

**CIRCULAR DATED 12 OCTOBER 2015**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of Avi-Tech Electronics Limited (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying 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 transferee.

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

**The Company was placed on the watch-list of the SGX-ST (the “Watch-list”) on 3 September 2014. Should the Company be unable to meet the requirements of Rule 1314 of the Listing Manual (as defined herein), the SGX-ST may either remove the Company from its Official List, or suspend trading of the Shares (as defined herein) with a view to removing the Company from its Official List.**

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



## **AVI-TECH ELECTRONICS LIMITED**

(Company registration no. 198105976H)  
(Incorporated in the Republic of Singapore)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

**(1) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE; AND**

**(2) THE PROPOSED SHARE CONSOLIDATION**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	25 October 2015 at 11.30 a.m.
Date and time of Extraordinary General Meeting	:	27 October 2015 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same venue)
Place of Extraordinary General Meeting	:	19A Serangoon North Avenue 5 6th floor Singapore 554859



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## TABLE OF CONTENTS

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<b>DEFINITIONS</b> .....	2
<b>LETTER TO SHAREHOLDERS</b> .....	5
<b>1 INTRODUCTION</b> .....	5
<b>2 THE PROPOSED SHARE BUYBACK MANDATE</b> .....	5
<b>3 THE PROPOSED SHARE CONSOLIDATION</b> .....	18
<b>4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS</b> .....	26
<b>5 DIRECTORS' RECOMMENDATION</b> .....	27
<b>6 ABSTENTION FROM VOTING</b> .....	27
<b>7 EXTRAORDINARY GENERAL MEETING</b> .....	27
<b>8 ACTION TO BE TAKEN BY SHAREHOLDERS</b> .....	27
<b>9 DIRECTORS' RESPONSIBILITY STATEMENT</b> .....	28
<b>10 DOCUMENTS FOR INSPECTION</b> .....	28
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	29
<b>PROXY FORM</b>	

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## DEFINITIONS

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

<b>“Act” or “Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Articles”</b>	:	The articles of association of the Company, as amended, modified or supplemented from time to time
<b>“Board”</b>	:	The board of Directors of the Company for the time being
<b>“Books Closure Date”</b>	:	The time and date, to be determined by the Directors, at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
<b>“CDP”</b>	:	Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular dated 12 October 2015
<b>“Company”</b>	:	Avi-Tech Electronics Limited
<b>“Consolidated Shares”</b>	:	Shares in the capital of the Company after completion of the Proposed Share Consolidation
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“Effective Trading Date”</b>	:	The date on which the Shares will trade on the Mainboard of the SGX-ST in board lots of 100 Consolidated Shares
<b>“EGM”</b>	:	The extraordinary general meeting of the Company, notice of which is set out in this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“Existing Shares”</b>	:	Shares in the capital of the Company prior to the Proposed Share Consolidation
<b>“FY”</b>	:	Financial year of the Company ending or ended 30 June, as the case may be
<b>“FY2015 Audited Financial Statements”</b>	:	The audited consolidated financial statements of the Group as at and for the financial year ended 30 June 2015
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Latest Practicable Date”</b>	:	30 September 2015, being the latest practicable date prior to the printing of this Circular

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## DEFINITIONS

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<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“NTA”</b>	:	Net tangible assets
<b>“Options”</b>	:	The 670,000 outstanding options granted by the Company pursuant to the Scheme as at the Latest Practicable Date
<b>“Participant”</b>	:	The holder of an Option
<b>“Proposed Share Consolidation”</b>	:	The proposed consolidation of every two (2) Existing Shares in the capital of the Company held by Shareholders of the Company at the Books Closure Date (including treasury shares) into one (1) Consolidated Share, fractional entitlements to be disregarded
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM set out in this Circular
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Scheme”</b>	:	Avi-Tech Employee Share Option Scheme approved and adopted by the Company on 6 July 2007
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share”</b>	:	An ordinary share in the share capital of the Company and <b>“Shares”</b> shall be construed accordingly
<b>“Share Buyback Mandate”</b>	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
<b>“SIC”</b>	:	Securities Industry Council of Singapore

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## DEFINITIONS

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**“Substantial Shareholder”** : Has the meaning ascribed to it under Section 81 of the Companies Act

**“Take-over Code”** : The Singapore Code on Take-overs and Mergers

### **Currencies and units of measurements**

**“S\$”** : Singapore dollar

**“%” or “per cent.”** : Per centum or percentage

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

The terms, **“subsidiary”** and **“subsidiaries”**, shall have the meanings ascribed to them in the Act.

