

CIRCULAR DATED 7 JANUARY 2019

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

If you are in any doubt about this Circular, or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Sinwa Limited (the "**Company**"), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.



SINWA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200206542H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL IN
SINWA SS PTE. LTD., SEAFIRST MARINE SERVICES PTE. LTD.,
SINWA OFFSHORE PTE. LTD., SINWA SHIP SUPPLY (HK) PTE. LTD.,
WINDSOR MARINE PTE. LTD., AND SINWA AUSTRALIA PTY LTD
AND THE INTERCOMPANY LOANS, AND THE AUSTRALIAN PROPERTIES SALE**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	19 January 2019 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	22 January 2019 at 10.00 a.m.
Place of Extraordinary General Meeting	:	28 Joo Koon Circle, Singapore 629057

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DEFINITIONS

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

“Associate”	:	In the case of a company, <ul style="list-style-type: none">(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:–<ul style="list-style-type: none">(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
“Australia Industrial Properties”	:	Has the meaning ascribed to it in paragraph 3.4.1(a) of this Circular
“Australian Properties Sale”	:	Has the meaning ascribed to it in paragraph 3.4.1 of this Circular
“Base Case Enterprise Value”	:	Has the meaning ascribed to it in the Valuation Report
“Board”	:	The board of directors of the Company
“Business”	:	The business carried on by the Company and the Sale Group under the name “Sinwa” as at the date of the SPA
“Business Day”	:	A day which is not a Saturday, Sunday or public holiday in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular dated 7 January 2019

DEFINITIONS

“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Sinwa Limited
“Closing”	:	The closing of the Disposal pursuant to the SPA
“Closing Amount”	:	Has the meaning ascribed to it in paragraph 3.1.1(a) of this Circular
“Closing Date”	:	The date on which Closing takes place, being the fifth Business Day following notification of the satisfaction or waiver of the last of the conditions set out in paragraph 3.3.1 of this Circular or such other date agreed between the Purchaser and the Company
“Consideration”	:	Has the meaning ascribed to it in paragraph 3.1.1 of this Circular
“Constitution”	:	The constitution of the Company, as may be amended, modified, or supplemented from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	<p>A person who:–</p> <p>(a) Holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or</p> <p>(b) In fact exercises control over a company</p>
“Directors”	:	The directors of the Company as at the date of this Circular
“Disposal”	:	The disposal by the Company to the Purchaser of the entire issued and paid-up share capital in the Sale Subsidiaries, free from Encumbrances and together with all rights and advantages attaching to them as at 31 December 2018, and the assignment and transfer by the Company and SIPL to the Purchaser of the Intercompany Loans
“EGM”	:	The extraordinary general meeting of the Company to be convened in relation to the Disposal and the Australian Properties Sale on 22 January 2019 at 10.00 a.m., notice of which is set out on page N-1 of this Circular

DEFINITIONS

“Encumbrance”	:	Any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“EPS”	:	Earnings per Share
“Escrow Account”	:	The escrow account to be opened by an escrow agent in relation to the Disposal
“Escrow Sum”	:	Has the meaning ascribed to it in paragraph 3.1.1(b) of this Circular
“FY2017”	:	The financial year for the Company ended 31 December 2017
“Group”	:	The Company and its subsidiaries
“Intercompany Loans”	:	The outstanding loans extended by the Company or SIPL (as the case may be) to Sinwa Australia Pty Ltd, Sinwa (Thailand) Ltd or Sinwa SS Pte. Ltd. (as the case may be), as set out in paragraph 3.1.2
“Latest Practicable Date”	:	21 December 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the Mainboard of the SGX-ST, as may be amended, modified, or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Material Adverse Effect”	:	Has the meaning ascribed to it in paragraph 3.3.1(i) of this Circular
“NAV”	:	Net asset value
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM
“Purchaser”	:	Asia Ship Chandlery Holdings Pte. Ltd.
“Purchaser’s Group”	:	The Purchaser and its subsidiaries from time to time
“Put Option”	:	Has the meaning ascribed to it in paragraph 3.4.4 of this Circular

DEFINITIONS

“Rule 1018 Moratorium Undertakings”	:	Has the meaning ascribed to it in paragraph 8.3.1 of this Circular
“Sale Group”	:	The Sale Group Subsidiaries, taken as a whole
“Sale Group Subsidiaries”, and each a “Sale Group Subsidiary”	:	The Sale Subsidiaries and their subsidiaries namely, Sinwa (Singapore) Pte Ltd, Sinwa Marine Pte Ltd, Sinwa Marine Services (Dalian) Pte. Ltd., Sinwa Marine Services (Qingdao) Pte. Ltd., Sinwa Marine Services (Tianjin) Pte. Ltd., Sinwa Shanghai Ship Supply Pte. Ltd., Sinwa (Thailand) Ltd, IMS (Shanghai) Co. Ltd, Sinwa Offshore & Logistics (M) Sdn Bhd, and Sinwa SS (HK) Co. Limited
“Sale Shares”	:	All of the ordinary shares in the issued share capital of the Sale Subsidiaries, as set out in paragraph 2.1.2
“Sale Subsidiaries”, and each a “Sale Subsidiary”	:	Sinwa SS Pte. Ltd., Seafirst Marine Services Pte. Ltd., Sinwa Offshore Pte. Ltd., Sinwa Ship Supply (HK) Pte. Ltd., Windsor Marine Pte Ltd, and Sinwa Australia Pty Ltd, which are wholly-owned subsidiaries of the Company
“SIPL”	:	Sinwa International Pte. Ltd.
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“SHAPL”	:	Sinwa Holdings (Australia) Pty Ltd, which is the holding company of the Australia Industrial Properties
“SPA”	:	The share purchase and loan assignment agreement entered into between the Company and the Purchaser on 13 November 2018 in relation to the Disposal and the Australian Properties Sale
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company

DEFINITIONS

“SYZ”	:	SYZ Capital AG
“Upstream Plan”	:	The upstream plan for the Sale Group Subsidiaries up to 31 December 2018, setting out the amount of dividends or other distributions which the Sale Group Companies may declare and pay to the Company
“Valuation Report”	:	The valuation report dated 21 December 2018 and issued by the Valuer in relation to the Disposal
“Valuer”	:	BDO LLP
“W&I Insurance Policy”	:	The warranty and indemnity insurance policy to be obtained by the Purchaser for the benefit of the Purchaser in respect of any losses suffered by the Purchaser in connection with a breach of any of the warranties made by the Company under the SPA
“A\$”	:	Australian dollars
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	percentage or per centum

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**treasury shares**” shall have the meanings ascribed to them respectively in the Companies Act.

References to “**paragraph**” are to the paragraphs of this Circular, unless otherwise stated.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall, where applicable, include corporations.

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

DEFINITIONS

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 used 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, unless the context otherwise requires.

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

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

LETTER TO SHAREHOLDERS



SINWA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200206542H)

Directors:

Sim Yong Teng (*Executive Chairman*)
Tan Lay Ling (*Chief Operating Officer and Executive Director*)
Bruce William Rann (*Executive Director*)
Heng Lee Seng (*Independent Director*)
Yeo Nai Meng (*Independent Director*)
Chng Loy Teoh Patrick (*Independent Director*)

Registered Office:

28 Joo Koon Circle
Singapore 629057

7 January 2019

To: The Shareholders of Sinwa Limited

Dear Sir/Madam,

THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL IN SINWA SS PTE. LTD., SEAFIRST MARINE SERVICES PTE. LTD., SINWA OFFSHORE PTE. LTD., SINWA SHIP SUPPLY (HK) PTE. LTD., WINDSOR MARINE PTE LTD, AND SINWA AUSTRALIA PTY LTD AND THE INTERCOMPANY LOANS, AND THE AUSTRALIAN PROPERTIES SALE

1. INTRODUCTION

1.1 On 13 November 2018, the Company announced that it had entered into a share purchase and loan assignment agreement with the Purchaser for the following, for an aggregate consideration of S\$74,865,000, upon the terms and subject to the conditions of the SPA:

1.1.1 The disposal by the Company to the Purchaser of the Company's entire shareholding interests in the Sale Subsidiaries, namely:–

- (a) Sinwa SS Pte. Ltd.;
- (b) Seafirst Marine Services Pte. Ltd.;
- (c) Sinwa Offshore Pte. Ltd.;
- (d) Sinwa Ship Supply (HK) Pte. Ltd.;
- (e) Windsor Marine Pte Ltd; and
- (f) Sinwa Australia Pty Ltd.

