

CIRCULAR DATED 8 APRIL 2015

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

If you are in any doubt as to the contents of this Circular or the course of 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 issued share capital of Trek 2000 International Ltd (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**") has provided its in-principle approval on the listing and quotation of the shares arising from the Trek 2000 International Ltd Share Option Scheme 2011 (the "**Scheme**"). The approval of the SGX-ST shall not be taken as an indication of the merits of the Scheme. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this Circular.



CIRCULAR TO SHAREHOLDERS

in relation to

- 1. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE;**
- 2. THE PROPOSED PARTICIPATION OF TAN BOON SIONG AND TAN JOON YONG WAYNE, ASSOCIATES OF A CONTROLLING SHAREHOLDER, IN THE TREK 2000 INTERNATIONAL LTD SHARE OPTION SCHEME 2011; AND**
- 3. THE PROPOSED GRANT OF OPTIONS TO HENN TAN, TAN BOON TAT, TAN BOON SIONG AND TAN JOON YONG WAYNE UNDER THE TREK 2000 INTERNATIONAL LTD SHARE OPTION SCHEME 2011.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	22 April 2015 at 10.15 a.m.
Date and time of Extraordinary General Meeting	:	24 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Annual General Meeting	:	30 Loyang Way #07-13/14/15, Loyang Industrial Estate, Singapore 508769

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DEFINITIONS

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

- “2014 Circular”** : The Company’s circular to Shareholders dated 4 April 2014, issued in connection with the 2014 EGM
- “2014 EGM”** : The Extraordinary General Meeting of the Company convened on 23 April 2014
- “2015 EGM” or “EGM”** : The Extraordinary General Meeting of the Company to be convened on 24 April 2015, notice of which is given on page 32 of this Circular
- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The Annual General Meeting of the Company
- “Approval Date”** : The date of the forthcoming EGM at which the proposed renewal of the Share Buy-Back Mandate is approved
- “Articles”** : The articles of association of the Company
- “Associate”** : (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 other company which is its subsidiary or holding company or is a subsidiary of 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
- “Average Closing Price”** : Has the meaning ascribed to it in Section 2.3(d) of this Circular
- “CDP”** : The Central Depository (Pte) Limited
- “Cloud Stringers”** : Cloud Stringers (S) Pte Ltd
- “Code”** : The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
- “Committee”** : A committee comprising the Directors for the time being duly authorised and appointed by the Board of Directors to administer the Scheme

DEFINITIONS

“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Trek 2000 International Ltd
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury Shares in the Company (unless otherwise determined by the SGX-ST) or who in fact exercises control over the Company
“Date of Grant”	:	The date on which an Option is granted pursuant to the Scheme
“Directors”	:	The directors of the Company as at the date of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ending or ended 31 December
“Group”	:	The Company and its subsidiaries
“Group Director”	:	A director of the Group
“Group Executive”	:	Any employee of the Group holding office of the rank of “Assistant Manager” (or equivalent rank) and above (including any Group Director who performs an executive function)
“Henn Tan”	:	Henry Tan @ Henn Tan
“Latest Practicable Date”	:	31 March 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3(d) of this Circular
“Memorandum”	:	The memorandum of association of the Company
“NTA”	:	Net tangible assets
“On-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3(c) of this Circular
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3(c) of this Circular
“Options”	:	The option to subscribe for Shares to be granted pursuant to the Scheme
“Option Period”	:	(i) in the case of Options granted to Group Executives, a period commencing after the first anniversary of the Date of Grant but before the tenth anniversary of such Date of Grant; and

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- (ii) in the case of Options granted to Group Directors who do not hold executive functions in the Group, a period commencing after the first anniversary of the Date of Grant but before the fifth anniversary of such Date of Grant
- and in all cases, subject always to such vesting schedule (if any) stipulated by the Committee pursuant to Rule 8(a) of the Scheme, and any other conditions as may be introduced by the Committee from time to time, in its absolute discretion
- “Participant”** : Any person eligible and selected by the Committee to participate in the Scheme
- “Record Date”** : The date on which, at the close of business, Shareholders must be registered with the Company or CDP in order to participate in any dividends, rights, allotments or other distributions
- “Scheme”** : The Trek 2000 International Ltd Share Option Scheme 2011 adopted by the Company on 21 April 2011, as may be modified or altered from time to time
- “Scheme Shares”** : Shares issued under the Scheme
- “Scheme Limit”** : The maximum number of Scheme Shares over which the Committee may grant Options to Participants under the Scheme as set out in Rule 3 of the Scheme (including any Shares which may be issued pursuant to adjustments, if any, under Rule 12 of the Scheme)
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “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 relevant provisions of the Companies 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-Backs
- “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
- “SIC”** : Securities Industry Council of Singapore
- “Subscription Price”** : Has the meaning ascribed to it in the rules of the Scheme
- “Substantial Shareholder”** : A person who has an interest of not less than 5% of the issued voting shares of the Company
- “S\$” and “cents”** : Singapore dollars and cents, respectively

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“ Trek Technology ”		Trek Technology (Singapore) Pte Ltd
“ US\$ ” and “ cents ”	:	United States dollars and cents, respectively
“ % ” or “ per cent. ”	:	Per centum or percentage

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

US\$1.00	:	S\$1.3038
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The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

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

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

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

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

As at the Latest Practicable Date, the total number of issued Shares of the Company is 298,116,925 Shares (including 1,000,000 treasury Shares).

LETTER TO SHAREHOLDERS

TREK 2000 INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199905744N)

Directors

Henn Tan (*Chairman, Chief Executive Officer and Executive Director*)
Gurcharan Singh (*Chief Financial Officer and Executive Director*)
Poo Teng Pin (*Chief Engineering Officer and Executive Director*)
Noel Hon Chia Chun (*Independent, Non-Executive Director*)
Heng Hang Song Francis (*Independent, Non-Executive Director*)
Khor Peng Soon (*Independent, Non-Executive Director*)
Ng Chong Khim (*Independent, Non-Executive Director*)

Registered Office

30 Loyang Way
#07-13/14/15
Loyang Industrial
Estate
Singapore 508769

8 April 2015

To: The Shareholders of Trek 2000 International Ltd

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 24 April 2015 to seek Shareholders' approval for:

- (a) the proposed renewal of the Share Buy-Back Mandate;
- (b) the proposed participation of Tan Boon Siong and Tan Joon Yong Wayne, Associates of a Controlling Shareholder, in the Scheme; and
- (c) the proposed grant of Options to Henn Tan, Tan Boon Tat, Tan Boon Siong and Tan Joon Yong Wayne under the Scheme.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the proposals to be tabled at the 2015 EGM.

2. PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

The Company's existing Share Buy-Back Mandate was approved by Shareholders at the 2014 EGM. The rationale for the authority and limitations on, and the financial effects of the Share Buy-Back Mandate were set out in the 2014 Circular.

The Share Buy-Back Mandate was expressed to take effect from the date of passing of the Ordinary Resolution approving it at the 2014 EGM and will expire on the date of the forthcoming AGM to be held on 24 April 2015. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy-Back Mandate at the 2015 EGM to be held as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on 24 April 2015.

The Directors propose that the Share Buy-Back Mandate be renewed at the 2015 EGM to continue to authorise the Company to undertake buy-backs of its Shares. The Share Buy-Back Mandate is set out in the Ordinary Resolution contained in the Notice of EGM accompanying this Circular.

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2.2 Rationale

The renewal of the Share Buy-Back Mandate authorising the Company to purchase its Shares would give the Company the flexibility to undertake Share Buy-Backs up to the 10% limit described in Section 2.3 below at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

The rationale for the Company to undertake Share Buy-Backs is as follows:

- (a) A Share Buy-Back is one of the ways in which the return on equity of the Company may be improved, thereby enhancing Shareholders' value. Depending on market conditions, the Share Buy-Back Mandate may lead to an enhancement of the EPS and the NTA per Share of the Company;
- (b) The Share Buy-Back Mandate will facilitate the Company's return to Shareholders of surplus cash (if any) which is in excess of the financial needs of the Group in an expedient and cost-effective manner. This will enable the Company to have greater flexibility over its share capital structure and dividend policy;
- (c) The Directors are of the view that Share Buy-Backs by the Company may help to mitigate short-term market volatility in the price of the Shares, off-set the effects of short-term speculation and bolster the confidence of investors and Shareholders in the Company; and
- (d) A share repurchase programme will allow management to effectively manage and minimise the dilution impact (if any) associated with employee share schemes.