Words importing the singular number shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender only shall, where applicable, include the feminine and neuter genders. References to person shall 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 Act or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

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

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

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## LETTER TO SHAREHOLDERS

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### AVI-TECH ELECTRONICS LIMITED

(Company registration no.: 198105976H)  
(Incorporated in the Republic of Singapore)

#### Directors

Khor Thiam Beng (Chairman and Independent Director)  
Lim Eng Hong (Chief Executive Officer and Director)  
Goh Chung Meng (Independent Director)  
Michael Grenville Gray (Independent Director)

#### Registered Office

19A Serangoon North Avenue 5  
Singapore 554859

**12 OCTOBER 2015**

To: The Shareholders of Avi-Tech Electronics Limited

Dear Sir/Madam

**(1) THE PROPOSED SHARE BUYBACK MANDATE; AND**

**(2) THE PROPOSED SHARE CONSOLIDATION**

#### **1 INTRODUCTION**

The Directors propose to convene the EGM of the Company to be held on 27 October 2015 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same venue) at 19A Serangoon North Avenue 5, 6th Floor, Singapore 554859 to seek Shareholders' approval for the following proposals:

- (a) the proposed adoption of the Share Buyback Mandate; and
- (b) the Proposed Share Consolidation pursuant to which the Company proposes to consolidate every two (2) Existing Shares as at a Books Closure Date to be determined (including treasury shares) into one (1) Consolidated Share, fractional entitlements to be disregarded (as announced by the Company on 2 September 2015).

The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for, the proposals to be tabled at the EGM.

#### **2 THE PROPOSED SHARE BUYBACK MANDATE**

##### **2.1 Introduction**

The Board is proposing to seek the Shareholders' approval at the EGM for the proposed adoption of the Share Buyback Mandate.

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

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## LETTER TO SHAREHOLDERS

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It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the EGM for the Share Buyback Mandate.

### 2.2 Rationale for the Share Buyback Mandate

The approval of the Share Buyback Mandate will give the Company flexibility to undertake purchases or acquisitions of its own Shares subject to the terms and limits described in section 2.3 of this Circular.

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net tangible asset value per Share. The Directors further believe that share buybacks by the Company will help to mitigate short-term market volatility and offset the effects of short-term speculation (as and when they may occur), and bolster Shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the share purchases via Market Purchases (as defined herein) or Off-market Purchases (as defined herein), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

### 2.3 Terms of the Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

#### 2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the approval of the Share Buyback Mandate (the "**Approval Date**"). Any Shares which are held as treasury shares will be disregarded for the purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 342,422,096 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the Approval Date, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 34,242,210 Shares.



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## LETTER TO SHAREHOLDERS

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Shareholders should note that if Shareholders' approval is obtained at the EGM for the Proposed Share Consolidation (details of which are set out in section 3 of this Circular), every two (2) Existing Shares will be consolidated into one (1) Consolidated Share on a Books Closure Date to be determined by the Directors. Accordingly, there will be a reduction in the number of Shares in issue upon completion of the Proposed Share Consolidation. Although the Share Buyback Mandate authorises a purchase or acquisition of Shares up to ten per cent. (10%) of the total number of issued Shares as at the Approval Date, the Directors do not propose to purchase or acquire more than ten per cent. (10%) of the total number of Consolidated Shares upon completion of the Proposed Share Consolidation.

### 2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the share buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by Shareholders in the next AGM or at an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2.3.3 Manner of purchase or acquisition

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**"), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

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## LETTER TO SHAREHOLDERS

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Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

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

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### **2.3.4 Maximum purchase price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors.

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## LETTER TO SHAREHOLDERS

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

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price of the Shares,

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price 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 Source of Funds for Share Buyback

The Company will use internal resources and/or external borrowings to finance its purchase or acquisition of the Shares. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. The purchase or acquisition of Shares pursuant to the Share Buyback Mandate will only be undertaken if it can benefit the Company, the Group and Shareholders.