LETTER TO SHAREHOLDERS

- 1.1.2 The assignment and transfer by the Company and SIPL to the Purchaser, of the Intercompany Loans owing by certain Sale Group Subsidiaries to certain entities in the Group (excluding the Sale Group Subsidiaries).
 - 1.1.3 The total amount of Intercompany Loans as at 30 September 2018 is approximately S\$17,800,000. After deducting the Intercompany Loans from the aggregate consideration, the net amount would be approximately S\$57,100,000.
- 1.2 Further details on the Sale Subsidiaries and the Intercompany Loans are set out in paragraphs 2.1.2 and 3.1.2 below respectively.
- 1.3 **Rule 1014 of the Listing Manual**
 - 1.3.1 As the Disposal constitutes a major transaction under Chapter 10 of the Listing Manual and the Disposal together with the Australian Properties Sale will result in the disposal of the whole or substantially the whole of the Company's undertaking pursuant to Section 160(1) of the Companies Act, it must be made conditional upon approval by Shareholders in general meeting. Accordingly, the Board is convening the EGM to seek approval from Shareholders for the Disposal and the Australian Properties Sale. The Disposal and the Australian Properties Sale will result in the disposal of substantially the whole of the Company's core business and assets, and the Company's assets will comprise substantially of cash following the Disposal and the Australian Properties Sale.
 - 1.3.2 The purpose of this Circular is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for, the Disposal and the Australian Properties Sale at the EGM to be held on 22 January 2019 at 10.00 a.m., notice of which is set out on page N-1 of this Circular.
- 1.4 **Rule 1018 of the Listing Manual**
 - 1.4.1 Upon Closing, the Sale Group Subsidiaries will cease to be subsidiaries of the Company.
 - 1.4.2 The Company will cease to have any operating subsidiaries or businesses and will become a cash company as defined under Rule 1018 of the Listing Manual. Accordingly, the Company will have to comply with the requirements under Rule 1018 of the Listing Manual.
- 1.5 This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.
- 1.6 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

LETTER TO SHAREHOLDERS

2. BACKGROUND OF THE DISPOSAL

2.1 Information on the Sale Subsidiaries

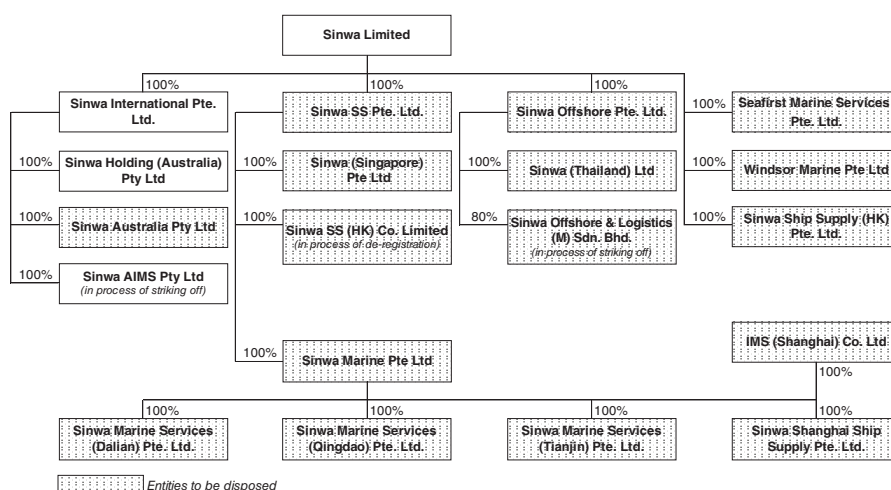
2.1.1 The Sale Subsidiaries are wholly owned subsidiaries of the Company. The principal businesses of the Sale Subsidiaries are in marine offshore supply and logistics. The Sale Subsidiaries serve more than 100 ports from 10 offices located in Singapore, China, Australia, and Thailand.

2.1.2 Further details of the Sale Subsidiaries are as follows:–

- (a) Sinwa Australia Pty Ltd was incorporated in Victoria, Australia on 13 September 2004 and has an issued and paid-up share capital of A\$900,521 comprising 900,521 issued and paid-up ordinary shares.
- (b) Seafirst Marine Services Pte. Ltd. was incorporated in Singapore on 27 June 2001 and has an issued and paid-up share capital of S\$721,842 comprising 721,842 issued and paid-up ordinary shares.
- (c) Sinwa Offshore Pte. Ltd. was incorporated in Singapore on 14 October 2003 and has an issued and paid-up share capital of S\$50,000 comprising 50,000 issued and paid-up ordinary shares.
- (d) Sinwa SS Pte. Ltd. was incorporated in Singapore on 28 August 1973 and has an issued and paid-up share capital of S\$2,742,525 comprising 2,742,525 issued and paid-up ordinary shares.
- (e) Sinwa Ship Supply (HK) Pte. Ltd. was incorporated in Singapore on 21 October 2011 and has an issued and paid-up share capital of S\$100,000 comprising 100,000 issued and paid-up ordinary shares.
- (f) Windsor Marine Pte Ltd was incorporated in Singapore on 20 June 1979 and has an issued and paid-up share capital of S\$700,000 comprising 700,000 issued and paid-up ordinary shares.

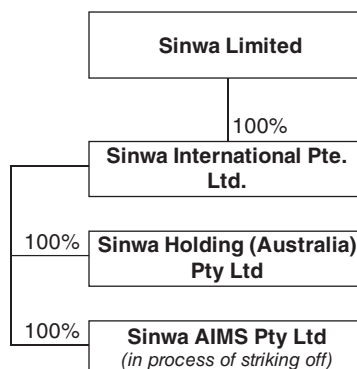
2.1.3 The Group structure is as follows:–

(a) Before the Disposal



LETTER TO SHAREHOLDERS

(b) After the Disposal



2.1.4 Following the Disposal, the remaining entities held by the Company are as follows:—

Name of subsidiaries	Country of incorporation/ principal place of business	Principal activities	Effective equity interest held by the Company
Sinwa International Pte. Ltd.	Singapore	Investment holding	100%
Sinwa Holdings (Australia) Pty Ltd	Australia	Investment holding	100%
Sinwa AIMS Pty Ltd (In process of striking off)	Australia	Marine supply and logistics	100%

2.2 Information on the Purchaser

2.2.1 The Purchaser is a special purpose vehicle incorporated in Singapore on 7 November 2018 for the purposes of entering into the SPA, undertaking the transactions contemplated under the SPA and entering into other certain related arrangements in relation to the SPA.

2.2.2 The Purchaser will be capitalised jointly by affiliates of SYZ and Mr Thomas Zimmerhaeckel prior to Closing. Mr Thomas Zimmerhaeckel, a private equity investor, is a director of the Purchaser.

2.2.3 To the best knowledge, information and belief of the Company, SYZ is a private markets investment and advisory specialist offering access to investments in private equity, private debt and real estate. SYZ is part of the SYZ Group, a family-owned banking group based in Switzerland. The SYZ Group comprises a group of companies specialised in asset management for private and corporate clientele. In addition to its wealth management activities, the SYZ Group also manages several investment funds and provides investment advice. Financière

LETTER TO SHAREHOLDERS

SYZ SA is the holding company of the SYZ Group, and is a Swiss company founded in November 1996, domiciled in Zug, Switzerland. The Syz family is the majority shareholder of Financière SYZ SA.

2.2.4 The Purchaser is not in any way related to the Group, the Directors, or any of the Substantial Shareholders.

2.2.5 Commitment letters have been provided by a licensed bank in Singapore, an affiliate of SYZ, and Thomas Zimmerhaeckel, in relation to the Purchaser's funding of the Disposal.

3. PRINCIPAL TERMS OF THE DISPOSAL

3.1 Consideration

3.1.1 The consideration payable by the Purchaser for the Disposal (the "**Consideration**") is S\$74,865,000, comprising:–

- (a) S\$69,865,000 payable on Closing (the "**Closing Amount**"); plus
- (b) S\$5,000,000 payable into the Escrow Account on Closing (the "**Escrow Sum**"); plus
- (c) the closing delay adjustment, details of which are set out in paragraph 3.1.3(a),

subject to the adjustments set out in paragraphs 3.1.3(b) to (e) below.

3.1.2 The Consideration shall be allocated amongst the Sale Shares and the Intercompany Loans in the manner to be agreed between the Parties on or before Closing. Details of the Intercompany Loans are as follows:–

- (a) An interest-bearing loan extended by the Company to Sinwa Australia Pty Ltd with an outstanding principal amount of A\$700,000 as at 30 September 2018.
- (b) An interest-bearing loan extended by SIPL to Sinwa Australia Pty Ltd with an outstanding principal amount of A\$2,500,000 as at 30 September 2018.
- (c) An interest-bearing loan extended by the Company to Sinwa (Thailand) Ltd with an outstanding principal amount of S\$1,200,240 as at 30 September 2018.
- (d) A non-interest bearing advance extended by the Company to Sinwa SS Pte. Ltd. with an outstanding amount of S\$12,557,400 as at 30 September 2018.
- (e) A non-interest bearing advance extended by the Company to Sinwa Australia Pty Ltd with an outstanding amount of S\$817,547 as at 30 September 2018.

