

**CIRCULAR DATED 11 JULY 2019**

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

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

If you have sold or transferred all your shares in the capital of KLV Holdings Limited (“**Company**”), you should forward this Circular, the Notice of Extraordinary General Meeting and the Proxy Form enclosed herewith immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to such purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Circular including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Battery Road #25-01, Singapore 049910.



**KLW HOLDINGS LIMITED**

(Company Registration No. 199504141D)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE**

**Important Dates and Times**

Last date and time for lodgement of Proxy Form : 24 July 2019 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 26 July 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : The Chevrons, Carnation 3, Level 3, 48 Boon Lay Way, Singapore 609961

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## DEFINITIONS

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

- “ACRA”** : The Accounting and Corporate Regulatory Authority
- “Act” or “Companies Act”** : The Companies Act, (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Associate”** : (A) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (B) in relation to a Substantial Shareholder or 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 thirty per cent. (30%) or more,
- or such other definition as the Listing Manual may from time to time prescribe
- “Average Closing Price”** : Has the meaning given to it in Section 2.3.4 of this Circular
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date
- “Catalist”** : The Catalist Board of the of the SGX-ST
- “Catalist Rules”** : Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 11 July 2019
- “Company”** : KLW Holdings Limited
- “Constitution”** : The constitution of the Company, as 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 the Company

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## DEFINITIONS

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<b>“Controlling Shareholder”</b>	: A person who:–  (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or  (b) in fact exercises control over the Company,  or such other definition as the Listing Manual may from time to time prescribe
<b>“CPF”</b>	: Central Provident Fund
<b>“Directors”</b>	: The directors of the Company from time to time
<b>“EGM”</b>	: The extraordinary general meeting of the Company to be held on 26 July 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
<b>“LPS”</b>	: Loss per Share
<b>“FY”</b>	: Financial year ended, or ending, as the case may be, on 31 March
<b>“Group”</b>	: The Company and its subsidiaries, collectively
<b>“Latest Practicable Date”</b>	: The latest practicable date prior to the printing of this Circular, being 17 June 2019
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Market Purchases”</b>	: Has the meaning given to it in Section 2.3.3(i) of this Circular
<b>“Maximum Price”</b>	: Has the meaning given to it in Section 2.3.4 of this Circular
<b>“Notice of EGM”</b>	: The notice of EGM as set out on pages 24 to 26 of this Circular
<b>“NTA”</b>	: Net tangible assets of the Group
<b>“Off-Market Purchases”</b>	: Has the meaning given to it in Section 2.3.3(ii) of this Circular
<b>“Ordinary Resolution”</b>	: The ordinary resolution as set out in the Notice of EGM
<b>“Securities Account”</b>	: A securities account maintained by a depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited

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## DEFINITIONS

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- “Shareholders”** : Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term **“Shareholders”** shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
- “Share Purchase Mandate”** : The general mandate granted by the Shareholders to authorize the Directors to make purchase or acquire Shares of up to 10% of the issued Shares of the Company at the date of the EGM in accordance with the terms of this Circular and subject to compliance with the Companies Act and Catalist Rules, the adoption of which is subject to approval of Shareholders at the EGM
- “Shares”** : Ordinary shares in the capital of the Company
- “Sponsor”** : R & T Corporate Services Pte. Ltd.
- “Substantial Shareholder”** : A person who has an interest (directly or indirectly) of 5% or more of the total issued Shares (excluding treasury shares)
- “Take-over Code”** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
- “treasury shares”** : Treasury shares shall have the meaning ascribed to it under Section 4 of the Companies Act

### **Currencies, Units and Others**

- “S\$” and “cents”** : Singapore dollars and cents, respectively
- “%” or “per cent.”** : Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

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

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

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

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

The total of figures listed in certain tables included in this Circular may not be the same as the arithmetic sum of the figures. Any such discrepancies are due to rounding.

