

EXTRAORDINARY GENERAL MEETING ON 27 SEPTEMBER 2019

Unless otherwise specified, all capitalised terms shall bear the same meaning ascribed to them in the announcement dated 6 September 2019.

The Provisional Liquidators wish to produce below information prepared by the Company's management (immediately prior to the Company being placed under provisional liquidation) in relation to the upcoming Extraordinary General Meeting ("**EGM**") to be convened on 27 September 2019 at 2.00 p.m. at 10 Anson Road, #34-08 International Plaza, Singapore 079903.

"Rationale"

The Directors had on 28 August 2019 made a Statutory Declaration of the Company's inability to continue business by reason of its liabilities. This was foreshadowed by the latest report from the Independent Auditors indicating *inter alia* the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business, as announced in July 2019.

While the Directors were actively exploring various options to sustain the Company and were in the midst of raising funds, these efforts were not carried to fruition as potential investors declined further investment, given the trading suspension activated on 29 July 2019.

As at 31 March 2019, the Group was loss-making, had limited cash, and the Group's and the Company's current liabilities exceeded its current assets by RMB 16,957,000 and RMB 5,012,000.

As at 28 August 2019, being the date on which the Directors made the Statutory Declaration of the Company's inability to continue business by reason of its liabilities, the Company is left with limited cash of approximately SGD 45,785. The Company's liabilities is estimated to be in the region of SGD 1.2 million, far exceeding its realisable assets of approximately SGD 291,000.

It is considering the circumstances as described above and in the earlier announcements of 30 August 2019 up to 12 September 2019 that the Board made a pragmatic assessment and resolved that the Company be placed under provisional liquidation, pending a proposed creditors' voluntary liquidation of the Company ("**Proposed Creditors' Voluntary Liquidation**").

The Board is of the view that a liquidation will allow an orderly and fair distribution of the Company's remaining assets to creditors ("**Creditors**") and shareholders ("**Shareholders**") of the Company, to the extent that there are surplus assets.

Commencement and Effect of the Proposed Creditors' Voluntary Liquidation

The Proposed Creditors' Voluntary Liquidation will be conducted in accordance with the Companies Act. This is subject to the approval of Shareholders by way of the Special Resolutions set out in the notice of EGM dated 6 September 2019 ("**Notice of EGM**") and the approval of the Creditors in a meeting to be convened on the same date. These Special Resolutions shall require the approval of not less than 75% of the Shares held by Shareholders who are present and voting, in person or by proxy, at the EGM.

Pursuant to the Companies Act, the Proposed Creditors' Voluntary Liquidation is deemed to commence when the Statutory Declaration was lodged with the Official Receiver and the Accounting and Corporate

Regulatory Authority (“ACRA”). The Company shall then cease to carry on business (except as required in the opinion of the liquidator(s) of the Company for its beneficial winding up), but the corporate state and corporate powers of the Company shall continue until it is dissolved. On the appointment of the liquidator(s), all the powers of the directors shall cease.

After the commencement of the winding up, any transfer of shares which are not made to or with the sanction of the liquidator(s) of the Company and any alteration in the status of the Shareholders shall be void.

Shareholders should note that the requirements under Listing Rules 1307 and 1309 for *inter alia* a general meeting to be convened for a delisting of an issuer, accompanied by an exit offer, do not apply in a situation of a voluntary liquidation. In the event of a delisting of the Company, Shareholders will be holding shares in an unlisted public company. While the Company would continue to be subject to the Companies Act and the Singapore Code on Takeovers and Mergers, the Company would no longer be subject to the rules of the Listing Manual.

Indicative Timeline and Process

The liquidator(s) of the Company would, after the EGM, be undertaking the liquidation process which involves mainly the realisation of assets, calling for proof of debts from creditors and the adjudication of claims. If surplus assets remain following the payment of the fees and expenses of the Proposed Creditors’ Voluntary Liquidation and payment of all Creditor claims, the liquidator(s) will return the surplus assets, if any, to the Shareholders.

The liquidator(s) must draw up accounts and show how the winding up has been conducted, including how the Company property has been disposed of. A general meeting of the Company will then be convened by the liquidator. The liquidator must then lodge with ACRA and the Official Receiver, a return stating that the meeting has been held and attaching a copy of the account. On the expiration of 3 months after the lodging of the form with the Registrar, the Company will be dissolved.

Action to be taken by Shareholders

Shareholders have been invited to attend the EGM scheduled for 27 September 2019, the notice of which had been announced on 6 September 2019. **Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form enclosed in the announcement of 6 September 2019 in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Provisional Liquidators at Deloitte & Touche LLP, 6 Shenton Way OUE Downtown 2 #33-00 Singapore 068809 not later than 48 hours before the time fixed for the EGM.**

No separate circular is proposed to be prepared and issued to Shareholders as the relevant information had been or can be made available via announcements, and considering also the extremely limited cash holdings of the Group which the Board considers should be preserved pending the Proposed Creditors’ Voluntary Liquidation.

Shareholders are advised to read this announcement and all earlier announcements carefully and in its entirety, and to consult their legal, financial, tax or other professional adviser should they require advice in relation to any of the contents therein.”

Submitted by the Provisional Liquidators

For and On Behalf of the Company

Tan Wei Cheong
Deloitte & Touche LLP

The foregoing information, insofar that it relates to the state of affairs of the Company prior to the appointment of the Provisional Liquidators, has been prepared by or under the direction of the Board. The Provisional Liquidators are not privy to the state of affairs of the Company prior to their appointment and have not independently verified the contents of this announcement. The Provisional Liquidators assumes no responsibility for the contents of this announcement relating to the affairs of the Company prior to their appointment, including the correctness of any of the statements or opinions made by the Board or the Company prior to their appointment or reports of the Company contained (if any) in this announcement.