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

2.3 Authority and Limits

The authority and limitations placed on Share Buy-Backs by the Company pursuant to the Share Buy-Back Mandate, if renewed at the forthcoming 2015 EGM, are the same as previously approved by Shareholders at the 2014 EGM and are summarised below:

(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 by the Company pursuant to the renewed Share Buy-Back Mandate is limited to that number of Shares representing not more than **10%** of the total number of issued Shares as at the Approval Date (excluding any treasury Shares which may be held by the Company from time to time).

For illustrative purposes only, on the basis of 297,116,925 Shares in issue (excluding any treasury Shares held by the Company) as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are purchased by the Company on or prior to the EGM, not more than 29,711,692 Shares (representing 10% of the Shares in issue as at that date) may be purchased by the Company pursuant to the renewed Share Buy-Back Mandate.

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

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(b) Duration of authority

Share Buy-Backs may be made, at any time and from time to time, by the Company on and from the Approval Date, up to the earliest of:

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

(c) Manner of Share Buy-Backs

Share Buy-Backs may be made by way of:

- (i) an on-market purchase (“**On-Market Purchase**”) transacted by the Company through the trading system of the SGX-ST or on another securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (otherwise than on a securities exchange), effected in accordance with an “equal access scheme” as defined in Section 76C of the Companies Act (“**Off-Market Purchase**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Companies Act and/or other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies 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 of Shares shall be made to every person who holds Shares, to purchase the same percentage of their 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 shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase, it is required to issue an offer document to all Shareholders containing 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;

LETTER TO SHAREHOLDERS

- (iv) the consequences, if any, of Share Buy-Backs by the Company that will arise under the Code or other applicable takeover rules;
 - (v) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buy-Backs made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury Shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for a Share in the event of any Share Buy-Back shall be determined by the Directors. However, the purchase price to be paid for the Shares must not exceed:

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

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) consecutive Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Shares which are purchased by the Company shall, unless held as treasury Shares in accordance with the Companies Act, be deemed to be cancelled immediately on purchase, and all rights and privileges attached to those Shares will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased by the Company and which are not held as treasury Shares.

2.5 Treasury Shares

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

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(a) Maximum holdings

The number of Shares held as treasury Shares cannot at any time exceed 10% of the total number of issued Shares (excluding treasury Shares).

(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 Companies 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 of the Company's assets may be made, to the Company in respect of treasury Shares. However, an allotment of shares as fully paid bonus shares in respect of the treasury Shares is allowed. A subdivision or consolidation of any treasury Share into treasury Shares of a smaller amount is also 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 Code):

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

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury Shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury Shares comprised in the usage, the number of treasury Shares before and after the usage, the percentage of the number of treasury Shares comprised in the usage against the total number of issued Shares (of the same class as the treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the treasury Shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company may only apply funds for the Share Buy-Backs as provided in the Articles and in accordance with the applicable laws in Singapore.

Under the Companies Act, any purchase of the Shares may be made out of the Company's capital and/or distributable profits which are available for payment as dividends, so long as the Company is solvent.

The Company may use internal sources of funds and/or external borrowings to finance any Share Buy-Back pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the renewed Share Buy-Back Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

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2.7 Financial Effects

The financial effects of a Share Buy-Back on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased out of profits and/or capital of the Company, the number of Shares purchased, the price paid for such Shares and whether the Shares purchased are held in treasury or cancelled.

The financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 are based on the assumptions set out below:

(a) Purchase out of profits and/or capital

Under the Companies Act, Share Buy-Backs by the Company may be made out of the Company's profits and/or capital, so long as the Company is solvent.

Where the consideration paid by the Company for the Share Buy-Back is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duty and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the Share Buy-Back is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased.

Where the Share Buy-Back is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased and the prices at which the Shares are purchased.

(b) Number of Shares purchased

For illustrative purposes only, on the basis of 297,116,925 issued Shares as at the Latest Practicable Date (out of which 1,000,000 Shares were held in treasury as at that date), and assuming no further Shares are issued or repurchased on or prior to the EGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares (excluding the 1,000,000 treasury Shares) would result in the purchase of 29,711,692 Shares.

(c) Maximum price to be paid for Shares purchased

On-Market Purchase

For illustrative purposes only, in the case of an On-Market Purchase by the Company and assuming that the Company purchases 29,711,692 Shares at the Maximum Price of S\$0.356 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 29,711,692 Shares (excluding related expenses) is approximately S\$10,577,363 (US\$8,112,719).

Off-Market Purchase

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases 29,711,692 Shares at the Maximum Price of S\$0.407 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 29,711,692 Shares (excluding related expenses) is approximately S\$12,092,658 (US\$9,274,934).

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(d) Illustrative Financial Effects

For illustrative purposes only, and based on the assumptions set out above, the financial effects of the Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 as if the renewed Share Buy-Back Mandate had been effective on 1 January 2014 are as follows:

(i) **On-Market Purchases made entirely out of capital and cancelled**

	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
As at 31 December 2014	US\$	US\$	US\$	US\$
Shareholders' Funds, less non-controlling interests	42,942,675	34,829,956	38,688,432	30,575,713
NTA	31,713,460	23,600,741	34,188,563	26,075,844
Current Assets	57,582,703	49,469,984	19,807,841	11,695,123
Current Liabilities	37,081,565	37,081,565	481,336	481,336
Working Capital	20,501,138	12,388,419	19,326,505	11,213,787
Total Borrowings	(8,027,553)	(8,027,553)	-	-
Net profit/(loss)	2,545,405	2,545,405	(1,141,926)	(1,141,926)
Number of Treasury Shares	1,000,000	1,000,000	1,000,000	1,000,000
Number of Ordinary Shares	297,116,925	268,305,233	297,116,925	268,305,233
Financial Ratios				
NTA per Share (cents)	0.1064	0.0876	0.1147	0.0968
Gearing (%)	(18.694)	(23.048)	0.000	0.000
Current Ratio (times)	1.55	1.33	41.15	24.30
EPS (cents)	0.8538	0.9452	(0.3830)	(0.4240)

(ii) **On-Market Purchases made entirely out of capital and held as treasury Shares**

	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
As at 31 December 2014	US\$	US\$	US\$	US\$
Shareholders' Funds, less non-controlling interests	42,942,675	34,802,652	38,688,432	30,548,409
NTA	31,713,460	23,573,437	34,188,563	26,048,540
Current Assets	57,582,703	49,442,680	19,807,841	11,667,818
Current Liabilities	37,081,565	37,081,565	481,336	481,336
Working Capital	20,501,138	12,361,115	19,326,505	11,186,482
Total Borrowings	(8,027,553)	(8,027,553)	-	-
Net profit/(loss)	2,545,405	2,545,405	(1,141,926)	(1,141,926)
Number of Treasury Shares	1,000,000	30,811,693	1,000,000	30,811,693
Number of Ordinary Shares	297,116,925	268,305,233	297,116,925	268,305,233

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	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
	US\$	US\$	US\$	US\$
As at 31 December 2014				
Financial Ratios				
NTA per Share (cents)	0.1064	0.0788	0.1147	0.0871
Gearing (%)	(18.694)	(23.066)	0.000	0.000
Current Ratio (times)	1.55	1.33	41.15	24.24
EPS (cents)	0.8538	0.8510	(0.3830)	(0.3818)