LETTER TO SHAREHOLDERS

- 3.1.3 The Consideration is subject to the adjustment mechanisms set out in the SPA, which are as described below:–

Closing delay adjustment

- (a) Subject to compliance by the Company with its obligations in the SPA, if the Closing Date falls after 31 December 2018, the Consideration shall be increased by an additional S\$27,400 per calendar day between 31 December 2018 up to the Closing Date (both dates exclusive), and such increase shall be payable by the Purchaser to the Company.

Cash balance adjustment

- (b) If the aggregate unrestricted cash of the Group as at 31 December 2018 is less than the actual cash balance of the Group of S\$7,234,000 as at 31 December 2018, the consideration for the Sale Shares shall be reduced by an amount equal to the deficit of the aggregate unrestricted cash of the Group as at 31 December 2018 below the actual cash balance of the Group as at 31 December 2018, and such amount shall be payable by the Company to the Purchaser.
- (c) If the aggregate unrestricted cash of the Group as at 31 December 2018 exceeds the actual cash balance of the Group of S\$7,234,000 as at 31 December 2018, the consideration for the Sale Shares shall be increased by an amount equal to the excess of the aggregate unrestricted cash of the Group as at 31 December 2018 over the actual cash balance of the Group as at 31 December 2018, and such amount shall be payable by the Purchaser to the Company.

Net working capital adjustment

- (d) If the net working capital of the Group as at 31 December 2018 is less than S\$21,947,000 (being the target net working capital of the Group as at 31 December 2018), the consideration for the Sale Shares shall be reduced by an amount equal to the deficit of the net working capital of the Group as at 31 December 2018 below S\$21,947,000, and such amount shall be payable by the Company to the Purchaser.
- (e) If the net working capital of the Group as at 31 December 2018 exceeds S\$21,947,000, the consideration for the Sale Shares shall be increased by an amount equal to the excess of the net working capital of the Group as at 31 December 2018 above S\$21,947,000, and such amount shall be payable by the Purchaser to the Company.

- 3.1.4 The Consideration was arrived at after arm's-length negotiations between the Company and the Purchaser on a willing-buyer and willing-seller basis, taking into account, amongst others, the NAV and the NTA per share of the Sale Subsidiaries.

LETTER TO SHAREHOLDERS

3.2 Payment Terms

3.2.1 At Closing, and against compliance by the Company with its Closing obligations, the Purchaser shall:–

(a) Pay the Company by way of wire transfer via a licensed bank in Singapore, a sum equivalent to:–

(i) The Closing Amount;

(ii) Plus the adjustment amount calculated in the manner set out in paragraph 3.1.3(a) above;

(iii) Less an amount equal to the lower of S\$320,000 and the amount of insurance premium which would be payable to the insurer pursuant to the W&I Insurance Policy to obtain insurance coverage of an amount of at least S\$25,000,000 under the W&I Insurance Policy; and

(iv) Less S\$182,000, being the accrued cost in relation to the leave entitlement of certain long service employees of the Sale Group in Australia.

(b) Pay the Escrow Sum into the Escrow Account.

3.2.2 Adjustments to the Consideration in the manner set out in paragraphs 3.1.3(b) to (e) above shall be offset against the Escrow Sum as far as possible. Where the value of such adjustments exceeds the Escrow Sum, the Purchaser or the Company, as the case may be, shall pay the excess within 5 Business Days of the parties agreeing on the cash balance statement and the net working capital statement of the Group as at 31 December 2018, such payment to be made by way of telegraphic or other electronic means.

3.3 Conditions Precedent

3.3.1 Closing is conditional upon, amongst others, the following conditions being fulfilled or waived in accordance with the SPA:–

(a) The passing of the Ordinary Resolution at the EGM in accordance with the terms of the SPA and without material amendments thereto, subject to any amendments as may be required by the SGX-ST.

(b) The consents of counterparties in respect of the Disposal having been obtained on terms acceptable to the Purchaser where the terms of any contract entered into by a Sale Group Subsidiary, regulatory permit required to operate the Business or any other contract which is material to the Business, undertaking or obligation that the Purchaser deems necessary to continue as part of the Business contains any restrictions or prohibition on the change in control of the shareholdings and/or the boards of directors of any Sale Group Subsidiary.

LETTER TO SHAREHOLDERS

- (c) The licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary for or in respect of the proposed acquisition of the Sale Group by the Purchaser and which are material to the Business having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms (if any) acceptable to the Purchaser and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.
- (d) The Business having been managed and conducted by the Company in the ordinary course of business between the date of the SPA and Closing and no material assets of the Sale Group Subsidiaries having been sold, transferred or disposed.
- (e) The Sale Group Subsidiaries having an unrestricted cash balance of not less than S\$7,234,000 (being the target cash balance), and not having declared, made or paid any dividend or other distribution to the Company other than in accordance with the Upstream Plan.
- (f) The entry by the Company and the Purchaser into an escrow agreement with an escrow agent in accordance with the terms of the SPA.
- (g) The entry by Tan Lay Ling into a service agreement and a re-investment agreement with the Purchaser, each on terms to be agreed between Tan Lay Ling and the Purchaser. Ms Tan Lay Ling was appointed as an Executive Director of the Company in 2002, and was re-designated as the Chief Operating Officer in 2016. She is responsible for overseeing the daily operations of the Group, and has more than 21 years of experience in the industry. Following the closing of the Disposal, Tan Lay Ling will be re-employed as the Chief Operating Officer of the Purchaser, where she will continue to perform her existing roles. The service agreement relates to Tan Lay Ling's employment with the Purchaser following the closing of the Disposal. The purpose of the re-investment agreement is for Tan Lay Ling to be an investor in the future of the Sale Subsidiaries after the Disposal. The terms of the service agreement and the re-investment agreement have not been finalised at present, and will be finalised before Closing.
- (h) The obtainment of the W&I Insurance Policy by the Purchaser for the benefit of the Purchaser, on terms acceptable to the Purchaser.
- (i) No event or circumstance having occurred which has or is reasonably likely to result in (a) a reduction in the turnover of the Sale Group of 15% or more in comparison with the turnover as set out in the unaudited consolidated financial statements of the Group for the 3-month period ended on 30 September 2018; or (b) the termination or cessation of a customer contract by a customer who accounts for 5% or more of the turnover of the Sale Group as set out in the unaudited consolidated financial statements of the Group for the 9-month period ended on 30 September 2018 (a "**Material Adverse Effect**").

LETTER TO SHAREHOLDERS

3.4 Australia Industrial Properties

- 3.4.1 Pursuant to the SPA, the Company has also appointed the Purchaser's Group as its sole and exclusive agent to represent the Group (excluding the Sale Group) in selling, on or before 30 April 2019, and on such terms as may be negotiated by the Purchaser's Group on behalf of the Group (excluding the Sale Group):—
- (a) Either the properties located at 1932 Coolawanyah Road, Karratha Industrial Estate, Western Australia and 39 Jessie Lee Street, Henderson (the **"Australia Industrial Properties"**); or
 - (b) All the shares of SHAPL,
- (the **"Australian Properties Sale"**).
- 3.4.2 The aggregate gross proceeds of the Australian Properties Sale shall be payable in full to the Group (excluding the Sale Group).
- 3.4.3 If the aggregate gross proceeds payable to the Group (excluding the Sale Group) is less than S\$8,600,000, the Purchaser's Group shall make up the difference.
- 3.4.4 In addition, the Purchaser has granted the Group (excluding the Sale Group) an option to require the Purchaser's Group to acquire either all the shares of SHAPL, or the Australia Industrial Properties, for a sale price of S\$8,600,000 (the **"Put Option"**).
- 3.4.5 The Put Option is exercisable:—
- (a) Subject to Closing occurring; and
 - (b) Within 5 business days from and including 15 April 2019, if a sale and purchase agreement has not been entered into in relation to the Australian Properties Sale prior to 15 April 2019.
- 3.4.6 If the Put Option is exercised, the completion of the Australian Properties Sale shall take place by 30 April 2019, subject to compliance with all applicable legal requirements and formalities.