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and shareholders’ funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Company and a decline in the current ratios of the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

However, the Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

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## LETTER TO SHAREHOLDERS

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### 2.5 Status of purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company pursuant to the Share Buyback Mandate is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

### 2.6 Treasury shares

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

#### 2.6.1 Maximum holdings

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

#### 2.6.2 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, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

#### 2.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employee's share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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## LETTER TO SHAREHOLDERS

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### 2.7 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate, based on the FY2015 Audited Financial Statements, are based on the assumptions set out below. Such financial effects will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

#### 2.7.1 Purchase or acquisition out of capital or profits

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of retained profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

#### 2.7.2 Number of Shares acquired or purchased

The financial effects set out below are based on the FY2015 Audited Financial Statements and, accordingly, are based on a purchase or acquisition of Shares by the Company of up to a maximum limit of ten per cent. (10%) of the 342,422,096 Shares in issue as at 30 June 2015 (and excluding the 7,978,000 Shares held in treasury as at 30 June 2015).

Purely for illustrative purposes, on the basis of the 342,422,096 Shares in issue as at 30 June 2015 (and excluding the 7,978,000 Shares held in treasury as at 30 June 2015) and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the EGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 34,242,210 Shares (the "**Maximum Number of Shares**").

#### 2.7.3 Maximum price for Shares acquired or purchased

In the case of Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$0.1092 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$3,739,249 (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

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## LETTER TO SHAREHOLDERS

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In the case of Off-Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$0.1092 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$3,739,249 (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

### 2.7.4 Illustrative financial effects

**For illustrative purposes only**, on the basis of the assumptions set out in sections 2.7.2 and 2.7.3 above, and assuming that the Company had on the Latest Practicable Date purchased the Maximum Number of Shares pursuant to the Share Buyback Mandate, the financial effects of:

- (a) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and held as treasury shares; and
- (b) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and cancelled,

on the FY2015 Audited Financial Statements are set out below.

**The illustrations set out below are based on audited historical figures for the financial year ended 30 June 2015 and are purely for illustrative purposes only. Accordingly, such illustrations are not representative or otherwise indicative of future financial performance of the Company and/or the Group.**

Prior to any purchase or acquisition of Shares, the Company will consider financial factors (for instance, cash surplus, debt position and working capital requirements of the Company) and non-financial factors (for instance, market conditions and trading performance of the Shares) in assessing the impact on the Company and the Group of such purchase or acquisition.

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## LETTER TO SHAREHOLDERS

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### (A) PURCHASES MADE OUT OF CAPITAL AND PROFITS AND HELD AS TREASURY SHARES

#### Market/Off-Market Purchases

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
Share capital	31,732	31,732	31,732	31,732
Reserves	12,991	12,991	12,666	12,666
Shareholders' funds	43,790	40,051	43,465	39,726
Net tangible assets	43,790	40,051	43,465	39,726
Current assets	38,298	34,559	38,196	34,457
Current liabilities	6,023	6,023	6,246	6,246
Working capital	32,275	28,536	31,950	28,211
Total borrowings	1,615	1,615	1,615	1,615
Cash and cash equivalents	12,416	8,677	12,071	8,332
Profit after tax and minority interest	6,550	6,550	5,320	5,320
Number of Shares	342,422,096	308,179,886	342,422,096	308,179,886
Treasury shares	7,978,000	42,220,210	7,978,000	42,220,210

#### **Financial Ratios**

NTA per Share (cents)	12.79	13.00	12.69	12.89
Basic earnings per Share (cents)	1.91	2.13	1.55	1.73
Gearing ratio (times)	0.04	0.04	0.04	0.04
Current ratio (times)	6.36	5.74	6.12	5.52

## LETTER TO SHAREHOLDERS

### (B) PURCHASES MADE OUT OF CAPITAL AND PROFITS AND CANCELLED

#### Market/Off-Market Purchases

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
Share capital	31,732	27,993	31,732	27,993
Reserves	12,991	12,991	12,666	12,666
Shareholders' funds	43,790	40,051	43,465	39,726
Net tangible assets	43,790	40,051	43,465	39,726
Current assets	38,298	34,559	38,196	34,457
Current liabilities	6,023	6,023	6,246	6,246
Working capital	32,275	28,536	31,950	28,211
Total borrowings	1,615	1,615	1,615	1,615
Cash and cash equivalents	12,416	8,677	12,071	8,332
Profit after tax and minority interest	6,550	6,550	5,320	5,320
Number of Shares	342,422,096	308,179,886	342,422,096	308,179,886
Treasury shares	7,978,000	7,978,000	7,978,000	7,978,000
<b>Financial Ratios</b>				
NTA per Share (cents)	12.79	13.00	12.69	12.89
Basic earnings per Share (cents)	1.91	2.13	1.55	1.73
Gearing ratio (times)	0.04	0.04	0.04	0.04
Current ratio (times)	6.36	5.74	6.12	5.52

**Shareholders should note that the financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate will authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury) as at the Approval Date, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**



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## LETTER TO SHAREHOLDERS

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### 2.8 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of two weeks and one month immediately preceding the announcement of the Company’s interim results and the annual (full-year) results respectively.