(iii) Off-Market Purchases made entirely out of capital and cancelled

	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
	US\$	US\$	US\$	US\$
As at 31 December 2014				
Shareholders' Funds, less non-controlling interests	42,942,675	33,667,741	38,688,432	29,413,498
NTA	31,713,460	22,438,526	34,188,563	24,913,629
Current Assets	57,582,703	48,307,769	19,807,841	10,532,908
Current Liabilities	37,081,565	37,081,565	481,336	481,336
Working Capital	20,501,138	11,226,204	19,326,505	10,051,572
Total Borrowings	(8,027,553)	(8,027,553)	-	-
Net profit/(loss)	2,545,405	2,545,405	(1,141,926)	(1,141,926)
Number of Treasury Shares	1,000,000	1,000,000	1,000,000	1,000,000
Number of Ordinary Shares	297,116,925	268,305,233	297,116,925	268,305,233
Financial Ratios				
NTA per Share (cents)	0.1064	0.0833	0.1147	0.0925
Gearing (%)	(18.694)	(23.843)	0.000	0.000
Current Ratio (times)	1.55	1.30	41.15	21.88
EPS (cents)	0.8538	0.9452	(0.3830)	(0.4240)

(iv) Off-Market Purchases made entirely out of capital and held as treasury Shares

	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
	US\$	US\$	US\$	US\$
As at 31 December 2014				
Shareholders' Funds, less non-controlling interests	42,942,675	33,636,525	38,688,432	29,382,282
NTA	31,713,460	22,407,310	34,188,563	24,882,413
Current Assets	57,582,703	48,276,553	19,807,841	10,501,691
Current Liabilities	37,081,565	37,081,565	481,336	481,336
Working Capital	20,501,138	11,194,988	19,326,505	10,020,355
Total Borrowings	(8,027,553)	(8,027,553)	-	-

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	GROUP		COMPANY	
	Before the Share Buy- Back	After the Share Buy- Back	Before the Share Buy- Back	After the Share Buy- Back
As at 31 December 2014	US\$	US\$	US\$	US\$
Net profit/(loss)	2,545,405	2,545,405	(1,141,926)	(1,141,926)
Number of Treasury Shares	1,000,000	30,811,692	1,000,000	30,811,692
Number of Ordinary Shares	297,116,925	268,305,233	297,116,925	268,305,233
Financial Ratios				
NTA per Share (cents)	0.1064	0.0749	0.1147	0.0832
Gearing (%)	(18.694)	(23.866)	0.000	0.000
Current Ratio (times)	1.55	1.30	41.15	21.82
EPS (cents)	0.8538	0.8510	(0.3830)	(0.3818)

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited FY2014 numbers and is not necessarily representative of the future financial performance of the Group or the Company.

Although the renewed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares (excluding treasury Shares), the Company may not necessarily buy back or be able to buy back the entire 10% of the total number of its issued Shares (excluding treasury Shares), or buy back or be able to buy back up to the maximum number of its issued Shares that it can hold in treasury as illustrated above. The Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as treasury Shares, at its discretion.

The Directors will be prudent in exercising the renewed Share Buy-Back Mandate in the best interests of the Company and Shareholders and do not propose to exercise the mandate to such an extent that it will have a material adverse impact on the financial position of the Group or the Company. Share Buy-Backs will only be effected after assessing the relative impact of a Share Buy-Back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and the performance of the Shares).

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications arising from a Share Buy-Back by the Company, or who may be subject to tax in their respective jurisdictions, should consult their own professional advisers.

2.9 Reporting requirements

(a) Notification to ACRA

Within 30 days of the passing of a Shareholders' resolution to approve any Share Buy-Back, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a Share Buy-Back on the SGX-ST or otherwise. Such notification in the form as may be prescribed by ACRA shall include details of the date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled or held as treasury Shares, the Company's issued share capital before and after the purchase, the Company's issued share capital after the Share Buy-Back, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company, and such other information as may be prescribed from time to time.

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(b) Notification to the SGX-ST

The Listing Manual specifies that a listed company shall report all purchases of its shares to the SGX-ST no later than 9.00 a.m. (i) in the case of an On-Market Purchase, on the Market Day following the day of purchase of any of its shares, and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer.

Such an announcement (which must be in the form prescribed in the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

2.10 No Share Buy-Backs during Price Sensitive Developments

The Listing Manual does not expressly prohibit any purchase of its own shares by a listed company during any particular time(s). However, as the Company would be regarded as an “insider” in relation to any proposed purchase of its Shares, the Company will not engage in any Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly 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-Backs pursuant to the renewed Share Buy-Back Mandate during the period of one (1) month immediately before the announcement of the Company’s full-year results and the period of two (2) weeks immediately before the announcement of the Company’s results for each of the first three quarters of the financial year, as the case may be, and ending on the date of announcement of the relevant results.

2.11 Listing status of the Company’s securities

The Listing Manual requires a listed company to ensure that at least 10% of the equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

The “public”, as defined in the Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, 109,577,601 Shares, representing approximately 36.88% of the total number of issued Shares (excluding treasury Shares), are in the hands of the public.

Assuming that the Company purchases its Shares up to the maximum 10% limit pursuant to the renewed Share Buy-Back Mandate from the public and the Shares bought back are cancelled, the resultant percentage of Shares held in the hands of the public would be reduced to approximately 29.87%. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by the public which would permit the Company to undertake Share Buy-Backs up to the full 10% limit pursuant to the renewed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

In undertaking any Share Buy-Backs, the Directors will use their best efforts to ensure that the Company does not effect a Share Buy-Back which would result in the number of Shares remaining in the hands of the public falling to such a level as to (i) cause market illiquidity, (ii) adversely affect the orderly trading of the Shares, or (iii) adversely affect the listing status of the Shares on the SGX-ST.

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2.12 Previous Share Buy-Backs

Following the approval of the existing Share Buy-Back Mandate at the 2014 EGM on 23 April 2014, the Company has not made any Share Buy-Backs in the 12 months preceding the date of this Circular.

3. TAKEOVER IMPLICATIONS UNDER THE CODE

3.1 Provisions under the Code

(a) Obligation to Make a Take-over Offer

Under Appendix 2 of the Code, any increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him as a result of any Share Buy-Back will be treated as an acquisition for the purposes of Rule 14 of the Code.

Pursuant to Rule 14 of the Code, a Shareholder and persons acting in concert with him will incur an obligation to make a mandatory take-over offer for the Company 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 six (6) months.

Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or a group of Shareholders acting in concert could, in certain circumstances, obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Code.

(b) Persons Acting In Concert

Under the 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 under the Code:

- (i) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, companies of which such companies are associated companies and 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, all with each other. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first mentioned company;
- (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); and
- (iii) the following persons and entities:
 - (1) an individual;
 - (2) the close relatives of (1);
 - (3) the related trusts of (1);

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- (4) any person who is accustomed to act in accordance with the instructions of (1);
- (5) any companies controlled by any of (1), (2), (3) or (4); and
- (6) 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.

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 Code after a Share Buy-Back by the Company are set out in Appendix 2 of the Code.

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

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 (“**Take-over Obligation**”) if, as a result of the Company purchasing 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 (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury Shares shall be excluded.

Under Appendix 2, a Shareholder who is not acting in concert with the Directors, will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its 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 (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

As at the Latest Practicable Date, based on the substantial shareholding notifications received by the Company and save as set out in Section 3.2 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Code as a result of a Share Buy-Back by the Company up to the maximum limit of 10% of its issued Shares (excluding treasury Shares) as at the Latest Practicable Date.

3.2 Application of the Code

(a) Exemption under Appendix 2 of the Code for Henn Tan and parties acting in concert with him

On 7 March 2007, the SIC ruled that the presumption under the Code that Tan Boon Siong, Charlie Tan and Johnny Tan are acting in concert with Henn Tan in relation to the Company is not rebutted.

