0.07	70,000	0.03
Narishnath Nathan	–	–	–	–
Shamila Nathan	–	–	–	–
Lee Kim Huat	–	–	–	–
Tay Beng Chai	–	–	–	–
S Sunthara Moorthy S Subramaniam (<i>Alternate Director to Shamila Nathan</i>)	–	–	–	–
Substantial Shareholders (other than Directors)				
Eversendai Corporation Berhad	68,315,300	29.87	–	–
Ting Yew Sue	24,421,662	10.68	–	–
Lee Tock Kiau	18,324,069	8.01	–	–

Notes:

- (1) Tan Sri Nathan Elumalay holds 71.76% shares in Eversendai Corporation Berhad, and is therefore deemed to be interested in the shares held by Eversendai Corporation Berhad.
- (2) Tan Kia Teck Thomas' deemed interest in 70,000 Shares arises from 70,000 Shares held by spouse, Tan Chwee Peng.

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 14 of this Circular, will be held at 72 Loyang Way, Singapore 508762, on Friday, 29 April 2016 at 12:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modification the Ordinary Resolution set out in the Notice of EGM.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

- (a) Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- (b) 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 EGM.

LETTER TO SHAREHOLDERS

6. DIRECTORS' RECOMMENDATION

Having fully considered, *inter alia*, the rationale set out in paragraph 2.1 of this Circular, the recommendation of the Audit Committee, and the terms thereof as set out in this Circular, the Directors are of the opinion that the Proposed Appointment of Auditors are in the best interests of the Company and they recommend that Shareholders vote in favour of the Ordinary Resolution as set out in the Notice of EGM.

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 Appointment of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2015;
- (c) the letter of withdrawal of consent to act as Auditors from RSM Chio Lim dated 7 January 2016;
- (d) the professional clearance letter issued by RSM Chio Lim to Nexia TS dated 2 March 2016; and
- (e) the consent to act as auditors of the Company from Nexia TS dated 3 March 2016.

Yours faithfully
For and on behalf of the Board of Directors
Technics Oil & Gas Limited

Tan Sri Nathan Elumalay
Executive Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECHNICS OIL & GAS LIMITED (REGISTRATION NO:200205249E)

Report on the financial statements

We have audited the accompanying financial statements of Technics Oil & Gas Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 September 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Interests in associates

- (a) The company's investment in Norr Offshore Group Limited ("NOGL"), a foreign associate accounted for by the equity method, is carried at \$298,000 on the consolidated statement of financial position as at 30 September 2015, and the company's share of the NOGL's net loss after tax is included in the consolidated statement of income for the reporting year then ended.
- (b) As at end of the reporting year, there were trade and other receivables owing by associates, NOGL and Norr Systems Hydraulics Pte Ltd ("NSHPL") as follows:

	Group 2015	Company 2015
	\$'000	\$'000
<u>Trade and other receivables:</u>		
NOGL	1,490	1,052
NSHPL	13,086	–
	14,576	1,052

APPENDIX I

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECHNICS OIL & GAS LIMITED (REGISTRATION NO:200205249E)

(c) Contingent liability

	Group 2015 \$'000	Company 2015 \$'000
Financial guarantee provided by the Company in respect of financial liabilities of NOGL	458	458

As more fully disclosed in Note 41, the associates' financial information which were audited by other auditors have been subject to audit qualifications as follows:

- (i) Adverse opinion for NOGL
- (ii) Qualified opinion regarding adequacy of provision for losses on NSHPL's work in progress inventories

Accordingly, we are unable to satisfy ourselves as to the extent of the ultimate realisability of the investments in associates and the above receivables and the crystallisation of the above contingent liability. We are also unable to ascertain the accuracy of the share of net assets of associates recorded at the end of the reporting year and results for the reporting year ended 30 September 2015 accounted for under the equity method as per FRS 28 Investment in Associates and Joint Ventures.

Qualified Opinion

In our opinion, except for the possible effects of the matters referred to in the Basis for Qualified Opinion paragraphs, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the company as at 30 September 2015 and of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the reporting year ended on that date.

Emphasis of Matter

We draw attention to Note 2B to the financial statements with respect to allowance for doubtful trade accounts and net realisable value of balance on construction contract costs. As at end of the reporting year, included in trade receivables, accrued revenue and balance on construction contract costs are amounts of \$1,518,000, \$7,506,000 and \$1,351,000 respectively owing by and recoverable from a third party customer. The total allowance for impairment loss made in respect of these balances was \$8,822,000. No further allowance for impairment loss was made in relation to the remaining balance of \$1,553,000. Management considered the financial health of and near-term business outlook for the third party. Management is of the view that the balance is recoverable taking into consideration the profitability and financial position of the customer based on its latest audited financial statements for the reporting year ended 31 December 2014. The future outcome may be uncertain and adjustments may be required in future to increase or reduce the provision. Our opinion is not further qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, subject to the above matters, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

6 January 2016

Partner-in-charge of audit: Teo Cheow Tong
Effective from year ended 30 September 2014

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

41. Other matters

As disclosed in note 14, the Company has equity interests in associates, Norr Group Offshore Limited (“NOGL”) and two of its subsidiaries, Norr System Pte Ltd (“NSPL”) and Norr System Hydraulics Pte Ltd. (“NSHPL”), whose financial statements were audited by auditors other than RSM Chio Lim LLP.