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 65.06% of the issued Shares are held by public Shareholders.

The Company will not carry out any share buyback unless at least ten per cent. (10%) of its listed securities can be maintained in the hands of public Shareholders 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 to affect orderly trading.

### 2.9 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

#### 2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

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## LETTER TO SHAREHOLDERS

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### 2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, 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 will, *inter alia*, be presumed to be acting in concert:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) 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; and
- (b) 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).

The circumstances under which shareholders of a company (including directors of the company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of shares by the company are set out in Appendix 2 of the Take-over Code.

### 2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

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

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## LETTER TO SHAREHOLDERS

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Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

### 2.9.4 Take-over Consequences

In the six-month period preceding the Latest Practicable Date:

- (a) Mr Lim Eng Hong had, on 7 July 2015, purchased 500,200 Shares in the Company, which resulted in an increase of the shareholdings and voting rights of Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy from an aggregate of approximately 32.38% to approximately 32.52%;
- (b) Mr Lim Eng Hong had, on 8 July 2015, purchased 499,800 Shares in the Company, which resulted in an increase of the shareholdings and voting rights of Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy from an aggregate of approximately 32.52% to approximately 32.67%;
- (c) Mr Lim Eng Hong had, on 15 September 2015, purchased 800,000 Shares in the Company, which resulted in an increase of the shareholdings and voting rights of Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy from an aggregate of approximately 32.67% to approximately 32.90%; and
- (d) Mr Lim Eng Hong had, on 16 September 2015, purchased 500,000 Shares in the Company, which resulted in an increase of the shareholdings and voting rights of Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy from an aggregate of approximately 32.90% to approximately 33.05%.

In the event that the Company undertakes Shares purchases or acquisitions of up to ten per cent. (10%) of the issued Shares of the Company as permitted by the Share Buyback Mandate:

- (a) the shareholdings and voting rights of Mr Lim Eng Hong may be increased from approximately 25.34% to approximately 28.16%; and
- (b) the shareholdings and voting rights of Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy may be increased from an aggregate of approximately 33.05% to approximately 36.72%.

Accordingly, the aggregate of their shareholdings and voting rights may thus be increased by more than one per cent. (1%) within a six-month period and Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy and their concert parties may be required to make a mandatory general offer for the

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## LETTER TO SHAREHOLDERS

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Shares under Rule 14 read with Appendix 2 of the Take-over Code. In the event that the voting rights in the Company controlled by Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy and their concert parties increased by more than one per cent. (1%) within a six-month period, Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy and their concert parties will, unless exempted, be required to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code.

As at the Latest Practicable Date, Mr Lim Eng Hong, Mr Lim Tai Meng, Alvin, Ms Lim Wei Ling, Elaine and Mdm Loh Zee Lan, Nancy and their concert parties will not be exempted from the requirements to make an offer under Rule 14 of the Take-over Code.

Save as disclosed herein, based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any other Director and/or Shareholder who may become obligated to make a mandatory offer in the event that share buybacks are undertaken by the Company pursuant to the Share Buyback Mandate. Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are set out in section 4 of this Circular.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.**

### 2.10 Shares purchased by the Company

The Company has not made any share buyback on or in the 12 months preceding the Latest Practicable Date.

## 3 THE PROPOSED SHARE CONSOLIDATION

### 3.1 Introduction

On 2 September 2015, the Company announced that it is proposing to seek Shareholders' approval to undertake the Proposed Share Consolidation pursuant to which the Company proposes to consolidate every two (2) Existing Shares (including treasury shares) into one (1) Consolidated Share as at a Books Closure Date to be determined by the Directors in their absolute discretion as they deem appropriate, fractional entitlements to be disregarded.