As at the Latest Practicable Date, our Director, namely Henn Tan, has a direct interest in 100,035,591 Shares, representing approximately 33.67% of the issued Shares (excluding any treasury Shares), and is deemed interested in 820,000 Shares, representing approximately 0.28% of the issued Shares (excluding any treasury Shares).

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Henn Tan and his concert parties (collectively, the “Henn Tan Group”) are as follows:

Director	Concert Parties
Henn Tan	(i) Ang Poh Tee (Henn Tan’s wife) (ii) Tan Joon Yong Wayne (Henn Tan’s son) (iii) Tan Boon Siong (Henn Tan’s brother) (iv) Tan Boon Tat (Henn Tan’s brother) (v) Charlie Tan (Henn Tan’s brother) (vi) Johnny Tan (Henn Tan’s brother) (vii) Tan Boon Liew (Henn Tan’s brother)

As at the Latest Practicable Date, assuming that the Company exercises the renewed Share Buy-Back Mandate in full, the shareholdings of the Henn Tan Group before and after the assumed repurchase of 29,711,692 Shares by the Company are as follows:

	Before Repurchase		After Repurchase	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽²⁾
Henn Tan	100,035,591	33.67	100,035,591	37.41
Ang Poh Tee	820,000	0.28	820,000	0.31
Tan Joon Yong Wayne	4,371,176	1.47	4,371,176	1.63
Tan Boon Tat	-	-	-	-
Tan Boon Siong	1,150,448	0.39	1,150,448	0.43
Charlie Tan	200,000	0.07	200,000	0.07
Johnny Tan	7,250	0.002	7,250	0.003
Tan Boon Liew	50,000	0.02	50,000	0.02
Total	106,634,465	35.89	106,634,465	39.88

Notes:

- (1) Based on a total issued share capital of 297,116,925 Shares (excluding 1,000,000 treasury Shares) as at the Latest Practicable Date.
- (2) Based on a total issued share capital of 267,405,233 Shares (excluding 1,000,000 treasury Shares), on the assumption that the Company has undertaken Share Buy-Backs up to the maximum limit of 10% of the total number of issued Shares (excluding treasury Shares), and that the 29,711,692 Shares bought back are cancelled (i.e. 297,116,925 Shares less 29,711,692 Shares bought back and cancelled)

As shown above, in the event that the Company should, pursuant to the renewed Share Buy-Back Mandate, purchase up to 10% of its issued Shares, the voting rights of the Henn Tan Group in the Company, would increase by 3.99% from a total of 35.89% to a total of 39.88% (on the assumption that there is no change in the number of Shares held by each of the parties concerned). Thus, under the Code, each of the members of the Henn Tan Group will become obliged under the Code to make an offer under Rule 14 of the Code, unless exempted under Section 3(a) of Appendix 2 of the Code.

(b) Conditions for exemption from having to make a general offer under Rule 14 of the Code

Pursuant to Appendix 2 of the Code, members from the Henn Tan Group will be exempted from the requirement to make a general offer for the Company pursuant to Rule 14 of the Code in the event that the Henn Tan Group’s aggregate percentage of voting rights in the Company increases by more than 1% in any 6-month period as a result of the Company buying back its Shares pursuant to the Share Buy-Back Mandate, subject to the following conditions:

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- (i) the circular to shareholders on the resolution to approve the Share Buy-Back Mandate contains advice to the effect that by voting for the Share Buy-Back Mandate, shareholders are waiving their rights to a general offer at the required price from members of the Henn Tan Group as a result of the Company buying back its shares, would increase their voting rights by more than 1% in any six-month period; the names of members of the Henn Tan Group and their voting rights at the time of the resolution and after the renewed share buy-back under the Share Buy-Back Mandate are to be disclosed in the same circular;
- (ii) the resolution to authorise the Share Buy-Back Mandate is approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buy-back under the Share Buy-Back Mandate;
- (iii) the members of the Henn Tan Group to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the Share Buy-Back Mandate;
- (iv) within seven (7) days after the passing of the resolution to authorise the Share Buy-Back Mandate, Henn Tan to submit to the SIC a duly signed form as prescribed by the SIC; and
- (v) the members of the Henn Tan Group not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposed share buy-back under the Share Buy-Back Mandate is imminent and the earlier of:
 - (1) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (2) the date on which the Company announces it has bought back such number of shares as authorised by the Share Buy-Back Mandate or it has decided to cease buying back its shares, as the case may be,

if such acquisitions, taken together with those purchased by the Company under the Share Buy-Back Mandate, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

If the Company has ceased to buy back its Shares and the increase in the aggregate voting rights held by members of the Henn Tan Group as a result of the Share Buy-Back is less than 1%, members of the Henn Tan Group may acquire further voting rights in the Company. However, any increase in their percentage voting rights in the Company as a result of the Company buying back its Shares under the Share Buy-Back Mandate will be taken into account together with any voting rights acquired by members of the Henn Tan Group (by whatever means) in determining whether members of the Henn Tan Group have increased their aggregate voting rights in the Company by more than 1% in any six-month period.

It should be noted that approving the renewed Share Buy-Back Mandate will constitute a waiver by the Shareholders in respect of their rights to a general offer by the Henn Tan Group, at the required price, if a Share Buy-Back by the Company results in an increase in their voting rights by more than 1% in any six-month period.

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

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(c) Submission of Form 2 to the SIC

Form 2 (submission by directors and their concert parties pursuant to Appendix 2 of the Code) 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 (please refer to condition (iv) of Section 3.2(b) above) from the requirement to make a take-over offer under Rule 14 of the Code as a result of the Share Buy-Back Mandate.

As at the Latest Practicable Date, Henn Tan has informed the Company that he will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution approving the Share Buy-Back Mandate.

4. PROPOSED PARTICIPATION OF TAN BOON SIONG AND TAN JOON YONG WAYNE, ASSOCIATES OF A CONTROLLING SHAREHOLDER, IN THE SCHEME

4.1 Introduction

As at the Latest Practicable Date:

- (a) Tan Boon Siong has a direct interest in 1,150,448 Shares; and
- (b) Tan Joon Yong Wayne has a direct interest in 4,371,176 Shares.

Pursuant to Rule 853 of the Listing Manual, the participation of each of Tan Boon Siong and Tan Joon Yong Wayne in the Scheme has to be approved by independent Shareholders in a general meeting.

4.2 Rationale for participation by Tan Boon Siong and Tan Joon Yong Wayne, Associates of a Controlling Shareholder, in the Scheme

Tan Boon Siong

Tan Boon Siong is the brother of Henn Tan, and is an executive director of Trek Technology, a subsidiary of the Company, since 1989. Tan Boon Siong is responsible for formulating and implementing sales and marketing strategies for the materials and equipment produced by the Interactive Consumer Solutions and Customised Solutions sub-divisions of the Group.

Tan Boon Siong has played an important role in spearheading the sales and marketing efforts of the Group. He continues to provide invaluable support by supervising and managing business development plans of Trek Technology.

Tan Joon Yong Wayne

Tan Joon Yong Wayne is the son of Henn Tan, and is the founder, a shareholder and a director of Cloud Stringers, a subsidiary of the Company, since 2012.

The Company believes that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, and it is in the Company's interests to ensure that incentives are given to instil a sense of commitment, and motivate deserving employees to contribute further towards the Group's future progress and development.

The Company believes that the skill sets and experiences of both Tan Boon Siong and Tan Joon Yong Wayne add to the diversity and expertise of the Group, and are of the view that including Tan Boon Siong and Tan Joon Yong Wayne in the Scheme will give due recognition for their respective services and contributions to the growth and development of the Company and the Group, and further motivate them to contribute towards the success of the Group.

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5. PROPOSED GRANT OF OPTIONS TO CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES UNDER THE SCHEME

5.1 Summary of the Scheme

The Scheme was approved and adopted at the Company's Extraordinary General Meeting held on 21 April 2011.

The following is a summary of the rules of the Scheme:

(a) Administration

The Scheme shall be administered by the Committee with such discretion, powers and duties as are conferred on it by the Board of Directors. A member of the Committee shall not be involved in the deliberations of the Committee in respect of the grant of Options to him.