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## LETTER TO SHAREHOLDERS

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### KLW HOLDINGS LIMITED

(Company Registration Number: 199504141D)  
(Incorporated in the Republic of Singapore)

#### Directors:

Pengiran Muda Abdul Qawi	(Non-Executive Chairman)
Ms Wong Gloria	(Executive Director)
Mr Lam Chi Yun Terence	(Executive Director)
Ms Lam Kwan Linda	(Executive Director)
Mr Lim Han Siang Peter	(Independent Director)
Mr Chan Ka Kin Kevin	(Independent Director)
Mr Mark Leong Kei Wei	(Independent Director)

#### Registered Office:

2 Kallang Avenue,  
CT Hub #07-03,  
Singapore 339407

11 July 2019

To: The Shareholders of **KLW HOLDINGS LIMITED**

Dear Sir/Madam,

#### 1. INTRODUCTION

- 1.1 **EGM.** The Directors propose to convene an EGM to seek Shareholders' approval in respect of the proposed adoption of the Share Purchase Mandate.
- 1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the proposed adoption of the Share Purchase Mandate to be tabled at the EGM to be held on 26 July 2019 at 11.00 a.m. at The Chevrons, Carnation 3, Level 3, 48 Boon Lay Way, Singapore 609961 (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place). The Notice of the EGM is set out on pages 24 to 26 of this Circular.

The Sponsor and the SGX-ST assume no responsibility for the correctness of any statements or opinions made in this Circular.

#### 2. THE PROPOSED SHARE PURCHASE MANDATE

##### 2.1 Introduction

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. During the validity period of the Share Purchase Mandate, the Directors will have the authority to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate. Regulation 16 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares on such terms and in such manner as the Company may from time to time think fit subject to and in accordance with the Companies Act. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the EGM for the adoption of the Share Purchase Mandate.

If approved by Shareholders at the EGM, the Share Purchase Mandate will take effect from the date the resolution was passed and continue in force until the date of the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), or the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting), or the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate

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## LETTER TO SHAREHOLDERS

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are carried out to the full extent mandated (if so varied or revoked prior to the next annual general meeting), whichever is the earliest. Subject to its continued relevance to the Company, the Share Purchase Mandate will be put to Shareholders for renewal at each subsequent annual general meeting.

### 2.2 Rationale

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

2.2.1 In managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;

2.2.2 Shares which are purchased or acquired by the Company pursuant to the Share Purchase Mandate and held as treasury shares may, *inter alia*, to the extent permitted by applicable law, be transferred for the purposes of or pursuant to share incentive schemes implemented by the Company, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders;

2.2.3 The Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and

2.2.4 The Share Purchase Mandate will provide the Company with the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. If and when circumstances permit, the Directors will decide whether to effect such purchase or acquisition of Shares via Market Purchases or Off-Market Purchases, after taking into account the amount of cash available, the prevailing market conditions and the most cost-effective and efficient approach. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the Catalist. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

### 2.3 Authority and Limits on the Share Purchase Mandate

The authority and limits of the Share Purchase Mandate, if approved at the EGM, are summarised below:

#### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued Shares at the date of the EGM at which the Share Purchase Mandate is approved, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

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## LETTER TO SHAREHOLDERS

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**However, as stated in Section 2.2 of this Circular and Section 2.7 of this Circular, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that affect the listing status of the Company on the SGX-ST.**

As at the Latest Practicable Date, the public float in the issued Shares is approximately 67%. Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases and acquisitions of the Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST. Please refer to Section 2.8 of this Circular for more information in relation to the public float in the issued Shares.

**For illustrative purposes only**, on the basis of 5,380,556,316 Shares in issue as at the Latest Practicable Date and assuming that the Company does not have any subsidiary holdings and no further Shares are issued or held in treasury on or prior to the EGM, and that the Company does not reduce its share capital, then not more than 538,055,631 Shares (representing approximately 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the duration referred to in Section 2.3.2 of this Circular. As at the Latest Practicable Date, the Company does not hold any treasury shares and subsidiary holdings.

### 2.3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the adoption of the Share Purchase Mandate is approved, up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law or the Constitution to be held (whereupon it will lapse, unless renewed at such meeting);
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting).

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

### 2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (i) on-market purchases, transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the purchase or acquisition of Shares ("**Market Purchases**"); and/or



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## LETTER TO SHAREHOLDERS

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- (ii) off-market purchases made in accordance with an “equal access scheme” as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Catalist Rules, the Companies Act and the Constitution of the Company and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

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

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

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
- (7) whether the Shares purchased or acquired by the Company would be cancelled or kept as treasury shares.