Accordingly, subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date. After the Books Closure Date, every two (2) Existing Shares registered in the name, or standing to the credit of the securities account, of each Shareholder or Depositor (as the case may be)

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## LETTER TO SHAREHOLDERS

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as at the Books Closure Date will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

**Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded. Shareholders who hold less than two (2) Existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of two (2) Shares prior to the Books Closure Date.**

With effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of 342,422,096 Existing Shares (excluding 7,978,000 treasury shares). On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, following the completion of the Proposed Share Consolidation, the issued and paid-up share capital of the Company will become 171,211,048 Consolidated Shares (excluding 3,989,000 treasury shares on a post-consolidation basis).

**The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.**

### 3.2 Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.

The SGX-ST has on 2 March 2015 introduced a minimum trading price per share of S\$0.20 (the "MTP") for issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. Issuers will be first assessed for compliance with the MTP requirement 12 months from 2 March 2015 (i.e. 1 March 2016). Issuers that fail to fulfil the MTP requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the Watch-list. The assessment of whether the Company has met

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## LETTER TO SHAREHOLDERS

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the MTP of S\$0.20 will be based on the Company's volume-weighted average price of its shares for the six (6) months preceding the date of review. Issuers placed on the Watch-list on or after 1 March 2016 will have a 36-month period to exit from the Watch-list. Issuers who fail to exit from the Watch-list will be subject to delisting in accordance with the listing rules.

The Proposed Share Consolidation would facilitate the Company's ability to satisfy the MTP requirement. The absolute price of the Shares traded on the SGX-ST has been closing at a low level, with a volume-weighted average price of S\$0.1063 over the six-month period prior to the Company making the announcement on the Proposed Share Consolidation on 2 September 2015. For illustrative purposes only, the theoretical adjusted 6-month volume-weighted average price of the Consolidated Shares after the Proposed Share Consolidation is estimated to be S\$0.2126 per share.

In determining the Proposed Share Consolidation ratio, the Company was mindful of balancing the need to maintain trading liquidity after completion of the Proposed Share Consolidation, while meeting the MTP requirement. The Company is optimistic that the share price would, upon completion of the Proposed Share Consolidation, fulfil the MTP requirement, on the basis that:

- (i) the Company has, on 12 February 2015, announced its return to profitability after a period of losses;
- (ii) the Company has, as announced on 12 May 2015 and 26 August 2015, sustained its profitability and maintained a positive growth outlook; and
- (iii) the Company's balance sheet has remained steady and places the Company in a position to proactively seek new areas of partnership and opportunities to grow its businesses.

**Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 3.3 Conditions for the Proposed Share Consolidation

Pursuant to Article 49 of the Articles, the implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.

On 22 September 2015, the Company had obtained the in-principle approval from the SGX-ST for the listing of and quotation for, *inter alia*, 175,200,048 Consolidated Shares (including 3,989,000 treasury shares on a post-consolidation basis), subject to:

- (a) Shareholders' approval for the Proposed Share Consolidation at the EGM to be convened; and
- (b) compliance with the SGX-ST's listing requirements.

The in-principle approval by the SGX-ST shall not be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company, its subsidiaries and their securities.



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## LETTER TO SHAREHOLDERS

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Assuming that the abovementioned approval of the Shareholders is duly obtained at the EGM, the Directors will fix the Books Closure Date at such date and time as they deem appropriate in the interests of the Company and its Shareholders.

An announcement will be made by the Company to notify Shareholders of the Effective Trading Date as well as the Books Closure Date in due course.

However, Shareholders should note that whilst the Board is seeking Shareholders' approval for the Proposed Share Consolidation, the Directors may decide not to proceed with the Proposed Share Consolidation if the Directors are of the view that, after taking into account all relevant factors, it is not beneficial to the Company and its Shareholders to do so. In such a case, an announcement will be made by the Company to notify Shareholders of the reasons why the Directors have decided not to proceed with the Proposed Share Consolidation.

### 3.4 Updating of Register of Members and Depository Register

If Shareholders at the EGM approve the Proposed Share Consolidation, the Shareholders' entitlements of the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date and the Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

#### 3.4.1 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares in their own names ("**Old Share Certificates**") and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

#### 3.4.2 Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

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## LETTER TO SHAREHOLDERS

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Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible after they have been notified of the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Company's Share Registrar or CDP in accordance with the provisions set out above only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members of the Company.