(b) Eligibility

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (i) all confirmed Group Executives who are not less than 21 years old and are holding office of the rank of "Assistant Manager" (or equivalent rank) and above; and
- (ii) all Group Directors.

Persons who are Controlling Shareholders or their Associates shall not participate in the Scheme unless:

- (i) clear justifications have been provided to Shareholders for their participation and the actual number and terms of any Options to be granted to them;
- (ii) their participation and the actual number of and terms of any Option to be granted to them have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such individual; and
- (iii) all conditions for their participation in the Scheme as may be required by the regulation of the SGX-ST from time to time are satisfied.

(c) Limitations on the Size of the Scheme and Maximum Limits on Options

Pursuant to Rule 845 of the Listing Manual, the aggregate number of Scheme Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Scheme, shall not exceed 15% of the issued share capital (excluding treasury Shares) of the Company on the day preceding that date.

The total number of Scheme Shares to be offered to Controlling Shareholders and their Associates shall also not during the entire operation of the Scheme exceed 25% of the Scheme Limit and the total number of Scheme Shares to be offered to each Participant who is a Controlling Shareholder or his Associate shall not during the entire operation of the Scheme exceed 10% of the Scheme Limit.

(d) Exercise of Options and Subscription Price

An Option may be exercisable, in whole or in part, during the Option period applicable to it, in accordance with the vesting schedule (if any) and any other conditions that the Committee may, in its absolute discretion specify in the letter of offer.

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Subject to any adjustments pursuant to Rule 12 of the Scheme, the Subscription Price for each Scheme Share shall be the average of the last dealt prices of the Shares for the five (5) consecutive market days immediately preceding the Date of Grant.

Subject to any adjustments pursuant to Rule 12 of the Scheme, the Subscription Price for each Scheme Share granted to a Controlling Shareholder and their Associates shall be the average of the last dealt prices of the Shares for the five (5) consecutive market days immediately preceding the latest practicable date prior to the printing of the Circular to Shareholders seeking approval of the grant.

(e) Acceptance of Options

The grant of an Option to a Participant shall be accepted by the Participant within 30 days from the Date of Grant by completing, signing and returning the form of acceptance, accompanied by payment of S\$1.00 as consideration. The Participant may accept or refuse the whole and not part of the offer. If a grant of an Option is not so accepted, such offer shall upon the expiry of the 30 day period automatically lapse and shall be null and void.

(f) Rights of Shares

The Scheme Shares shall be subject to all the provisions of the Articles, and shall rank in full for all entitlements including dividends or other distributions declared or recommended in respect of the then existing issued Shares, the Record Date for which is on or after the date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other Shares then in issue.

5.2 Proposed grant of Options to Henn Tan

At the Extraordinary General Meeting of the Company convened on 19 April 2013, Shareholders approved the participation of Henn Tan, a Controlling Shareholder, in the Scheme.

Henn Tan is Chairman and Chief Executive Officer of the Company. He founded the Group in 1995 and was instrumental in its growth and development. He has over 28 years of experience in the electronics industry and is responsible for the Group's overall management, policy-making, strategic direction and corporate development.

Under Henn Tan's effective direction, the Group had been recording a steady growth in revenue over the years and has remained profitable. In view of the above, the Company considers the continued contributions and participation of Henn Tan in the general management and strategic expansion of the Company to be vital in ensuring the future growth and expansion of the Company's business. The Company also considers Henn Tan's current remuneration to be inadequate considering the length of his services with the Group and his responsibilities and should be supplemented by the grant of Options to him.

For the financial year ended 31 December 2014, Henn Tan received remuneration within the band from S\$250,000 to S\$500,000, as remuneration for his services as Chairman and Chief Executive Officer. The remuneration includes fixed salary, performance-based bonuses and benefits-in-kind.

The Committee does not have a fixed formula for determining Henn Tan's participation in the Scheme and the number of Options that he is entitled to. However, the Committee has taken into deliberation, factors including his performance, scope of responsibilities and contribution, his years of service, his existing remuneration and the financial performance of the Group. The Options to be granted are intended to form part of the remuneration package of Henn Tan and the Remuneration Committee is of the view that the remuneration package (including the proposed grant of Options) of Henn Tan is fair given his contributions to the Company and that the proposed 12-month period for granting the Options will (i) allow the Remuneration Committee sufficient time to assess the performance of Henn Tan over FY2015; and (ii) give the Remuneration Committee the flexibility of a staggered grant which will also serve to enhance his long-term commitment to the Company.

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The total number of new Shares over which the Committee may grant Options on any date pursuant to the Scheme and which are available to Henn Tan will be subject to the limits described in Section 5.1(c) above. The Company confirms it has complied with such limits in respect of all Options granted to-date to Henn Tan.

For the reasons set out above and subject to the approval of the independent Shareholders, it is proposed that approval be given to the Committee to grant Options to Henn Tan on the following terms:

Proposed date of grant of Options : Anytime within one (1) year from the date of the EGM (or the earlier of the Options for a maximum of 1,700,000 Shares being granted in full to Henn Tan by the Committee)

Number of Shares comprised in the proposed Options : Up to a maximum of 1,700,000 Shares (representing approximately 3.81% of the 44,567,538 Shares available under the Scheme as at the Latest Practicable Date).

As at the Latest Practicable Date, Options for 4,010,000 Shares have been granted to Henn Tan, of which Options for 2,720,000 Shares are subsisting and exercisable.

Exercise price per Share : At the Subscription Price of the Shares as described in Section 5.1(d) above, which is S\$0.338 (assuming that no adjustments are required to be made pursuant to Rule 12 of the Scheme)

Exercise period : Exercisable at any time after the first anniversary of the Date of the Grant and up to the tenth anniversary of the Date of the Grant

Should the proposed grant of Options to Henn Tan be approved by independent Shareholders and assuming that the Options are granted by the Committee and Henn Tan exercises in full these Options and other subsisting Options held by him, Henn Tan's shareholding interest in the Company, both direct and deemed, will increase from 100,855,591 Shares to 105,275,591 Shares.

Based on the number of 297,116,925 issued Shares (excluding 1,000,000 treasury Shares) as at the Latest Practicable Date and assuming there is no change in the share capital of the Company save for the Shares to be issued pursuant to the exercise in full by Henn Tan of the proposed and subsisting Options, Henn Tan's shareholding interest in the Company, both direct and deemed, will increase from 33.94% to 34.91% (based on the enlarged issued share capital).

Please refer to Section 6 below for details on Henn Tan's shareholdings in the Company.

5.3 Proposed grant of Options to Tan Boon Tat

At the Extraordinary General Meeting of the Company convened on 19 April 2013, Shareholders approved the participation of Tan Boon Tat, an Associate of a Controlling Shareholder, in the Scheme.

Tan Boon Tat is the brother of Henn Tan and is an executive director of Trek Technology, a wholly owned subsidiary of the Company, where he is responsible for the inventory management, operations, warehousing and logistics of Trek Technology as well as the provision of general management services. He has also been the Store Manager of the Company since 1995, and is responsible for overseeing the proper distribution of inventory for the Group and ensuring that goods and materials are delivered to the Group's customers in a timely and proper manner so as to prevent inventory from collecting in the Group's warehouse, thereby using up unnecessary space and hindering the Group's cash flow.

LETTER TO SHAREHOLDERS

In view of the above, the Company considers the continued contributions and participation of Tan Boon Tat in the operations of Trek Technology and the Company to be invaluable in ensuring the future growth and expansion of Trek Technology and for the Company's business to continue its smooth operations. The Company also considers Tan Boon Tat's current remuneration to be inadequate considering the length of his services with the Group and his responsibilities and should be supplemented by the grant of Options to him.

For the financial year ended 31 December 2014, Tan Boon Tat received remuneration of less than S\$100,000, as remuneration for his services as executive director of Trek Technology and Store Manager of the Company. The remuneration includes fixed salary, performance-based bonuses and benefits-in-kind.