3.5 Valuation

- 3.5.1 The audited aggregate NAV and audited NTA attributable to the shares in the Sale Subsidiaries as recorded in the audited financial statements of the Company as at 31 December 2017 was S\$59,660,000 and S\$59,112,000 respectively.
- 3.5.2 Based on the Valuation Report commissioned by the Company, the Base Case Enterprise Value of the Sale Shares and the Intercompany Loans (excluding the Australian Properties Sale) is S\$69,700,000. The Consideration of S\$74,865,000 is above the Base Case Enterprise Value. A copy of a summary of the Valuation Report is attached as Appendix A.

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- 3.5.3 The Valuer is BDO LLP. BDO is a global network of firms in 162 countries with more than 73,000 people working out of 1,500 offices to deliver quality assurance, tax and advisory services. BDO Singapore's Advisory Services provides services including valuing businesses, joint ventures and equity interests, and specific assets such as intangible assets like trademarks, customer relationships, and financial instruments.
- 3.5.4 The Valuation Report is based on the income approach, using the Discounted Cash Flow ("**DCF**") methodology, as the primary approach in valuing the Sale Group. Under the DCF, the future free cash flows expected to be generated from the business of the company during its life, is discounted with an appropriate discount rate to arrive at an overall business or enterprise value (the "**Enterprise Value**"). To determine the terminal value i.e. the value of free cash flows that continues into perpetuity in the future, the perpetuity growth method is used.
- 3.5.5 The Enterprise Value ("**EV**") computed will comprise the equity value (to the shareholders), and the net financial debt (i.e. non-equity claims) of the company which would include, in present value terms, interest-bearing liabilities and shareholder loans.
- 3.5.6 The Base Case Enterprise Value is based on the Enterprise Value derived from Management's projections before performing the sensitivity analysis. The range of Enterprise Value from the Lower end to the Upper end is derived by varying the weighted average cost of capital (WACC) and the terminal growth rate by +/-0.25%.
- 3.5.7 The book value of the Australia Industrial Properties as at 30 September 2018 is A\$8,484,000 (equivalent to approximately S\$8,369,000). Based on the latest valuation reports in respect of the Australia Industrial Properties, the aggregate value of the Australia Industrial Properties is about A\$8,495,000 (equivalent to approximately S\$8,379,000). The valuer of the property at Lot 1932 Coolawanyah Road, Karratha Industrial Estate, Western Australia is Australia Property Consultants, and the valuation report was issued on 14 November 2018. The valuer of the property at 39 Jessie Lee Street is McGees Property, and the valuation report was issued on 7 November 2018. The valuation reports in respect of the Australia Industrial Properties were commissioned by Sinwa Australia Pty Ltd on behalf of the Company.

3.6 Representations and Warranties

- 3.6.1 Pursuant to the SPA, the Company and the Purchaser have furnished representations and warranties typical of transactions of this nature and they are subject to specific disclosures made by the Company as well as limitations of liabilities (including a cap on liability in the aggregate amount of S\$25,000,000).
- 3.6.2 To this end, the obtainment of the W&I Insurance Policy by the Purchaser is a condition precedent to Closing and as set out in paragraph 3.2.1(iii) above, an amount equal to the lower of S\$320,000 and the amount of insurance premium which would be payable to the insurer pursuant to the W&I Insurance Policy to obtain insurance coverage of an amount of at least S\$25,000,000 under the W&I Insurance Policy will be deducted from the Closing Amount.

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3.7 Use of the Sinwa Name

- 3.7.1 Under the SPA, the Company, SHAPL, Sinwa AIMS Pty Ltd and SIPL may continue to use their current names until 10 Business Days following the date of the Company's annual general meeting convened in respect of FY2018. Sinwa SS (HK) Co. Limited and Sinwa Offshore & Logistics (M) Sdn Bhd may continue to use their current names until the dates on which they are struck off or deregistered, respectively.
- 3.7.2 As at the Latest Practicable Date, Sinwa SS (HK) Co. Limited is in the process of being struck off as a company by the Companies Registry of Hong Kong, Sinwa AIMS Pty Ltd application to de-register is pending and Sinwa Offshore & Logistics (M) Sdn Bhd is in the process of being struck off the register of companies maintained by the Companies Commission of Malaysia.

3.8 Service Agreements

- 3.8.1 In connection with the SPA, Sim Yong Teng has entered into an employment agreement with the Purchaser. The term of employment is 2 years commencing on the calendar day immediately following the Closing Date. Sim Yong Teng shall be paid a fixed monthly salary and an agreed performance bonus during the term of his employment.
- 3.8.2 Sim Yong Teng is the Executive Chairman of the Company, which has been listed on the SGX-ST since 2003. The Group, which is based in Singapore, is Asia Pacific's leading marine and offshore supply and logistics company, with operations in Australia, Thailand, China, and Hong Kong.
- 3.8.3 Additionally, as set out in paragraph 3.3.1(g) above, the entry by Tan Lay Ling into a service agreement with the Purchaser is a condition precedent to Closing.
- 3.8.4 Thomas Zimmerhaeckel, who represented the Purchaser in negotiating the transaction, approached Tan Lay Ling sometime in April 2018 expressing interest in the purchase of the core assets of the Company. Thomas Zimmerhaeckel came to know of the Company while working for his former employer, a global investment firm. However, as the investment firm did not usually invest in businesses of the Company's size, discussions did not progress further. As Thomas Zimmerhaeckel remained keen in the Company, after his departure from the investment firm, he initiated discussions with the Company by contacting Tan Lay Ling, who represented the Company in negotiating the transaction. Tan Lay Ling was the primary representative of the Company in the negotiations at all material times and she negotiated all the key commercial terms of the transaction with advice from the Company's lawyers. Sim Yong Teng assisted occasionally in the discussion when Tan Lay Ling needed his inputs on operational matters (which he was privy to and/or had historical knowledge of) and when she was travelling overseas from 21 October 2018 to 4 November 2018, by which time all the key commercial terms of the transaction had been agreed on.
- 3.8.5 Based on the reasons set out below, the 3 Independent Directors and the other Executive Director are of the view that there is no actual and/or apparent conflicts of interest regarding Ms Tan Lay Ling having a service agreement and investment agreement with the Purchaser and being (i) the primary person responsible for

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negotiating the key terms of the proposed disposal; (ii) involved in the Board approval, (iii) making a recommendation to the shareholders on the proposed disposal; and (iv) not abstained from voting on the resolution. The 3 Independent Directors and the other Executive Director are also of the view that the Disposal is in the best interests of the Company and the minority shareholders – please refer to Paragraph 11.1 of the Circular.

3.8.5.1 Commercial terms on SPA were agreed before the Purchaser discussed service terms with management including Tan Lay Ling.

The commercial terms of the SPA were agreed, and the SPA signed and announced on SGXNet before the Senior Management including Tan Lay Ling received the first draft of the service agreement from the Purchaser.

3.8.5.2 Tan Lay Ling acted in the capacity of Executive Director under the direction and supervision of the Board. Tan Lay Ling is 1 out of 6 members on the Board. The decision is made by the Board collectively (excluding Mr Sim Yong Teng who abstained) based on merits of the transaction and the valuation.

3.8.5.2.1 Tan Lay Ling's negotiation with the Purchaser is pursuant to her duties and responsibilities as an Executive Director and a member of the management team, under the supervision and direction of the Board. The Board consist of 3 Independent Directors and 3 Executive Directors. Because Sim Yong Teng abstained from voting and recuse himself from Board discussion, there would have been 3 Independent Directors and 1 Executive Director reviewing the recommendations of Tan Lay Ling.

3.8.5.2.2 The 3 Independent Directors and the other 1 Executive Director have voted in favour of the Disposal after taking into consideration, amongst others, the valuation of the Sales Subsidiaries and the Australia Industrial Properties:

(a) the valuation of the Sale Subsidiaries stated at Paragraph 4.2 of the Circular as follows:

Paragraph 4.2.1 – The Consideration is approximately 25.49% higher than the aggregate NAV attributable to the Sale Subsidiaries as recorded in the audited financial statements of the Company as at 31 December 2017 of approximately S\$59,660,000; and

Paragraph 4.2.2 – As stated in paragraph 3.5.2 above, based on the Valuation Report, the Base Case Enterprise Value of the Sale Shares and the Intercompany Loans (excluding the Australian Properties Sale) is S\$69,700,000. The Consideration of S\$74,865,000 is approximately 7.41% above the Base Case Enterprise Value. The Disposal would allow the Company to dispose of the Sale Subsidiaries through the sale of the Sale Shares above the Base Case Enterprise Value.