### **3.4.3 Share Certificates not valid for settlement of trades on the Mainboard of the SGX-ST**

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in the Shares on the Mainboard of the SGX-ST, as the Company is under a book-entry (scripless) settlement system, but will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the Mainboard of the SGX-ST although they will continue to be prima facie evidence of legal title.

## **3.5 Trading Arrangements for the Consolidated Shares and Odd Lots**

### **3.5.1 Trading arrangements for the Consolidated Shares**

Subject to the approval for the Proposed Share Consolidation by Shareholders at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, two (2) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.



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## LETTER TO SHAREHOLDERS

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### 3.5.2 Trading arrangements for Odd Lots

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

The Existing Shares are currently traded in board lots of 100 Shares in the ready market. Following the completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of the Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid and at a discount. Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST may wish to do so on the existing unit share market which allows for trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares in the ready market.

Shareholders who hold odd lots of less than 100 Shares in the Company may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

### 3.6 Financial Effects of the Proposed Share Consolidation

For illustrative purposes only and based on the assumptions set out below and the FY2015 Audited Financial Statements, the financial effects of the Proposed Share Consolidation on the Company and the Group are set out below:

#### 3.6.1 Assumptions

For the purpose of this section 3.6, the following assumptions apply:

- (a) the financial effects of the Proposed Share Consolidation set out below are purely for illustrative purposes and do not reflect the future actual financial results or positions of the Company and/or the Group. The financial effects of the Proposed Share Consolidation are prepared based on the audited consolidated financial statements of the Group for FY2015;
- (b) the number of Shares for the financial effects relating to the NTA per Share and the share capital of the Group and/or the Company are based on 342,422,096 issued Shares (excluding 7,978,000 treasury shares) as at 30 June 2015; and
- (c) there is no issuance of Shares from the Options.

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## LETTER TO SHAREHOLDERS

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### 3.6.2 Share Capital

The effects of the completion of the Proposed Share Consolidation on the issued and paid-up share capital of the Company (excluding treasury shares) as at 30 June 2015 are follows:

	As at 30 June 2015	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
<b>Issued and paid-up share capital (S\$'000)</b>	31,732	31,732
<b>Number of Shares</b>	342,422,096	171,211,048

### 3.6.3 NTA per Share

The effects of the completion of the Proposed Share Consolidation on the NTA per Share of the Group as at 30 June 2015 based on the audited consolidated balance sheet of the Group as at 30 June 2015, computed based on the assumption that the Proposed Share Consolidation was completed on 30 June 2015, are as follows:

	As at 30 June 2015			
	Company		Group	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
<b>NTA (S\$'000)</b>	43,465	43,465	43,790	43,790
<b>Number of Shares</b>	342,422,096	171,211,048	342,422,096	171,211,048
<b>NTA per Share (cents)</b>	12.69	25.39	12.79	25.58

### 3.6.4 Earnings per Share

The effects of the completion of the Proposed Share Consolidation on the EPS of the Group based on the audited consolidated profit and loss statement of the Group, computed based on the assumption that the Proposed Share Consolidation was completed on 30 June 2015, are as follows:

	FY2015 Group	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
<b>Earnings attributable to Shareholders (S\$'000)</b>	6,550	6,550
<b>Weighted average number of Shares for basic EPS</b>	342,422,096	171,211,048

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## LETTER TO SHAREHOLDERS

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	FY2015 Group	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
<b>Weighted average number of Shares for diluted EPS</b>	343,092,096	171,546,048
<b>EPS – basic (cents)</b>	1.91	3.83
<b>– diluted (cents)</b>	1.91	3.82

### 3.6.5 Gearing

The Proposed Share Consolidation will not have any effect on the gearing of the Group.

**The proforma analysis above has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Share Consolidation.**

### 3.7 Adjustments To Options

3.7.1 As at the Latest Practicable Date, the Company has 670,000 Options.

3.7.2 Pursuant to the rules of the Scheme, if there is a variation in the issued share capital of the Company (including by way of share consolidation), the committee overseeing the administration of Scheme (the “Committee”) may adjust the exercise price in respect of the Shares, the amount, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or the amount, class and/or number of Shares in respect of which additional Options may be granted to the Participants, as they may determine to be appropriate, upon written confirmation of the Company’s auditors that such adjustment is fair and reasonable.