The Committee does not have a fixed formula for determining Tan Boon Tat's participation in the Scheme and the number of Options that he is entitled to. However, the Committee has taken into deliberation, factors including his performance, scope of responsibilities and contribution, his years of service, his existing remuneration and the financial performance of the Group. The Options to be granted are intended to form part of the remuneration package of Tan Boon Tat and the Remuneration Committee is of the view that the remuneration package (including the proposed grant of Options) of Tan Boon Tat is fair given his contributions to the Company and that the proposed 12-month period for granting the Options will (i) allow the Remuneration Committee sufficient time to assess the performance of Tan Boon Tat over FY2015; and (ii) give the Remuneration Committee the flexibility of a staggered grant which will also serve to enhance his long-term commitment to the Company.

The total number of new Shares over which the Committee may grant Options pursuant to the Scheme and which are available to Tan Boon Tat will be subject to the limits described in Section 5.1(c) above. The Company confirms it has complied with such limits in respect of all Options granted to-date to Tan Boon Tat.

For the reasons set out above and subject to the approval of the independent Shareholders, it is proposed that approval be given to the Committee to grant Options to Tan Boon Tat on the following terms:

- | | | |
|---|---|---|
| Proposed date of grant of Options | : | Anytime within one (1) year from the date of the EGM (or the earlier of the Options for a maximum of 600,000 Shares being granted in full to Tan Boon Tat by the Committee) |
| Number of Shares comprised in the proposed Options | : | Up to a maximum of 600,000 Shares (representing approximately 1.35% of the 44,567,538 Shares available under the Scheme as at the Latest Practicable Date).

As at the Latest Practicable Date, Options for 1,146,250 Shares have been granted to Tan Boon Tat, of which Options for 800,000 Shares are subsisting and exercisable. |
| Exercise price per Share | : | At the Subscription Price of the Shares as described in Section 5.1(d) above, which is S\$0.338 (assuming that no adjustments are required to be made pursuant to Rule 12 of the Scheme) |
| Exercise period | : | Exercisable at any time after the first anniversary of the Date of the Grant and up to the tenth anniversary of the Date of the Grant |

LETTER TO SHAREHOLDERS

Should the proposed grant of Options to Tan Boon Tat be approved by independent Shareholders and assuming that the Options are granted by the Committee and Tan Boon Tat exercises in full these Options and other subsisting Options held by him, Tan Boon Tat's shareholding interest in the Company, both direct and deemed, will increase from nil to 1,400,000 Shares.

Based on the number of 297,116,925 issued Shares (excluding 1,000,000 treasury Shares) as at the Latest Practicable Date and assuming there is no change in the share capital of the Company save for the Shares to be issued pursuant to the exercise in full by Tan Boon Tat of the proposed and subsisting Options, Tan Boon Tat's shareholding interest in the Company, both direct and deemed, will increase from nil to 0.47% (based on the enlarged issued share capital).

5.4 Proposed grant of Options to Tan Boon Siong

Subject to independent Shareholders' approval being obtained at the 2015 EGM in relation to Tan Boon Siong's participation in the Scheme, it is proposed that approval be given to the Committee to grant Options to Tan Boon Siong.

Tan Boon Siong is the brother of Henn Tan, and is an executive director of Trek Technology, a subsidiary of the Company, since 1989. Tan Boon Siong is responsible for formulating and implementing sales and marketing strategies for the materials and equipment produced by the Interactive Consumer Solutions and Customised Solutions sub-divisions of the Group.

Tan Boon Siong has played an important role in spearheading the sales and marketing efforts of the Group. He continues to provide invaluable support by supervising and managing business development plans of Trek Technology.

In view of the above, the Company considers the continued contributions and participation of Tan Boon Siong in the sales and marketing aspect of the Group to be invaluable for the Company's future growth and expansion. The Company also considers Tan Boon Siong's current remuneration to be inadequate considering the length of his services with the Group and his responsibilities and should be supplemented by the grant of Options to him.

For the financial year ended 31 December 2014, Tan Boon Siong received remuneration of less than S\$100,000, as remuneration for his services as executive director of Trek Technology. The remuneration includes fixed salary, performance-based bonuses and benefits-in-kind.

The Committee does not have a fixed formula for determining Tan Boon Siong's participation in the Scheme and the number of Options that he is entitled to. However, the Committee has taken into deliberation, factors including his performance, scope of responsibilities and contribution, his years of service, his existing remuneration and the financial performance of the Group. The Options to be granted are intended to form part of the remuneration package of Tan Boon Siong and the Remuneration Committee is of the view that the remuneration package (including the proposed grant of Options) of Tan Boon Siong is fair given his contributions to the Company and that the proposed 12-month period for granting the Options will (i) allow the Remuneration Committee sufficient time to assess the performance of Tan Boon Siong over FY2015; and (ii) give the Remuneration Committee the flexibility of a staggered grant which will also serve to enhance his long-term commitment to the Company.

The total number of new Shares over which the Committee may grant Options pursuant to the Scheme and which are available to Tan Boon Siong will be subject to the limits described in Section 5.1(c) above.

For the reasons set out above and subject to the approval of the independent Shareholders, it is proposed that approval be given to the Committee to grant Options to Tan Boon Siong on the following terms:

LETTER TO SHAREHOLDERS

- Proposed date of grant of Options** : Anytime within one (1) year from the date of the EGM (or the earlier of the Options for a maximum of 600,000 Shares being granted in full to Tan Boon Siong by the Committee)
- Number of Shares comprised in the proposed Options** : Up to a maximum of 600,000 Shares (representing approximately 1.35% of the 44,567,538 Shares available under the Scheme as at the Latest Practicable Date).
- As at the Latest Practicable Date, the Company has not granted any Options to Tan Boon Siong.
- Exercise price per Share** : At the Subscription Price of the Shares as described in Section 5.1(d) above, which is S\$0.338 (assuming that no adjustments are required to be made pursuant to Rule 12 of the Scheme)
- Exercise period** : Exercisable at any time after the first anniversary of the Date of the Grant and up to the tenth anniversary of the Date of the Grant

Should the proposed grant of Options to Tan Boon Siong be approved by independent Shareholders and assuming that the Options are granted by the Committee and Tan Boon Siong exercises in full these Options, Tan Boon Siong's shareholding interest in the Company, both direct and deemed, will increase from 1,150,448 Shares to 1,750,448 Shares.

Based on the number of 297,116,925 issued Shares (excluding 1,000,000 treasury Shares) as at the Latest Practicable Date and assuming there is no change in the share capital of the Company save for the Shares to be issued pursuant to the exercise in full by Tan Boon Siong of the proposed, Tan Boon Siong's shareholding interest in the Company, both direct and deemed, will increase from 0.38% to 0.58% (based on the enlarged issued share capital).

5.5 Proposed grant of Options to Tan Joon Yong Wayne

Subject to independent Shareholders' approval being obtained at the 2015 EGM in relation to Tan Joon Yong Wayne's participation in the Scheme, it is proposed that approval be given to the Committee to grant Options to Tan Joon Yong Wayne.

Tan Joon Yong Wayne is the son of Henn Tan, and is the founder, a shareholder and a director of Cloud Stringers, a subsidiary of the Company, since 2012.

The Company considers the continued contributions and participation of Tan Joon Yong Wayne in the business and operations of the Group to be significant, and is of the view that the grant of Options complements his existing remuneration scheme, and is likely to further motivate him to contribute towards the success of the Group.

For the financial year ended 31 December 2014, Tan Joon Yong Wayne received remuneration of less than S\$100,000, as remuneration for his services as Vice President, Sales and Marketing Manager of Cloud Stringers (S) Pte Ltd. The remuneration includes fixed salary, performance-based bonuses and benefits-in-kind.