### 2.3.4 Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

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## LETTER TO SHAREHOLDERS

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- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, up to 120% of the Average Closing Price of the Shares,

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

For the above purposes:

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

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

### 2.4 Status of Purchased or Acquired Shares

#### 2.4.1 Cancellation of Shares

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share shall expire on cancellation. All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares. At the time of each purchase or acquisition of Shares, the Company may decide whether the Shares purchased or acquired will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

#### 2.4.2 Treasury shares held by the Company

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

- (i) *Maximum holdings*

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares held as treasury shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six (6) months from the date such limit is exceeded, or such further period as may be allowed by the ACRA. The Company has no Shares held as treasury shares as at the Latest Practicable Date.

- (ii) *Disposal and cancellation*

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-Over Code):

- (a) sell the treasury shares for cash;

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## LETTER TO SHAREHOLDERS

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- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme implemented by the Company, including the Scheme and the Share Plan;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribed.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

(iii) *Voting and other rights*

The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.5 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of its capital or profits, so long as the Company is solvent. Under Section 76F(4) of the Companies Act, the Company is solvent if at the date of payment for the purchase or acquisition of its Shares, there is no ground on which the Company could be found to be unable to pay its debts, if it is intended to commence winding up within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within such period, or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of payment, and the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, firstly, consider the availability of internal resources. In addition, the Directors will also thereafter consider the availability of external financing.

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## LETTER TO SHAREHOLDERS

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The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

### 2.6 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the financial effects as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition of Shares is made out of capital and/or profits, the purchase price paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions of Shares and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including expenses such as brokerage or commission incurred directly by the Company in its purchase or acquisition of Shares) will not affect the amount available for distribution in the form of dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including expenses such as brokerage or commission incurred directly by the Company in its purchase or acquisition of Shares) will correspondingly reduce the amount available for distribution in the form of dividends by the Company.

Where the Company chooses to cancel any of the Shares which it purchased or acquired (as opposed to being held as treasury shares to the extent permitted under the Companies Act), the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price (including expenses such as brokerage or commission incurred directly by the Company in its purchase or acquisition of Shares) paid by the Company for the Shares cancelled.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group or on the financial position of the Company and the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhance the earnings and/or NTA per Share of the Group.

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## LETTER TO SHAREHOLDERS

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**Purely for illustrative purposes only**, the financial effects of the purchases or acquisitions of Shares on the Company and the Group, based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2019 are based on the assumptions set out below:

- (A) based on 5,380,556,316 Shares in issue as at the Latest Practicable Date, and assuming no new Shares are issued on or prior to the EGM, the exercise in full of the Share Purchase Mandate, on the Latest Practicable Date, would result in the purchase or acquisition of 538,055,631 Shares, representing 10% of the issued Shares of the Company (excluding treasury shares); and
- (B) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 538,055,631 Shares at the Maximum Price of S\$0.0032 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 538,055,631 Shares would be approximately S\$1,721,778.
- (C) In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 538,055,631 Shares at the Maximum Price of S\$0.0036 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 538,055,631 Shares would be approximately S\$1,937,000.

**Purely for illustrative purposes only**, and based on the assumptions set out in sub-paragraphs (A), (B) and (C) above and assuming that (i) the purchase or acquisition of Shares was financed by internal sources of funds and external borrowings; (ii) the Share Purchase Mandate had been effective on 1 April 2018; and (iii) transaction costs incurred for the purchase or acquisition of Shares have been assumed to be insignificant and hence, have been disregarded for the purpose of computing the financial effects, the financial effects of:

- (i) the purchase or acquisition of 538,055,631<sup>1</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are cancelled;
- (ii) the purchase of 538,055,631<sup>1</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are cancelled;
- (iii) the purchase of 538,055,631<sup>2</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are held as treasury shares; and
- (iv) the purchase of 538,055,631<sup>2</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are held as treasury shares, on the audited financial statements of the Company and the Group for FY2019 are set out below:

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1 Being the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Purchase Mandate and such Shares are cancelled. This is based on the assumption that, between the Latest Practicable Date and the date of the EGM, there are no changes to the number of issued Shares and the number of treasury shares held by the Company.