3.7.3 Pursuant to the rules of the Scheme, notwithstanding the above, no adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

3.7.4 Accordingly, upon completion of the Proposed Share Consolidation:

- (a) the exercise price of each outstanding Option under the Scheme shall be adjusted, such that it will be two times the original exercise price of each such outstanding Option; and
- (b) the number of Shares comprised in each 1,000 outstanding Options under the Scheme will be reduced in the same proportion as the Existing Shares under the Proposed Share Consolidation, fractions to be disregarded, from 1,000 to 500.

## LETTER TO SHAREHOLDERS

3.7.5 The adjustment to the exercise price and the number of Shares comprised in each 1,000 outstanding Options under the Scheme will take effect on the date the Proposed Share Consolidation becomes effective. The holders of the Options granted under the Scheme will be notified separately on the adjustments.

3.7.6 In accordance with Rule 850 of the Listing Manual, the auditors of the Company, Deloitte and Touche LLP, have confirmed that the adjustment to the Options contemplated in this section 3.7, is fair and reasonable.

3.7.7 The Company intends to satisfy the exercise of the Options with treasury shares. Accordingly, in the event that all the Options are exercised prior to completion of the Proposed Share Consolidation and are satisfied by 670,000 treasury shares, the issued and paid-up share capital of the Company following the completion of the Proposed Share Consolidation will become 171,546,048 Consolidated Shares (excluding 3,654,000 treasury shares on a post-consolidation basis). In the event that the Options are only exercised after completion of the Proposed Share Consolidation and are satisfied by treasury shares, up to 335,000 treasury shares (on a post-consolidated basis) will be transferred pursuant to the exercise of the Options.

#### 4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

<u>Director</u>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>Shares</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
Khor Thiam Beng	180,000	0.05	–	–
Lim Eng Hong <sup>(1)</sup>	86,769,350	25.34	26,390,000	7.71
Goh Chung Meng	180,000	0.05	–	–
Michael Grenville Gray <sup>(2)</sup>	860,000	0.25	880,000	0.26

<u>Substantial Shareholder</u>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>Shares</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
Lim Eng Hong <sup>(1)</sup>	86,769,350	25.34	26,390,000	7.71

<u>Shareholders related to Director<sup>(1)</sup></u>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>Shares</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
Lim Tai Meng, Alvin <sup>(3)</sup>	120,000	0.04	–	–
Lim Wei Ling, Elaine <sup>(4)</sup>	5,680,000	1.66	–	–
Loh Zee Lan, Nancy <sup>(5)</sup>	20,590,000	6.01	–	–

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## LETTER TO SHAREHOLDERS

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### Notes:–

- (1) Lim Eng Hong is deemed to be interested in the Shares held by Lim Tai Meng, Alvin, Lim Wei Ling, Elaine and Loh Zee Lan, Nancy.
- (2) The deemed interest of Michael Grenville Gray arises from his deemed interest in the 880,000 Shares held by a nominee company on behalf of Michael Grenville Gray and his spouse, Leow Kim Khiew.
- (3) Lim Tai Meng, Alvin is the son of Lim Eng Hong.
- (4) Lim Wei Ling, Elaine is the daughter of Lim Eng Hong.
- (5) Loh Zee Lan, Nancy is the spouse of Lim Eng Hong.
- (6) Percentages are based on the total issued and paid-up share capital of 342,422,096 Shares (excluding treasury shares) as at the Latest Practicable Date.

## 5 DIRECTORS' RECOMMENDATION

### 5.1 Proposed Adoption of the Share Buyback Mandate

The Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution set out in the notice of EGM relating to the proposed adoption of the Share Buyback Mandate.

### 5.2 Proposed Share Consolidation

The Directors, having considered the rationale and terms of the Proposed Share Consolidation, are of the opinion that the Proposed Share Consolidation would be beneficial to, and is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions set out in the notice of EGM relating to the Proposed Share to be proposed at the EGM.

## 6 ABSTENTION FROM VOTING

As there are no directors and/or persons acting in concert with them who will be exempted from the requirements to make an offer under Rule 14 of the Take-over Code, no directors and/or persons acting in concert with them will be required to abstain from voting for and/or recommending shareholders to vote in favour of the resolution relating to the proposed adoption of the Share Buyback Mandate at the EGM.

## 7 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at the time and place as stipulated in the notice of EGM for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the notice of EGM.

## 8 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company, not later than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy.

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## LETTER TO SHAREHOLDERS

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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 maintained by CDP at least 48 hours before the EGM.