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- (b) the valuation of the Australian Industrial Properties stated at Paragraph 3.5.7 as follows:

Paragraph 3.5.7 The book value of the Australia Industrial Properties as at 30 September 2018 is A\$8,484,000 (equivalent to approximately S\$8,369,000). Based on the latest valuation reports in respect of the Australia Industrial Properties, the aggregate value of the Australia Industrial Properties is about A\$8,495,000 (equivalent to approximately S\$8,379,000).

- 3.8.5.3 Tan Lay Ling negotiated with the Purchaser on her service agreement in her own capacity on arms-length commercial basis. Her service agreement is a condition precedent stipulated by the Purchaser in the SPA. Her benefits are largely the same as others in the management team. The other terms remain the same, while some new terms are non-favourable. Tan Lay Ling did not gain any personal benefit from representing the Company in negotiations with the Purchaser.**

3.1 Tan Lay Ling's negotiation with the Purchaser on the terms of her service agreement is in her personal capacity and on an arms-length commercial basis. The Purchaser stipulated in the SPA that the service agreement and re-investment agreement to be signed by Tan Lay Ling would be conditions precedent to the Disposal as stated at Paragraphs 3.3.1(g) and 3.8.3 of the Circular. The Purchaser views Tan Lay Ling's continued employment as critical to the Sale Group's continued smooth operations as she is currently the Chief Operating Officer, with hands-on involvement in virtually all aspects of the Sale Group's operations, particularly in view of Mr Sim Yong Teng's plans to retire within 2 years after the completion of the transaction.

3.2 The benefits under the new service agreement for Tan Lay Ling put forward by the Purchaser are largely the same as the other members of the Management team. The new service agreement is still under negotiation and is expected to be signed prior to Closing. At the present time, the proposed terms are mainly the same as the existing service agreement of Tan Lay Ling but the Purchaser has also proposed new non-favourable clauses.

- 3.8.5.4 The Directors' (save for Mr Sim Yong Teng who abstained) opinion is that there is no actual and/or apparent conflict of interest.**

The 3 Independent Directors and the other Executive Director are of the view that there is no actual and/or apparent conflict of interest in the case of Ms Tan Lay Ling.

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3.8.5.5 Tan Lay Ling's shareholding is immaterial.

Paragraph 3.9.1 below states that Tan Lay Ling has a 1.4% shareholding in the Company. From the outset, the Purchaser requires Tan Lay Ling to vote in favour of the Disposal. As also stated in Paragraph 3.9.1 below, the Company has secured 55.96% of irrevocable undertakings from shareholders to vote in favour of the Disposal at the EGM. Therefore Tan Lay Ling's shareholding would not be material.

3.9 Irrevocable Undertakings

3.9.1 Sim Yong Teng and Tan Lay Ling are directors of the Company. Sim Yong Teng abstained from making any recommendation to Shareholders on the Disposal, as set out in paragraph 11.1 below, and also abstained from the Board's approval of the Disposal. Tan Lay Ling was involved in making recommendations to Shareholders on the Disposal, as well as in the Board's approval of the Disposal. The following shareholders have provided irrevocable undertakings to the Company and the Purchaser, to, amongst others, vote in favour of the Ordinary Resolution at the EGM:–

Name of Shareholder	Number of Shares held as a proportion of the total number of Shares (excluding treasury shares) (%)
Evenstar Investments Pte Ltd	41.09
Sim Yong Teng	1.74
Tan Lay Ling	1.40
Bruce William Rann	0.49
Goh Eng Eng	0.24
Ang Hock Beng	0.32
Others	10.68 (collectively)
TOTAL	55.96

3.9.2 The directors and shareholders of Evenstar Investments Pte Ltd ("**Evenstar**") are as follows:–

(a) Directors:–

- (i) Sim Yong Teng;
- (ii) Sim Li-Chen; and
- (iii) Sim Li-Meng Timothy (Shen Liming).

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(b) Shareholders:–

- (i) Sim Yong Teng, who holds 91.4% of the issued and paid-up share capital of Evenstar;
- (ii) Sim Li-Chen, who holds 4.3% of the issued and paid-up capital of Evenstar; and
- (iii) Sim Li-Meng Timothy (Shen Liming), who holds 4.3% of the issued and paid-up capital of Evenstar.

3.10 Termination

3.10.1 The Purchaser will be entitled to terminate the SPA if:–

- (a) The conditions precedent in paragraph 3.3.1 above are not satisfied, or waived by the Purchaser, on or before 28 February 2019 (or such other date as may be agreed between the Company and the Purchaser), being the long-stop date;
- (b) The Company breaches the undertakings provided to the Purchaser, which, amongst others, are in relation with the running of the business prior to Closing, and such breach results or is reasonably likely to result in a Material Adverse Effect;
- (c) The Company fails to comply with any material Closing obligation; or
- (d) The Company breaches the warranties made to the Purchaser, and such breach results or is reasonably likely to result in a Material Adverse Effect.

3.10.2 If the SPA is terminated, the Company will have to pay the Purchaser for all the costs and expenses incurred by or on behalf of the Purchaser in connection with the transactions contemplated by the SPA, subject to a maximum amount of S\$2,000,000, unless the SPA is terminated due to no fault of the Company, or due to circumstances beyond the Company's control.

4. RATIONALE FOR THE DISPOSAL

4.1 The Board considers the Disposal to be in the best interests of the Company, taking into consideration the financial positions and business prospects of the Sale Subsidiaries. The Disposal is being entered into by the Company as part of the Company's strategy to unlock value for Shareholders. The Company is considering its options in relation to other business ventures and will provide more information to Shareholders at the appropriate juncture.

4.2 In addition, the Board has also considered the following factors:

4.2.1 The Consideration is approximately 25.5% higher than the aggregate NAV attributable to the Sale Subsidiaries as recorded in the audited financial statements of the Company as at 31 December 2017 of approximately S\$59,660,000.

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- 4.2.2 As stated in paragraph 3.5.2 above, based on the Valuation Report, the Base Case Enterprise Value of the Sale Shares and the Intercompany Loans (excluding the Australian Properties Sale) is S\$69,700,000. The Consideration of S\$74,865,000 is approximately 7.4% above the Base Case Enterprise Value. The Disposal would allow the Company to dispose of the Sale Subsidiaries through the sale of the Sale Shares above the Base Case Enterprise Value.
- 4.3 Based on the above, the Board believes that the Consideration reflects a fairly good price for the Sale Subsidiaries in view of the prevailing market conditions, and a good opportunity to unlock value for Shareholders.
- 4.4 Upon Closing, the Company will cease to hold any operating business, and will become a cash company as defined under Rule 1018 of the Listing Manual. The Company will comply with the requirements of Rule 1018 of the Listing Manual upon Closing, and will accordingly place 90% of its cash and short-dated securities (including the proceeds from the Disposal) into an escrow account. The Company will also obtain the necessary moratorium undertakings, details of which are set out in paragraph 8.4 below.
- 4.5 Currently, the Company is also evaluating opportunities including but not limited to potential mergers and acquisitions targets. The completion of these potential mergers and acquisition(s) may result in a reverse takeover. A reverse takeover exercise would typically result in a premium to be paid to Shareholders by the incoming private company as the Company is a listed company. Accordingly, the Board believes that the Disposal and the prospect of a subsequent reverse takeover represent a potential gain to Shareholders from the premium over and above the value of the Company.
- 5. PROCEEDS FROM THE DISPOSAL**
- 5.1 The net sale proceeds from the Disposal, after deducting all costs and expenses, before and after the Australian Properties Sale, are estimated to be approximately S\$74,615,000 and S\$83,215,000 respectively. The excess of the sale proceeds from the Disposal over the NAV of the Sale Subsidiaries before and after the Australian Properties Sale (assuming for illustrative purposes that the sale proceeds of the Australian Properties is S\$8,600,000) as at 31 December 2017 is S\$14,955,000 and S\$14,598,000 respectively. The net gain from the Disposal for the Company less the Intercompany Loans as at 31 December 2017 is approximately S\$45,035,000. The Australian Properties Sale has no financial impact on the Company.
- 5.2 A portion of the sale proceeds from the Disposal are intended to be used for general working capital requirements and general corporate purposes of the Group.
- 5.3 Pending the deployment of the net proceeds from the Disposal, the net proceeds may be deposited with banks and/or financial institutions as the Directors may, in their absolute discretion, deem fit.
- 5.4 The Board intends to make an initial distribution (consisting of approximately S\$57,000,000 from the Disposal and approximately S\$10,000,000 cash at bank) subject to compliance with any regulatory requirements, to Shareholders by way of a special dividend on a pro rata basis based on the number of Shares held by Shareholders as at a date or dates to be determined, and will accordingly obtain the necessary approval from the SGX-ST for the withdrawal of monies from the escrow account for the payment of the special dividend to Shareholders, pursuant to Rule 1018(1)(a) of the Listing Manual. The special dividend will