- (i) The independent auditors of NOGL has issued an adverse audit opinion on the special purpose financial information of NOGL for the financial year ended 30 September 2015 which have been prepared for the purpose of the preparation of the Group’s consolidated financial statements, as follows:

“Basis for Adverse Opinion for NOGL

The special purpose financial information has been prepared on a going concern basis by management. As at September 30, 2015, the Company’s current liabilities exceeded its current assets by S\$1,883,993 and the Company has incurred a net loss of S\$6,265,329 during the year ended September 30, 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. In addition, we understand that management has plans to liquidate the Company. Consequently, the use of the going concern assumption to prepare the special purpose financial information is not appropriate.

As at date of this report, no assessment of impairment was performed by the management for the Company’s cost of investments in subsidiaries amounting to S\$10,638,298 as this will be eliminated on consolidation. We have not been able to perform any work in respect of this matter.”

- (ii) The independent auditors of NSHPL has issued an adverse audit opinion on the special purpose financial information of NSHPL for the financial year ended 30 September 2015 which have been prepared for the purpose of the preparation of the Group’s consolidated financial statements, as follows:

“Basis for Qualified Opinion for NSHPL

The Company’s work in progress inventory as at September 30, 2015 of S\$12,580,661 constitutes actual cost incurred of S\$14,268,406 less provision for net realisable value (“NRV”) of S\$1,687,725 for a project with an original contract sum of S\$21,104,800 (US\$17,020,000). Subsequent to the end of the reporting period, this project was terminated with the contract customer due to the customer’s inability to continue with the project. We understand from management that the Company plans to resell the completed project at a 20% reduction from the original contract sum to another third party who has issued a letter of interest to enquire on the offer based on the reduced contract sum of S\$16,238,101 (US\$13,616,000). On that basis, the Company recorded a provision for net realisable value of S\$1,687,725 for cost incurred that is not expected to be recovered and a provision for foreseeable loss of S\$490,654 for expected future losses arising from the reduction in the contract sum. Subsequent to the recording of the mentioned provision, the Company entered into a sales contract with the third party for a contract sum of S\$14,297,000 (US\$10,000,000), subject to satisfaction of certain terms and conditions. Arising from this, there is a [further] shortfall in the provision for net realisable value by S\$1,503,891 and provision for [further] foreseeable losses by S\$437,210 which have not been adjusted in the accompanying special purpose financial information by the Company as at the date of this report.”

- (iii) The auditors’ report of associate, Norr Systems Pte. Ltd. (“NSPL”) was not subject to any audit qualification, but it includes an emphasis of matter on the uncertainty of its ability to operate as a going concern.

NOTICE OF EXTRAORDINARY GENERAL MEETING

TECHNICS OIL & GAS LIMITED

(Company Registration Number: 200205249E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of **Technics Oil & Gas Limited** (the “Company”) will be held at 72 Loyang Way, Singapore 508762 on Friday, 29 April 2016 at 12:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolution as set out below:

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 14 April 2016 to shareholders of the Company.

ORDINARY RESOLUTION

THE PROPOSED APPOINTMENT OF AUDITORS

That Nexia TS Public Accounting Corporation be and is hereby appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a fee to be agreed between the Directors and Nexia TS Public Accounting Corporation.

By Order of the Board
Technics Oil & Gas Limited

Tan Sri Nathan Elumalay
Executive Chairman
14 April 2016

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company (“EGM”) may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder.
- (3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 not later than 48 hours before the time appointed for the holding of the EGM.
- (4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member and its proxy(ies) or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express 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, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. You and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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TECHNICS OIL & GAS LIMITED

(Company Registration Number: 200205249E)
(Incorporated in the Republic of Singapore)

Important:

1. For investors who have used their CPF monies to buy the Shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name) NRIC/Passport number* _____ of _____ (Address)

being a shareholder/shareholders* of Technics Oil & Gas Limited (the “**Company**”) hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting (the “**EGM**”) of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at 72 Loyang Way, Singapore 508762 on Friday, 29 April 2016 at 12:00 p.m., 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 resolution as set out in the Notice of EGM. 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 matter arising at the EGM)

Ordinary Resolution	Number of Votes For**	Number of Votes Against**
The Proposed Appointment of Auditors		

* Delete accordingly

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

Dated this _____ day of _____ 2016

Total Number of Shares Held

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

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 (as defined in Section 81SF of SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 not less than 48 hours before the time appointed for the EGM.
5. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. 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 shareholder, 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.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy 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 member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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 member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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