2 Being the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Purchase Mandate and hold such Shares as treasury shares in compliance with Section 76K of the Companies Act. This is based on the assumption that, between the Latest Practicable Date and the date of the EGM, there are no changes to the number of issued Shares and the number of treasury shares held by the Company.

## LETTER TO SHAREHOLDERS

- (l) **Financial effects on the Group and the Company assuming that 538,055,631 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are cancelled immediately on purchase or acquisition**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 March 2019				
Share Capital	103,171	101,449	103,171	101,449
Accumulated losses	(24,231)	(24,231)	(32,118)	(32,118)
Other Reserves	(4,873)	(4,873)	–	–
Non-controlling interest	9,680	9,680	–	–
Shareholders' Funds	83,747	82,025	71,053	69,331
NTA	74,067	72,345	71,053	69,331
Current Assets	78,133	76,411	25,668	23,946
Current Liabilities	7,473	7,473	11,948	11,948
Total Borrowings	4,092	4,092	–	–
Cash and Cash Equivalents	15,795	14,073	3,807	2,085
Number of Shares ('000)	5,380,556	4,842,500	5,380,556	4,842,500

### **Financial Ratios**

NTA <sup>(1)</sup> per Share (cents)	1.38	1.49	1.32	1.43
LPS <sup>(2)</sup> (cents)	0.03	0.03	0.01	0.01
Gearing <sup>(3)</sup> (times)	–	–	–	–
Current Ratio <sup>(4)</sup> (times)	10.5	10.2	2.1	2.0

#### **Notes:**

- (1) NTA equals total shareholders' funds less intangible assets.
- (2) LPS is computed based on the loss after tax for FY2019, of S\$1,486,090 and S\$766,182 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of LPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 April 2018.
- (3) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

## LETTER TO SHAREHOLDERS

- (II) **Financial effects on the Group and the Company assuming that 538,055,631 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are cancelled immediately on purchase or acquisition**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 March 2019				
Share Capital	103,171	101,234	103,171	101,234
Accumulated losses	(24,231)	(24,231)	(32,118)	(32,118)
Other Reserves	(4,873)	(4,873)	–	–
Non-controlling interest	9,680	9,680	–	–
<b>Shareholders' Funds</b>	<b>83,747</b>	<b>81,810</b>	<b>71,053</b>	<b>69,116</b>
NTA	74,067	72,130	71,053	69,116
Current Assets	78,133	76,169	25,668	23,731
Current Liabilities	7,473	7,473	11,948	11,948
Total Borrowings	4,092	4,092	–	–
Cash and Cash Equivalents	15,795	13,858	3,807	1,870
Number of Shares ('000)	5,380,556	4,842,500	5,380,556	4,842,500

### **Financial Ratios**

NTA <sup>(1)</sup> per Share (cents)	1.38	1.49	1.32	1.43
LPS <sup>(2)</sup> (cents)	0.03	0.03	0.01	0.01
Gearing <sup>(3)</sup> (times)	–	–	–	–
Current Ratio <sup>(4)</sup> (times)	10.5	10.2	2.1	2.0

#### **Notes:**

- (1) NTA equals total shareholders' funds less intangible assets.
- (2) LPS is computed based on the loss after tax for FY2019, of S\$1,486,090 and S\$766,182 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of LPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 April 2018.
- (3) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.



## LETTER TO SHAREHOLDERS

**(III) Financial effects on the Group and the Company assuming that 538,055,631 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are held as treasury shares**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 March 2019				
Share Capital	103,171	103,171	103,171	103,171
Treasury shares	–	(1,722)	–	(1,722)
Accumulated losses	(24,231)	(24,231)	(32,118)	(32,118)
Other Reserves	(4,873)	(4,873)	–	–
Non-controlling interest	9,680	9,680	–	–
Shareholders' Funds	83,747	82,025	71,053	69,331
NTA	74,067	72,345	71,053	69,331
Current Assets	78,133	76,411	25,668	23,946
Current Liabilities	7,473	7,473	11,948	11,948
Total Borrowings	4,092	4,092	–	–
Cash and Cash Equivalents	15,795	14,073	3,807	2,085
Number of Shares ('000)	5,380,556	4,842,500	5,380,556	4,842,500