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be paid out of the excess cash of the Company which would be derived from the aggregate consideration of S\$74,865,000 after deducting, amongst others, insurance, leave entitlement, and escrow. The Company will seek Shareholders' approval for the payment of the special dividend at the AGM to be convened in April 2019, after the adjustments to the Consideration as set out in paragraph 3.1.3 above have been crystallised. Thereafter, the Company will fix the books closure date for the payment of the special dividend, and will accordingly announce the books closure date on SGXNet. The estimated cash at bank and on hand after the Closing of the Disposal before and shortly after the special dividend is approximately S\$93,000,000 and S\$26,000,000 respectively. Based on the estimated cash at bank and on hand of S\$93,000,000 after the closing of the Disposal, 90% of this amount (amounting to approximately S\$83,700,000) would be held in escrow. The Company would then apply to the SGX-ST to withdraw approximately S\$67,000,000 out of the S\$83,700,000 held in escrow for the payment of the special dividend, leaving approximately S\$16,700,000 in the escrow account after the payment of the special dividend.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 6.1 Based on the financial statements for the period ended 30 September 2018 (being the latest announced unaudited consolidated financial statements of the Group), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:—

Rule	Bases	After the Disposal but before the sale of the Australia Industrial Properties		After the Disposal and after the sale of the Australia Industrial Properties ⁽¹⁾	
		Computation	Relative Figures	Computation	Relative Figures
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 September 2018.	$\frac{56,616,000}{85,493,000}$	66.22%	$\frac{64,985,000}{85,493,000}$	76.01%
1006(b)	The net profits for the 9-month period ended 30 September 2018 attributable to the assets acquired or disposed of, compared with the Group's net profits for the 9-month period ended 30 September 2018.	$\frac{11,204,000}{7,420,000}$	151.00%	$\frac{11,204,000}{7,651,000}$	146.44%
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	$\frac{74,865,000}{90,386,024^{(2)}}$	82.83%	$\frac{83,465,000}{90,386,024^{(2)}}$	92.34%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the Disposal is not an acquisition.			

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Rule	Bases	After the Disposal but before the sale of the Australia Industrial Properties	After the Disposal and after the sale of the Australia Industrial Properties ⁽¹⁾
		Computation	Relative Figures
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable as the Disposal is not a disposal of mineral, oil and gas assets by a mineral, oil and gas company.	Relative Figures

Notes:

(1) Assuming for illustrative purposes that the aggregate sale proceeds from the sale of the Australia Industrial Properties is S\$8,600,000.

(2) Based on the trading price as at 21 November 2018.

- 6.2 As the relative figures computed on the bases set out in Rule 1006 exceed 20%, the Disposal constitutes a 'major transaction' for the purpose of Chapter 10 of the Listing Manual, and is accordingly conditional upon Shareholders' approval in general meeting.
- 6.3 Based on the 30 September 2018 unaudited balance sheet, the assets after the Disposal but before the sale of the Australia Industrial Properties, will consist mainly cash of approximately S\$98,000,000 and the Australia Industrial Properties of approximately S\$8,400,000. The assets after the Disposal and the sale of the Australia Industrial Properties will consist mainly cash of approximately S\$106,400,000.

7. FINANCIAL EFFECTS OF THE DISPOSAL

7.1 Assumptions

- 7.1.1 The financial effects of the Disposal as set out below are theoretical and for illustrative purposes only, and are neither indicative of the actual financial effects of the Disposal nor representative of the future financial performance and position of the Company upon Closing.
- 7.1.2 The *pro forma* financial effects of the Disposal are based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2017, and have been prepared on the following assumptions:–
- (a) For the purpose of illustrating the financial effects of the Disposal on the NTA of the Company, it is assumed that the Disposal had been completed on 31 December 2017, being the end of FY2017, and that the aggregate sale proceeds from the sale of the Australia Industrial Properties is S\$8,600,000.
 - (b) For the purpose of illustrating the financial effects of the Disposal on the EPS of the Company, it is assumed that the Disposal had been completed on 1 January 2017, being the start of FY2017, and that the aggregate sale proceeds from the sale of the Australia Industrial Properties is S\$8,600,000.

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7.2 NTA

7.2.1 On the bases and assumptions set out above, the *pro forma* effect of the Disposal on the NTA of the Company is as follows:–

	Before the Disposal	After the Disposal but before the sale of the Australia Industrial Properties	After the Disposal and after the sale of the Australia Industrial Properties
NTA	S\$82,389,000	S\$97,892,000	S\$97,535,000
Number of Shares	341,079,335	341,079,335	341,079,335
NTA per Share	S\$0.24	S\$0.29	S\$0.29

7.2.2 Based on the table above, the change in the NTA following the Disposal, before and after the sale of the Australia Industrial Properties, is about 18.82% and 18.38% respectively.

7.3 EPS

7.3.1 On the bases and assumptions set out above, the *pro forma* effect of the Disposal on the EPS of the Company is as follows:–

	Before the Disposal	After the Disposal but before the sale of the Australia Industrial Properties	After the Disposal and after the sale of the Australia Industrial Properties
Gain attributable to Shareholders	S\$9,513,000	(S\$4,815,000)	(S\$4,371,000)
Number of Shares	341,079,335	341,079,335	341,079,335
EPS	S\$0.028	(S\$0.014)	(S\$0.013)

7.3.2 Based on the table above, the percentage change from a positive EPS to a negative EPS following the Disposal is not meaningful.

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8. CASH COMPANY

- 8.1 Upon Closing, the Sale Group Subsidiaries will cease to be subsidiaries of the Company. The Company will cease to have any operating subsidiaries or businesses and will become a cash company as defined under Rule 1018 of the Listing Manual. Accordingly, the Company will have to comply with the requirements pursuant to Rule 1018 of the Listing Manual.
- 8.2 Under Rule 1018(1) of the Listing Manual, the Shares will normally be suspended. The suspension will remain in force until the Company has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced. Upon Closing, the Company must:-
- 8.2.1 Place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the Disposal) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders; and
- 8.2.2 Provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.
- 8.3 The Company will comply with Rule 1018(1)(a) of the Listing Manual when the Company becomes a cash company on Closing. Taking into account compliance with the above, the SGX-ST may allow continued trading in the Shares on a case-by-case basis, subject to:-
- 8.3.1 Contractual undertakings from the Company's directors, Controlling Shareholders, chief executive officer, and their Associates to observe a moratorium on the transfer or disposal of all their interests, direct and indirect, in the Shares (the **"Rule 1018 Moratorium Undertakings"**); and
- 8.3.2 The period of the moratorium must commence from the date Shareholders approve the Disposal, up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing.
- 8.4 Accordingly, each of the following parties had on or before 28 November 2018 provided the Rule 1018 Moratorium Undertakings in respect of their respective interests in the Shares:-
- 8.4.1 Directors
- (a) Sim Yong Teng, the Executive Chairman and an Executive Director. Pursuant to section 7(4) of the Companies Act, Sim Yong Teng is deemed to be interested in the Shares held by Evenstar Investments Pte Ltd.
- (b) Tan Lay Ling, the Chief Operating Officer and an Executive Director.
- (c) Bruce William Rann, an Executive Director.
- (d) Heng Lee Seng, an Independent Director.

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- (e) Yeo Nai Meng, an Independent Director.
- (f) Chng Loy Teoh Patrick, an Independent Director.

8.4.2 Controlling Shareholders

- (a) Evenstar Investments Pte Ltd. Pursuant to section 7(4) of the Companies Act, Sim Yong Teng is deemed to be interested in the Shares held by Evenstar Investments Pte Ltd.

8.4.3 Associates of Directors and/or Controlling Shareholders

- (a) Goh Eng Eng, the spouse and an Associate of Sim Yong Teng.
- (b) Sim Li-Meng Timothy (Shen Liming), the son and an Associate of Sim Yong Teng.
- (c) Sim Hong Kiang, a sibling and an Associate of Sim Yong Teng.
- (d) Tan Leh Hong, a sibling and an Associate of Tan Lay Ling.
- (e) Janice Tan Leh Be, a sibling and an Associate of Tan Lay Ling.
- (f) Tan Lay Lian, a sibling and an Associate of Tan Lay Ling.

8.5 Pursuant to the Rule 1018 Moratorium Undertakings, each of the aforementioned parties has undertaken to observe a moratorium on the transfer or disposal of all their interests in the Shares, from the date of the EGM up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing.

8.6 The SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet the milestones or complete the relevant acquisition despite the time extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1309 should be made to Shareholders within 6 months.