The Committee does not have a fixed formula for determining Tan Joon Yong Wayne's participation in the Scheme and the number of Options that he is entitled to. However, the Committee has taken into deliberation, factors including his performance, scope of responsibilities and contribution, his years of service, his existing remuneration and the financial performance of the Group. The Options to be granted are intended to form part of the remuneration package of Tan Joon Yong Wayne and the Remuneration Committee is of the view that the remuneration package (including the proposed grant of Options) of Tan Joon Yong Wayne is fair given his contributions to the Company and that the proposed 12-month period for granting the Options

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will (i) allow the Remuneration Committee sufficient time to assess the performance of Tan Joon Yong Wayne over FY2015; and (ii) give the Remuneration Committee the flexibility of a staggered grant which will also serve to enhance his long-term commitment to the Company.

The total number of new Shares over which the Committee may grant Options pursuant to the Scheme and which are available to Tan Joon Yong Wayne will be subject to the limits described in Section 5.1(c) above.

For the reasons set out above and subject to the approval of the independent Shareholders, it is proposed that approval be given to the Committee to grant Options to Tan Joon Yong Wayne on the following terms:

Proposed date of grant of Options : Anytime within one (1) year from the date of the EGM (or the earlier of the Options for a maximum of 900,000 Shares being granted in full to Tan Joon Yong Wayne by the Committee)

Number of Shares comprised in the proposed Options : Up to a maximum of 900,000 Shares (representing approximately 2.02% of the 44,567,538 Shares available under the Scheme as at the Latest Practicable Date).

As at the Latest Practicable Date, the Company has not granted any Options to Tan Joon Yong Wayne.

Exercise price per Share : At the Subscription Price of the Shares as described in Section 5.1(d) above, which is S\$0.338 (assuming that no adjustments are required to be made pursuant to Rule 12 of the Scheme)

Exercise period : Exercisable at any time after the first anniversary of the Date of the Grant and up to the tenth anniversary of the Date of the Grant

Should the proposed grant of Options to Tan Joon Yong Wayne be approved by independent Shareholders and assuming that the Options are granted by the Committee and Tan Joon Yong Wayne exercises in full these Options, Tan Joon Yong Wayne's shareholding interest in the Company, both direct and deemed, will increase from 4,371,176 Shares to 5,271,176 Shares.

Based on the number of 297,116,925 issued Shares (excluding 1,000,000 treasury Shares) as at the Latest Practicable Date and assuming there is no change in the share capital of the Company save for the Shares to be issued pursuant to the exercise in full by Tan Joon Yong Wayne of the proposed Options, Tan Joon Yong Wayne's shareholding interest in the Company, both direct and deemed, will increase from 1.47% to 1.77% (based on the enlarged issued share capital).

5.6 Cost of granting Options

The Options granted under the Scheme will result in an increase in the Company's issued share capital when the Options are exercised and when the Shares are issued to the holders of the Options, pursuant to the grant of Options. This will in turn depend on, among others, the number of Shares comprised in the Options to be granted, the respective vesting schedules under the Options and the prevailing market price of the Shares on the SGX-ST.

As the exercise price of the Options to be granted are set at the average of the last dealt prices of the Shares for the five (5) consecutive market days immediately preceding the date of grant (or in the case of a grant to a Controlling Shareholder and their Associates, the average of the last dealt prices of the Shares for the five (5) consecutive market days immediately preceding the latest practicable date prior to the printing of the Circular to Shareholders seeking approval of the grant), there is no monetary cost to the Company which will impact the earnings of the Company or result in the dilution of the Company's earnings per Share.

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The effect of the issuance of new Shares upon the exercise of Options is that the Company's NTA per Share will increase if the exercise price is above the NTA per Share, and decrease if the exercise price is below the NTA per Share.

The Singapore Financial Reporting Standards 102 Share-based Payments requires listed companies to measure equity-settled share-based payments at fair value at the date of grant, which is then expensed off on a straight-line basis over the vesting period. This will reduce the Company's profits. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of the Company and its share capital base will grow.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Options
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	
Directors					
Henn Tan ⁽²⁾	100,035,591	33.67	820,000	0.28	2,720,000
Gurcharan Singh	417,500	0.14	-	-	550,000
Poo Teng Pin	65,000	0.02	-	-	745,000
Noel Hon Chia Chun	210,000	0.07	-	-	-
Heng Hang Song Francis	-	-	-	-	60,000
Khor Peng Soon	-	-	-	-	90,000
Ng Chong Khim	-	-	-	-	90,000
Substantial Shareholders					
Toshiba Corporation ⁽³⁾	44,212,359	14.90	8,500,000	2.87	-
CTI II Limited	27,500,000	9.27	-	-	-
Creative Technology Ltd ⁽⁴⁾	-	-	27,500,000	9.27	-
Sim Wong Hoo ⁽⁵⁾	-	-	27,500,000	9.27	-

Notes:

- (1) Based on a total issued share capital of 297,116,925 Shares (excluding treasury Shares) as at the Latest Practicable Date.
- (2) Henn Tan is deemed interested in the 820,000 Shares held by his wife, Ang Poh Tee, by virtue of Section 7 of the Companies Act.
- (3) Toshiba Corporation is deemed interested in the 8,500,000 Shares held by its wholly-owned subsidiary, Toshiba Electronics Asia (Singapore) Pte Ltd.
- (4) Creative Technology Ltd ("CTL") is deemed interested in the 27,500,000 Shares held by its wholly-owned subsidiary, CTI II Limited, by virtue of Section 7 of the Companies Act.
- (5) Sim Wong Hoo owns more than 20% of the issued share capital of CTL and is deemed interested in the 27,500,000 Shares held by CTI II Limited by virtue of Section 7 of the Companies Act.

7. DIRECTORS' RECOMMENDATIONS

7.1 Proposed renewal of the Share Buy-Back Mandate

Save for Henn Tan, who is required to abstain from recommending Shareholders to vote in favour of the proposed Share Buy-Back Mandate (in compliance with paragraph 3(a)(iii) of Appendix 2 of the Code and as reflected in condition (iii) of Section 3.2(b) above), the Directors are of the opinion that the renewal of the Share Buy-Back Mandate is in the best interests of the Company.

LETTER TO SHAREHOLDERS

Accordingly, save for Henn Tan, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution, on a poll taken, relating to the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of EGM.

7.2 Proposed participation of Tan Boon Siong and Tan Joon Yong Wayne, Associates of a Controlling Shareholder, in the Scheme

All of the Directors are eligible to participate in, and are therefore interested in the Scheme. Accordingly, the Directors have abstained from making any recommendation to Shareholders on the Ordinary Resolutions relating to the proposed participation of Tan Boon Siong and Tan Joon Yong Wayne in the Scheme.

7.3 Proposed grant of Options under the Scheme

All of the Directors are eligible to participate in, and are therefore interested in the Scheme. Accordingly, the Directors have abstained from making any recommendation to Shareholders on the Ordinary Resolutions relating to the proposed grant of Options to Henn Tan, Tan Boon Tat, Tan Boon Siong and Tan Joon Yong Wayne under the Scheme.

8. ABSTENTION FROM VOTING

Henn Tan has informed the Company that, save for members of the Henn Tan Group, who are presumed to be acting in concert with him for the purposes of the Code, there are no other parties acting in concert (as defined under the Code) with him for the purpose of the Ordinary Resolution relating to the proposed renewal of the Share Buy-Back Mandate.

In compliance with paragraph 3(a)(iii) of Appendix 2 of the Code (as reflected in condition (iii) of Section 3.2(b) above), Henn Tan will abstain, and will procure that his concert parties (being members of the Henn Tan Group) abstain from voting, whether by representative or proxy, on the Ordinary Resolution relating to the proposed renewal of the Share Buy-Back Mandate. In addition, Henn Tan will not accept, and will procure that members of the Henn Tan Group do not accept, nominations as proxy or otherwise vote at the EGM in respect of the Ordinary Resolution relating to the Share Buy-Back Mandate, unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish for their votes to be cast for the Ordinary Resolution relating to the proposed renewal of the Share Buy-Back Mandate.