### **Financial Ratios**

NTA <sup>(1)</sup> per Share (cents)	1.38	1.49	1.32	1.43
LPS <sup>(2)</sup> (cents)	0.03	0.03	0.01	0.01
Gearing <sup>(3)</sup> (times)	–	–	–	–
Current Ratio <sup>(4)</sup> (times)	10.5	10.2	2.1	2.0

#### **Notes:**

- (1) NTA equals total shareholders' funds less intangible assets.
- (2) LPS is computed based on the loss after tax for FY2019, of S\$1,486,090 and S\$766,182 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of LPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 April 2018.
- (3) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.



## LETTER TO SHAREHOLDERS

**(IV) Pro-forma financial effects on the Group and Company assuming that 538,055,631 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are held as treasury shares**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 March 2019				
Share Capital	103,171	103,171	103,171	103,171
Treasury shares	–	(1,937)	–	(1,937)
Accumulated losses	(24,231)	(24,231)	(32,118)	(32,118)
Other Reserves	(4,873)	(4,873)	–	–
Non-controlling interest	9,680	9,680	–	–
<b>Shareholders' Funds</b>	<b>83,747</b>	<b>81,810</b>	<b>71,053</b>	<b>69,116</b>
NTA	74,067	72,130	71,053	69,116
Current Assets	78,133	76,196	25,668	23,731
Current Liabilities	7,473	7,473	11,948	11,948
Total Borrowings	4,092	4,092	–	–
Cash and Cash Equivalents	15,795	13,858	3,807	1,870
Number of Shares ('000)	5,380,556	4,842,500	5,380,556	4,842,500

### **Financial Ratios**

NTA <sup>(1)</sup> per Share (cents)	1.38	1.49	1.32	1.43
LPS <sup>(2)</sup> (cents)	0.03	0.03	0.01	0.01
Gearing <sup>(3)</sup> (times)	–	–	–	–
Current Ratio <sup>(4)</sup> (times)	10.5	10.2	2.1	2.0

### **Notes:**

- (1) NTA equals total shareholders' funds less intangible assets.
- (2) LPS is computed based on the loss after tax for FY2019, of S\$1,486,090 and S\$766,182 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of LPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 April 2018.
- (3) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

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## LETTER TO SHAREHOLDERS

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Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Group for the FY2019 and is not necessarily representative of the future financial performance of the Company or the Group. The actual impact will depend on the number and price of the Shares purchased or acquired.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of the purchases or acquisitions before execution. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings), ascertained as at the date of the EGM, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or may hold all or part of the Shares repurchased as treasury shares.

The Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit if such exercise would materially and adversely affect the financial position of the Company or the Group.

### 2.7 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any such tax implications arising from the Share Purchase Mandate, or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

### 2.8 Requirements under the Catalist Rules

While the Catalist Rules does not expressly prohibit the purchase or acquisition of shares by a listed company during any particular time or times, because a listed company would be considered to be an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and
- (b) in the case of Market Purchases, during the period of one (1) month immediately preceding the announcement of the Company’s full-year results and the period of two (2) weeks before the announcement of the first quarter, second quarter and third quarter results.

The Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed on the SGX-ST is held by the public. The term “public” is defined in the Catalist Rules as persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies and associates of such persons.

As at the Latest Practicable Date, there were 3,619,187,516 Shares held by the public Shareholders, representing approximately 67% of the issued Shares of the Company excluding treasury shares. Assuming the Company purchases or acquires its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate from the public, the number of Shares in the hands of the public would be reduced to 3,081,131,885, representing approximately 63.63% of the reduced total number of issued Shares of the Company comprising 4,842,500,685 Shares (excluding treasury shares). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company

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## LETTER TO SHAREHOLDERS

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to potentially undertake purchases and acquisitions of the Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST.

In undertaking any purchase or acquisition of Shares, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions of Shares, a sufficient float in the hands of the public will be maintained so that purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

### 2.9 Take-Over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

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

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition of Shares for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

#### 2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

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## LETTER TO SHAREHOLDERS

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- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

### 2.9.4 Application of the Take-over Code

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of the purchase or acquisition of 10% Shares by the Company pursuant to the Share Purchase Mandate.