8.7 In line with the rationale set out in paragraph 4 above, the Company is currently considering various options available after it becomes a cash company on Closing. Shareholders will be informed in due course once a decision has been made. Although the Company will actively pursue the acquisition of new businesses and assets following Closing, there is no assurance that this will be achieved or achieved within the time frame prescribed in Rule 1018(2) of the Listing Manual, and the Company may be delisted if the Company is unable to meet the requirements for a new listing.

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9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 9.1 The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Number of ordinary shares			
	Direct Interest	%	Deemed Interest	%
Directors				
Sim Yong Teng ⁽¹⁾	5,952,150	1.74	140,147,928	41.09
Tan Lay Ling	4,773,500	1.40	—	—
Bruce William Rann	1,664,468	0.49	—	—
Heng Lee Seng	525,000	0.15	—	—
Yeo Nai Meng	—	—	—	—
Chng Loy Teoh Patrick	10,000	0.0029	—	—
Substantial Shareholders (excluding Directors)				
Evenstar Investments Pte Ltd ⁽¹⁾	140,147,928	41.09	—	—
FMR LLC ⁽²⁾	—	—	27,224,900	7.9820

Notes:

- (1) Pursuant to section 7(4) of the Companies Act, Sim Yong Teng is deemed to be interested in the 140,147,928 shares held by Evenstar Investments Pte Ltd.
- (2) Pursuant to section 7(4) of the Companies Act, FMR LLC is deemed to be interested in the shares acquired by the registered holders, FID Low Priced Stock Fund.

- 9.2 Save as disclosed, none of the Directors and/or Controlling Shareholders has any interest, whether direct or indirect, in the Disposal and the Australian Properties Sale save for their respective shareholdings in the Company.

10. SERVICE CONTRACTS

- 10.1 No person is proposed to be appointed as a director of the Company in relation to the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DIRECTORS' RECOMMENDATIONS

- 11.1 Save for Sim Yong Teng who will abstain from making any recommendations to the Shareholders in respect of the Ordinary Resolution, the remaining Directors are of the opinion that the Disposal and the Australian Properties Sale is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Disposal and the Australian Properties Sale.

LETTER TO SHAREHOLDERS

12. DIRECTORS' RESPONSIBILITY STATEMENT

- 12.1 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 Disposal and the Australian Properties Sale, 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.

13. EXTRAORDINARY GENERAL MEETING

- 13.1 The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held on 22 January 2019 at 28 Joo Koon Circle, Singapore 629057 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution.

14. ACTIONS TO BE TAKEN BY SHAREHOLDERS

14.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wishes to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form ("**Shareholder Proxy Form**") which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company not less than 72 hours before the time appointed for the holding of the EGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Shareholder Proxy Form will be deemed to be revoked.

14.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

LETTER TO SHAREHOLDERS

15. DOCUMENTS AVAILABLE FOR INSPECTION

15.1 A copy of the following documents may be inspected by Shareholders at the registered office of the Company at 28 Joo Koon Circle, Singapore 629057, during normal business hours from the date of this Circular up to the date of the EGM:—

- (a) The SPA.
- (b) The Valuation Report.
- (c) The Constitution of the Company.

Yours faithfully
For and on behalf of the Board of

SINWA LIMITED

Tan Lay Ling
Chief Operating Officer and Executive Director

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APPENDIX A

The Board of Directors
Sinwa Limited

21 December 2018

28 Joo Koon Circle
Singapore 629057

Independent Valuation Summary – Sale Group of Sinwa Limited

In relation to the proposed disposal of 100% of share capital of the Sale Group of Sinwa Limited

Dear Sirs:

1. Introduction

This letter is a summary of the information contained in BDO Advisory Pte Ltd's Independent Valuation Report dated 21 December 2018 (the "**Summary Valuation Report**"). Accordingly, it should be read in conjunction with the full text of the said Independent Valuation Report (the "**Report**").

BDO Advisory Pte Ltd is part of a global network of firms in 162 countries with more than 73,000 people working out of 1,500 offices to deliver quality assurance, tax and advisory services. In the valuation space, BDO Singapore's Advisory Services meets regional and local businesses' valuation needs with provision of services including valuing businesses, joint ventures and equity interests, and specific assets such as intangible assets like trademarks, customer relationships, and financial instruments. In the recent years, our valuation professionals (accredited with the Institute of Valuers and Appraisers of Singapore ("IVAS")) have worked on a range of business requirements, including:

- Restructuring, mergers, acquisitions and divestments
- Business planning and decision support
- Support for tax planning and advisory
- Expert witness for litigation support
- Financial reporting

The information contained in the Report pertains to our appointment by the Board of Directors of Sinwa Limited ("**Sinwa**" or the "**Company**") to perform the necessary professional services relating to the valuation of the Sale Group, as described below.

On 13 November 2018, the Company announced that it had entered into a share purchase and loan assignment agreement ("**SPA**") with Asia Ship Chandlery Holdings Pte. Ltd. (the "**Purchaser**") for the following, for an aggregate consideration of S\$74,865,000 (the "**Consideration**"), upon the terms and subject to the conditions of the SPA (the "**Disposal**"):

- (a) The Company will sell its entire shareholding interests in the wholly owned subsidiaries defined in section 2 below (collectively the "**Sale Group**") to the Purchaser (the "**Sale Shares**"); and

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- (b) The Company and Sinwa International Pte. Ltd. (“SIPL”) will also assign and transfer to the Purchaser, the intercompany loans owing by certain entities in the Sale Group to the Company and SIPL (the “**Intercompany Loans**”). We understand from the management of Sinwa (“**Management**”) that the Intercompany Loans amounted to approximately S\$17.8 million as at 30 September 2018

Accordingly, the Consideration of S\$74.9 million payable by the Purchaser for the Disposal comprises S\$57.1 million for the Sale Shares after allocation of S\$17.8 million to the Intercompany Loans.

2. Terms of reference

We are to undertake an independent valuation of the Sale Group as at 30 September 2018 (the “**Valuation Date**”) in connection with the Disposal. This is for the purpose of inclusion in this Circular.

We are instructed by Sinwa that as at the Valuation Date, the Sale Group comprised the Sale Subsidiaries and their subsidiaries (the “**Sale Group Subsidiaries**”), as set out in the table below.

Sale Subsidiaries	Country	Type	% interest
Sinwa SS Pte. Ltd.	Singapore	Investment Holding	100%
Seafirst Marine Services Pte. Ltd.	Singapore	Operating Company	100%
Sinwa Offshore Pte. Ltd.	Singapore	Operating Company	100%
Sinwa Ship Supply (HK) Pte. Ltd.	Singapore	Operating Company	100%
Windsor Marine Pte Ltd	Singapore	Operating Company	100%
Sinwa Australia Pty Ltd	Australia	Operating Company	100%
Sale Group Subsidiaries	Country	Type	% interest
Sinwa (Singapore) Pte Ltd	Singapore	Operating Company	100%
Sinwa Marine Pte Ltd	Singapore	Investment Holding	100%
Sinwa Marine Services (Dalian) Pte. Ltd.	Singapore	Operating Company	100%
Sinwa Marine Services (Qingdao) Pte. Ltd.	Singapore	Operating Company	100%
Sinwa Marine Services (Tianjin) Pte. Ltd.	Singapore	Operating Company	100%
Sinwa Shanghai Ship Supply Pte. Ltd.	Singapore	Operating Company	100%
Sinwa (Thailand) Ltd	Thailand	Operating Company	100%
IMS (Shanghai) Co., Ltd	China	Dormant	100%
Sinwa SS (HK) Co. Limited*	Hong Kong	Investment Holding	100%
Sinwa Offshore & Logistics (M) Sdn Bhd*	Malaysia	Dormant	80%

* In the process of being struck off

APPENDIX A

There are two operating entities included in the Sale Group which are to be treated as out-of-scope entities for this valuation as both are in the process of being struck off. These entities are as follows:

- (a) Sinwa SS (HK) Co. Limited, which is based in Hong Kong. Its principal activity is that of investment holding with a Net Liabilities position of HK\$23,423,422 as at 31 December 2017. As at the Latest Practicable Date, Sinwa SS (HK) Co. Limited is in the process of being struck off as a company by the Companies Registry of Hong Kong; and
- (b) Sinwa Offshore & Logistics (M) Sdn Bhd, which is based in Malaysia. The company is principally engaged in marine supply and logistics business with a Net Asset Value of nil as at 31 December 2017. It had been dormant since its incorporation date. As at the Latest Practicable Date, Sinwa Offshore & Logistics (M) Sdn Bhd is in the process of being struck off the register of companies maintained by the Companies Commission of Malaysia.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by Sinwa and made available to us, we have considered and where appropriate, relied on such advice.