### 9 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 adoption of the Share Buyback Mandate and the Proposed Share Consolidation, 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.

### 10 DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 19A Serangoon North Avenue 5, Singapore 554859 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the current Memorandum and Articles of Association of the Company; and
- (b) the Annual Report for the financial year ended 30 June 2015.

Yours faithfully

For and on behalf of the  
the Board of Directors of  
**AVI-TECH ELECTRONICS LIMITED**

Khor Thiam Beng  
Chairman

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### AVI-TECH ELECTRONICS LIMITED

(Company Registration No. 198105976H)  
(Incorporated in Singapore on 31 December 1981)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Avi-Tech Electronics Limited (the “**Company**”) will be held at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on 27 October 2015 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same venue), for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolutions set out below.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 12 October 2015 (the “**Circular**”).

#### **ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) transacted through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase(s) otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,

on the terms set out in the Circular, be and is hereby authorized and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback 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 earlier of:
- (i) the date on which the next AGM is held or required by law to be held; and
  - (ii) the date on which the share buybacks are carried out to the full extent mandated;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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(c) in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) market days on which Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five day period;

**“date of the making of the offer”** means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

**“Maximum Percentage”** means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
  - (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 105% of the Average Closing Price of the Shares; and
- (d) the Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

### ORDINARY RESOLUTION 2: THE PROPOSED SHARE CONSOLIDATION

That with effect from the date to be determined by the Directors of the Company and pursuant to the Articles of the Company, approval be and is hereby given:

- (a) for the proposed consolidation of every two (2) Existing Shares held by Shareholders as at a books closure date to be determined by the Directors (**“Books Closure Date”**) (including treasury shares) into one (1) Consolidated Share in the manner set out in the Circular;
- (b) any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (a) above shall be disregarded, and all fractions of Consolidated Shares to which holders of the Existing Shares would otherwise be entitled to shall be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company;



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the Directors be and are hereby authorised to fix the Books Closure Date and the date on which the Shares will trade on the Mainboard of the SGX-ST in board lots of 100 Consolidated Shares in their absolute discretion as they deem appropriate; and
- (d) the Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Khor Thiam Beng  
Chairman  
**Avi-Tech Electronics Limited**

**12 October 2015**

**Notes:--**

1. With the exception of members holding shares through nominee companies, who may each appoint more than two proxies, a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing the proxy or proxies must be deposited at the Company's registered office at 19A Serangoon North Avenue 5, Singapore 554859, not less than 48 hours before the time appointed for the meeting.
3. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorized officer.
5. In the event the Company were to purchase or acquire its Shares, the Company will use internal cash resources and/or external borrowings to finance the purchase or acquisition of those Shares. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will, principally, consider the availability of internal resources. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital or profits, the number of Shares purchased or acquired, the price at which such Shares are purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

An illustration of the total number of Shares which may be purchased or acquired by the Company up to the Maximum Percentage, pursuant to the Share Buyback Mandate, is contained in section 2.3.1 of the Circular.

An illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Percentage at the relevant Maximum Price in the case of market purchases and an illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Percentage at the relevant Maximum Price in the case of off-market purchases, pursuant to the Share Buyback Mandate, are contained in section 2.7.3 of the Circular.

An illustration of the financial effects of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and its subsidiaries, for the financial year ended 30 June 2015 is set out in section 2.7 of the Circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# AVI-TECH ELECTRONICS LIMITED

(Company Registration No. 198105976H)  
(Incorporated in Singapore on 31 December 1981)

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Avi-Tech Electronics Limited, 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 vote should contact their CPF Approved Nominee.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of AVI-TECH ELECTRONICS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 19A Serangoon North Avenue 5, 6th floor, Singapore 554859 on 27 October 2015 at 11.30 a.m. and at any adjournment thereof. The proxy is to vote on the business before the Meeting as indicated below. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Please indicate your vote "For" or "Against" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Ordinary Resolution	For	Against
1.	To approve the proposed adoption of the Share Buyback Mandate		
2.	To approve the Proposed Share Consolidation		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

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

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal of  
Corporate shareholder

**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, Cap. 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and 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 appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. With the exception of members holding shares through nominee companies, who may each appoint more than two proxies, a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing the proxy or proxies must be deposited at the Company's registered office at 19A Serangoon North Avenue 5, Singapore 554859, not less than 48 hours before the time appointed for the meeting.
4. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.