As at the Latest Practicable Date, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event the Directors exercise the power to buy back Shares pursuant to the Share Purchase Mandate.

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## LETTER TO SHAREHOLDERS

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Further details of the interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in paragraph 3 (Directors' and Substantial Shareholders' Interests) of this Circular.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

### 2.10 Shares purchased or acquired in the previous 12 months

The Company has not purchased any Shares in the last 12 months up to the Latest Practicable Date and does not have an existing mandate to purchase its own shares.

### 2.11 Reporting Requirements

Within thirty (30) days of the passing of the Shareholders' resolution to approve the proposed renewal of the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification, in the form as may be prescribed by ACRA, shall include, *inter alia*, details of the purchase or acquisition of Shares such as the date of the purchase or acquisition of Shares, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares and whether the Shares were purchased out of profits or capital of the Company.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA, in the prescribed form, the notice of cancellation or disposal of treasury shares.

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company shall, in its annual report and accounts, make disclosure of details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases, and where relevant, the total consideration paid.

### 2.12 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

## LETTER TO SHAREHOLDERS

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders (that is, persons whose interests in the Company's issued share capital are equal to or more than 5%) in the issued share capital of the Company as at the Latest Practicable Date are set out below:–

Name	Direct Interests		Deemed Interests		Total Interests	
	No of Shares	% <sup>(1)</sup>	No of Shares	% <sup>(1)</sup>	No of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Pengiran Muda Abdul Qawi	–	–	500,000,000	9.3	500,000,000	9.3
Ms Wong Gloria	–	–	–	–	–	–
Mr Lam Chi Yun Terence	–	–	–	–	–	–
Ms Lam Kwan Linda	–	–	–	–	–	–
Mr Lim Han Siang Peter	–	–	–	–	–	–
Mr Chan Ka Kin Kevin	–	–	–	–	–	–
Mr Mark Leong Kei Wei	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>						
Sunny Wealth Limited <sup>(2)</sup>	–	–	522,092,500	9.7	522,092,500	9.7
Wong Ben Koon <sup>(3)</sup>	–	–	643,092,500	11.9	643,092,500	11.9
Lee Han Peng	618,276,300	11.5	–	–	618,276,300	11.5

**Notes:–**

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 5,380,556,316 Shares (excluding Treasury Shares) as at the Latest Practicable Date.
- (2) Sunny Wealth Limited is deemed interested in 522,092,500 shares held through its nominee, Phillip Securities Pte Ltd.
- (3) Mr Wong Ben Koon is deemed interested in an aggregate of 643,092,500 shares, comprising (i) 121,000,000 shares held through his nominee, Phillip Securities Pte Ltd; and (ii) 522,092,500 shares held by Sunny Wealth Limited, which sole shareholder is Mr Wong Ben Koon.

### 4. DIRECTORS' RECOMMENDATIONS

The current Directors having considered the rationale for the Share Purchase Mandate, are of the view that the Share Purchase Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the Share Purchase Mandate as set out in the Notice of EGM.

### 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 24 to 26 of this Circular, is to be held at The Chevrons, Carnation 3, Level 3, 48 Boon Lay Way, Singapore 609961 on 26 July 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purposes of considering and, if thought fit, passing with or without any amendments the Ordinary Resolutions set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 6.1 Appointment of prox(ies)

Shareholders who are unable to attend and vote at the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf, should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 2 Kallang Avenue, CT Hub #07-03, Singapore 339407, not less than 48 hours before the time fixed for holding the EGM.

The completion and lodgement of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy or proxies if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Purchase Mandate, 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 the 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 the Circular in its proper form and context.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 2 Kallang Avenue, CT Hub #07-03, Singapore 339407 on any weekday (except public holidays) during normal business hours from the date hereof up to and including the date of the EGM:—

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2019.