Henn Tan, Tan Boon Tat, Tan Boon Siong and Tan Joon Yong Wayne and their Associates shall abstain from voting in respect of the Ordinary Resolutions relating to the proposed participation of Tan Boon Siong and Tan Joon Yong Wayne, Associates of a Controlling Shareholder, in the Scheme and the proposed grant of Options to Henn Tan, Tan Boon Tat, Tan Boon Siong and Tan Joon Yong Wayne under the Scheme. They shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolutions unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of such Ordinary Resolutions.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 32 of this Circular, will be held at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769 on 24 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to 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 reach the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769, not less than 48 hours before the time fixed for the EGM.

LETTER TO SHAREHOLDERS

The completion and lodgement 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. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the EGM.

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relation to the Scheme, in particular, any resolution relating to the grant of Options to Controlling Shareholders and their Associates. Participants of the Scheme shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolutions unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of such Ordinary Resolutions.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the proposed participation of Tan Boon Siong and Tan Joon Yong Wayne, Associates of a Controlling Shareholder, in the Scheme, and the proposed grant of Options under the Scheme, 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769 during normal office hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of the Company;
- (b) the Annual Report of the Company for the financial year ended 31 December 2014; and
- (c) the rules of the Scheme.

Yours faithfully

For and on behalf of
the Board of Directors of
TREK 2000 INTERNATIONAL LTD

Henn Tan
Chairman, Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

TREK 2000 INTERNATIONAL LTD

(Incorporated in Singapore)
(Company Reg. No. 199905744N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of TREK 2000 INTERNATIONAL LTD (the “**Company**”) will be held at 30 Loyang Way #07-13/14/15, Loyang Industrial Estate, Singapore 508769 on 24 April 2015 at 10.15 a.m. (“**EGM**”) (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

RESOLUTION 1 – ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE (on a poll taken)

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) an on-market purchase (“**On-Market Purchase**”) transacted on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
- (ii) an off-market purchase (“**Off-Market Purchase**”) effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

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

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

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

(d) in this Resolution:

“**Maximum Limit**” means 10% of the issued Shares as at the date of the passing of this Ordinary Resolution;

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

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

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

RESOLUTION 2: ORDINARY RESOLUTION

PARTICIPATION OF TAN BOON SIONG IN THE SCHEME

That approval be given for the participation of Tan Boon Siong, an Associate of a Controlling Shareholder, in the Scheme.

RESOLUTION 3: ORDINARY RESOLUTION

PARTICIPATION OF TAN JOON YONG WAYNE IN THE SCHEME

That approval be given for the participation of Tan Joon Yong Wayne, an Associate of a Controlling Shareholder, in the Scheme.

RESOLUTION 4: ORDINARY RESOLUTION

GRANT OF OPTIONS TO HENN TAN UNDER THE SCHEME

That approval be given for Options, exercisable at any time after the first anniversary of the date of the grant and up to the tenth anniversary of the date of the grant, to be granted to Henn Tan in respect of up to a maximum of 1,700,000 Shares pursuant to the Scheme, and that the Board of Directors of the Company be and is hereby authorised to allot and issue the Shares pursuant to the exercise of such Options at the Subscription Price of S\$0.338 per Share.

RESOLUTION 5: ORDINARY RESOLUTION

GRANT OF OPTIONS TO TAN BOON TAT UNDER THE SCHEME

That approval be given for Options, exercisable at any time after the first anniversary of the date of the grant and up to the tenth anniversary of the date of the grant, to be granted to Tan Boon Tat in respect of up to a maximum of 600,000 Shares pursuant to the Scheme, and that the Board of Directors of the Company be and is hereby authorised to allot and issue the Shares pursuant to the exercise of such Options at the Subscription Price of S\$0.338 per Share.

RESOLUTION 6: ORDINARY RESOLUTION

GRANT OF OPTIONS TO TAN BOON SIONG UNDER THE SCHEME

That contingent on the passing of Ordinary Resolution 2, approval be given for Options, exercisable at any time after the first anniversary of the date of the grant and up to the tenth anniversary of the date of the grant, to be granted to Tan Boon Siong in respect of up to a maximum of 600,000 Shares pursuant

NOTICE OF EXTRAORDINARY GENERAL MEETING

to the Scheme, and that the Board of Directors of the Company be and is hereby authorised to allot and issue the Shares pursuant to the exercise of such Options at the Subscription Price of S\$0.338 per Share.

RESOLUTION 7: ORDINARY RESOLUTION

GRANT OF OPTIONS TO TAN JOON YONG WAYNE UNDER THE SCHEME

That contingent on the passing of Ordinary Resolution 3, approval be given for Options, exercisable at any time after the first anniversary of the date of the grant and up to the tenth anniversary of the date of the grant, to be granted to Tan Joon Yong Wayne in respect of up to a maximum of 900,000 Shares pursuant to the Scheme, and that the Board of Directors of the Company be and is hereby authorised to allot and issue the Shares pursuant to the exercise of such Options at the Subscription Price of S\$0.338 per Share.

By Order of the Board

Ng Kwee Lian
Tan Giok Lan
Company Secretaries

8 April 2015

IMPORTANT: PLEASE READ NOTES BELOW

NOTES:

- (1) All capitalised terms used herein which are not defined shall have the same meanings as ascribed to them in the circular dated 8 April 2015 to shareholders of the Company.
- (2) A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (4) If a proxy is to be appointed, the instrument appointing a proxy must be deposited at the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (5) The instrument appointing a proxy must be signed by the appointer 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.
- (6) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

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'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"), and (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.

TREK 2000 INTERNATIONAL LTD

(Company Registration No. 199905744N)
(Incorporated in the Republic of Singapore)

IMPORTANT:

CPF investors

1. For investors who have used their CPF monies to buy shares in the capital of Trek 2000 International Ltd, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as an observer must submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company (Please see Note No. 8 on the reverse side).

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 April 2015.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name) of NRIC/Passport No. _____

of _____ (Address)

being a *member/members of Trek 2000 International Ltd (the "Company"), hereby appoint *Mr/Mrs/Ms:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Extraordinary General Meeting (the "EGM") of the Company as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, join in demanding a poll and to vote on a poll at the EGM, to be held at 30 Loyang Way #07 13/14/15, Loyang Industrial Estate, Singapore 508769 on 24 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day and at the same place), 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 Resolutions	To be used on a show of hands		To be used in the event of a poll	
	For**	Against**	Number of Votes For***	Number of Votes Against***
Ordinary Resolution 1 To approve the proposed renewal of the Share Buy-Back Mandate (on a poll taken)				
Ordinary Resolution 2 To approve the participation of Tan Boon Siong in the Scheme				
Ordinary Resolution 3 To approve the participation of Tan Joon Yong Wayne in the Scheme				
Ordinary Resolution 4 To approve the grant of Options to Henn Tan under the Scheme				
Ordinary Resolution 5 To approve the grant of Options to Tan Boon Tat under the Scheme				
Ordinary Resolution 6 Contingent on the passing of Resolution 2, to approve the grant of Options to Tan Boon Siong under the Scheme				
Ordinary Resolution 7 Contingent on the passing of Resolution 3, to approve the grant of Options to Tan Joon Yong Wayne under the Scheme				

Notes:

* Please delete accordingly.

** Please indicate your vote "For" or "Against" with an "X" within the box provided.

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

Dated this _____ day of _____ 2015.

Total Number of Shares Held in:	
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ NOTES BELOW

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 130A of the Companies Act, Chapter 50 of Singapore), 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 Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument of proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such corporation.
5. The instrument appointing a proxy must be signed by the appointer 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. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 30 Loyang Way #07-13/14/15, Loyang Industrial Estate, Singapore 508769 not less than 48 hours before the time appointed for the EGM.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("**CDP**"), the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by CDP to the Company.
8. Agent Banks acting on the request of the CPF investors who wish to attend the EGM as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Banks, should reach the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769, not less than 48 hours before the time appointed for the EGM.