3. Use of this Summary Valuation Report and our Report

This Summary Valuation Report and the Report are addressed to, and are intended for the use of the Directors of Sinwa for the purpose as set out in the Report. Accordingly neither this Summary Valuation Report nor the Report may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of Sinwa and the prospective investors of Sinwa). Any recommendation made by the Directors to the shareholders of Sinwa shall remain the responsibility of the Directors.

We are not expressing an opinion on the commercial merits of the Disposal and accordingly, this Summary Valuation Report and the Report do not purport to contain all the information that may be necessary to fully evaluate the commercial merit of the Disposal by the Company to its shareholders.

In addition, this Summary Valuation Report and the Report should not be construed as a provision of any investment advice to the prospective investors of Sinwa and cannot be relied upon for making investment decisions and we expressly disclaim a duty of care or liability to any third party who is shown or gains access to this Summary Valuation Report or the Report.

4. Reliance on information and representation

The information used by us in preparing the Report has been obtained primarily from Management and other sources as indicated in the Report. These include:

- a. Proforma combined Management Accounts of the Sale Group for FY2015 to FY2017 and for the 9-month period ended 30 September 2018;
- b. Audited Financial Statements of each entity in the Sale Group from FY2015 to FY2017;
- c. Financial forecasts from FY2018 to FY2021 for the Sale Group on a combined basis;

APPENDIX A

- d. Information on economic outlook and industry outlook of the marine and offshore, as well as oil and gas industry for Singapore and Australia;
- e. General information gleaned from documents submitted by Management;
- f. Financial data obtained from Bloomberg Professional Services; and
- g. All other publicly available information.

While our work has involved analysis of the above mentioned operational and financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us.

Management has reviewed the information contained in our Report and has confirmed that the information provided to us is accurate and that no significant information essential to the Report has been withheld.

5. Valuation methodology and summary results

The standard of value that we have adopted is fair value defined in Financial Reporting Standards (FRS 113) as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

In arriving at the valuation results, we have adopted the income approach, using the discounted cash flow (“**DCF**”) methodology, as the primary valuation approach to value the Sale Group for the following reasons:

- The value proposition of the operating businesses are primarily income driven, underpinned by the prospects of the marine and offshore, as well as the oil and gas industry. The DCF methodology will better reflect a valuation that is based on income derived from the Sale Group’s operating businesses.
- The general insufficiency of information available on precedent transactions completed in the recent past, of businesses with similar characteristics to the Sale Group.

Under the DCF, the future free cash flows expected to be generated from the business of the company during its life, is discounted with an appropriate discount rate to arrive at an overall business or enterprise value (the “**Enterprise Value**”). To determine the terminal value i.e. the value of free cash flows that continues into perpetuity in the future, the perpetuity growth method is used.

The Enterprise Value computed will comprise the equity value (to the shareholders), and the net financial debt (i.e. non-equity claims) of the company which would include, in present value terms, interest-bearing liabilities and shareholder loans.

As the Consideration of S\$74,865,000 for the Disposal is to comprise payment for two components: (1) the Sale Shares and (2) the Intercompany Loans, this is equivalent to the Enterprise Value computed under the DCF as defined above.

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As such, we present our derived Enterprise Value range in the table below.

(In S\$' million)	Lower End	Base Case	Upper End
Enterprise Value	67.0	69.7	72.8
Comprising:			
(1) Net Debt as at 30 September 2018	17.9	17.9	17.9
<i>Finance leases (Current & Non-current)</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<i>Intercompany Loans</i>	<i>17.8</i>	<i>17.8</i>	<i>17.8</i>
(2) Equity Value to shareholders	49.1	51.8	54.9

The Base Case Enterprise Value that we have derived is S\$69.7 million. Using the Base Case valuation, possible variations on valuation parameters such as the discount rate and terminal growth rate were factored into our sensitivity analysis to arrive at the Lower end of S\$67.0 million and the Upper end of S\$72.8 million.

The range of Enterprise Value from the Lower end to the Upper end is derived by varying the weighted average cost of capital (WACC) and the terminal growth rate by +/-0.25%.

We note that the Base Case valuation of S\$69.7 million is approximately at the mid-point of the Lower end and the Upper end. The Consideration of approximately S\$74.9 million for the Sale Group is at a premium of approximately 7.4% to the Base Case Enterprise Value of S\$69.7 million.

In addition, we have assessed the reasonableness of our valuation results by cross-checking the Enterprise Value range derived from the income approach with the market multiple methodology under the market approach.

As indicated above, the projected cash flows used in the DCF analysis have been based upon certain identified assumptions. Some of these assumptions inevitably will not materialise, and unanticipated events may occur; therefore, the actual results achieved during the projection period will vary from the projection, and the variations may be substantial. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons we express no opinion as to how closely the actual results achieved will correspond to those projected.

We have set out in the Report, the key assumptions as well as the risk factors, which may materially affect the valuation of the Sale Group. These include:

- i. The information provided to us by Management reflects the best estimate of the financial results of the Sale Group and these have not been subjected to audit or reviews;
- ii. The Sale Group has legal title to all assets included in the financial information furnished by the Management. All assets, which are physically in existence, are in good working condition. There are no risks that any of these assets are subject to compulsory acquisition by any third party or government body;

APPENDIX A

- iii. Related party transactions are carried out on an arm's length basis and will continue to be for the foreseeable future even if there are any changes in ownership; and
- iv. The financial effects of any known significant events subsequent to 30 September 2018 have been factored into the financial forecasts of the Sale Group provided by Management.

6. Conclusion

As detailed in the Report, the derived range of the Enterprise Value of the Sale Group as at the Valuation Date is from S\$67.0 million to S\$72.8 million.

We assume no responsibility and are not required to update, revise or reaffirm our conclusion of value to reflect events or developments subsequent to the date of the Report and this Summary Valuation Report.

Yours faithfully,
For and on behalf of
BDO Advisory Pte Ltd
Cheng Soon Keong
Director, Advisory

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINWA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200206542H)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Company will be held at 28 Joo Koon Circle, Singapore 629057 on 22 January 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolution as an Ordinary Resolution:

All capitalised terms in the Ordinary Resolution and defined in the Circular shall, unless otherwise defined in the Notice bear the respective meanings ascribed thereto in the Circular.

AS AN ORDINARY RESOLUTION:

THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL IN SINWA SS PTE. LTD., SEAFIRST MARINE SERVICES PTE. LTD., SINWA OFFSHORE PTE. LTD., SINWA SHIP SUPPLY (HK) PTE. LTD., WINDSOR MARINE PTE LTD, AND SINWA AUSTRALIA PTY LTD AND THE INTERCOMPANY LOANS, AND THE AUSTRALIAN PROPERTIES SALE

That approval be and is hereby given to the Company for the following actions:

- (a) pursuant to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited and Section 160 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given for the Disposal and the Australian Properties Sale on the terms and conditions of the SPA dated 13 November 2018 entered into between the Company and the Purchaser; and
- (b) any of the Directors be and is hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they/he/she may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

BY ORDER OF THE BOARD

Siau Kuei Lian
Company Secretary
Singapore
7 January 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM of the Company is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
 2. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
 3. 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.
 4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
 5. Where an instrument appointing a proxy is signed on behalf of the appointor by the 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.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 28 Joo Koon Circle, Singapore 629057, not less than seventy-two hours before the time appointed for holding the EGM of the Company.
- * A Relevant Intermediary is:
- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument of proxy 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 proxy(ies) and/or representative(s) appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SINWA LIMITED

Company Registration Number: 200206542H
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)
being a member/members of Sinwa Limited (the "**Company**"), hereby appoint:

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			

as *my/our *proxy/proxies or failing him/her*, the Chairman of the Meeting, to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company to be held at 28 Joo Koon Circle, Singapore 629057 on 22 January 2019 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specified direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolution relating to:	No. of votes 'For'	No. of votes 'Against'
1.	To approve the disposal of the entire issued and paid-up share capital in Sinwa SS Pte. Ltd., Seafirst Marine Services Pte. Ltd., Sinwa Offshore Pte. Ltd., Sinwa Ship Supply (HK) Pte. Ltd., Windsor Marine Pte Ltd, and Sinwa Australia Pty Ltd and the Intercompany Loans, and the Australian Properties Sale.		

Dated this _____ day of _____ 2019

Total number of Shares Held

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

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), 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 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 appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) 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 Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting 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 Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 28 Joo Koon Circle, Singapore 629057 not less than seventy-two (72) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of 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 seal or under the hand of an 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.
8. 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, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 the Meeting dated 7 January 2019.

General:

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 Shares entered in the Depository Register, 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 name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.