**BY ORDER OF THE BOARD**

KLW HOLDINGS LIMITED



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### KLW HOLDINGS LIMITED

(Company Registration Number: 199504141D)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of KLV Holdings Limited ("**Company**") will be held at The Chevrons, Carnation 3, Level 3, 48 Boon Lay Way, Singapore 609961 on 26 July 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering, and, if thought fit, passing with or without any modifications, the following Ordinary Resolutions:-

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as used in the circular dated 11 July 2019 issued by the Company ("**Circular**").*

#### ORDINARY RESOLUTION:

#### THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

#### THAT:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) ("**Market Purchase(s)**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through the SGX-ST trading system and/or any other securities exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**"); and/or
- (ii) off-market purchase(s) ("**Off-Market Purchase(s)**") (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

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

- (i) the date on which the next annual general meeting of the Company is held;
- (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) In this resolution:

"**Average Closing Price**" means:

- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the Market Purchase by the Company; or



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as they case may be, the Other Exchange, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five-day period;

**“date of the making of the offer”** means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Relevant Period”** means the period commencing from the date of the extraordinary general meeting at which the renewal of the Share Purchase Mandate is approved and expiring on the date the next annual general meeting is held or required by law to be held, whichever is earlier, after the date of this Resolution;

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

**“Maximum Percentage”** means that number of issued Shares representing 10% of the issued Shares (excluding subsidiary holdings and treasury shares) as at the date of the passing of this resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued share capital of the Company shall be taken to be the issued share capital of the Company as altered (excluding subsidiary holdings and any treasury shares that may be held by the Company as at that date); and

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

- (i) in the case of a Market Purchase, 105 % of the Average Closing Price of the Shares; and
  - (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105 % of the Average Closing Price of the Shares;
- (d) the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Purchase Mandate, in any manner as they think fit, which is permitted under the Companies Act; and
  - (e) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

### BY ORDER OF THE BOARD

**Abdul Jabbar Bin Karam Din**  
Company Secretary  
Singapore  
11 July 2019

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NOTES:

- (1) A member entitled to attend and vote at the EGM is entitled to appoint no more than two proxies to attend and vote in his behalf and such proxy need not be a member of the Company.
- (2) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (3) A member of the Company who is a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) and who is entitled to attend and vote at the above Meeting may appoint more than two proxies to attend and vote on its behalf, but each proxy must be appointed to exercise the rights attached to the respective share or on shares held by the member (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
- (4) A corporation which is a member may, by resolution of its directors or other governing body, appoint such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
- (5) The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof at the Registered Office of the Company at 2 Kallang Avenue, CT Hub #07-03, Singapore 339407 not less than forty-eight (48) hours before the time for holding the EGM.
- (6) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
- (7) A depositor's name must appear in the depository register maintained by the Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for the holding of the EGM or any postponement or adjournment thereof, in order for the depositor to attend and vote at the EGM.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**", (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.

## PROXY FORM

### KLW HOLDINGS LIMITED

(Company Registration Number: 199504141D)  
(Incorporated in the Republic of Singapore)

### EXTRAORDINARY GENERAL MEETING PROXY FORM

#### IMPORTANT

1. This Circular is forwarded to CPF Investors at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 July 2019.

All capitalised terms contained herein shall, unless otherwise defined in this Proxy Form, bear the respective meanings ascribed thereto in the circular to shareholders of the Company dated 11 July 2019 ("**Circular**").

I/We \_\_\_\_\_, (NRIC/Passport No.) \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the abovementioned Company, hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at The Chevrons, Carnation 3, Level 3, 48 Boon Lay Way, Singapore 609961 on 26 July 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)

Ordinary Resolution	For(*)	Against(*)
To approve the proposed adoption of the share purchase mandate		

#### Notes:

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

\* Voting will be conducted by poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



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## PROXY FORM

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### Notes to the Proxy Form:

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 entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead.
3. Where a member appoints two proxies, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A member of the Company who is a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) and who is entitled to attend and vote at the above Meeting may appoint more than two proxies to attend and vote on its behalf, but each proxy must be appointed to exercise the rights attached to the respective share or on shares held by the member (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the registered office of the Company at 2 Kallang Avenue, CT Hub #07-03, Singapore 339407 at least forty-eight (48) hours before the time appointed for the Extraordinary General Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
9. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Ordinary Resolution as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.
10. 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.
11. In the case of a member whose shares are entered against his name 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 Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

### Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 July 2019.