

CIRCULAR DATED 11 DECEMBER 2017

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

IF YOU ARE IN ANY DOUBT IN RELATION TO THIS CIRCULAR OR AS TO THE COURSE OF 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 ordinary shares in the capital of Miyoshi Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Annual General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Annual General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of Annual General Meeting and the accompanying Proxy Form 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.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”) for compliance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not verified the contents of this Circular.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.



MIYOSHI LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198703979K)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

This Circular is issued to you together with the Annual Report 2017 of Miyoshi Limited. The resolution proposed to be passed in relation to the above matter is set out in the Notice of Annual General Meeting attached to the Annual Report 2017.

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DEFINITIONS

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

“2016 EGM”	:	The extraordinary general meeting of the Company held on 23 December 2016
“Annual Report 2017”	:	Annual report of the Company for the financial year ended 31 August 2017
“ACRA”	:	Accounting & Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company
“Associates”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (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
“Auditors”	:	The auditors of the Company for the time being
“Board” or “Directors”	:	The board of directors of the Company for the time being
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 11 December 2017
“Company”	:	Miyoshi Limited
“Companies Act” or “Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Concert Parties”	:	Collectively, Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea
“Constitution”	:	The constitution of the Company, comprising the memorandum and articles of association of the Company or other regulations of the Company for the time being in force

DEFINITIONS

“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the of the issued Shares (excluding treasury shares) in the Company; or (b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company
“EPS”	: Earnings per Share
“FRS”	: Financial Reporting Standard
“FY”	: Financial year ending or ended (as the case may be) 31 August of a particular year as stated
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 20 November 2017, being the latest practicable date prior to the printing of this Circular
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Purchases”	: On-market purchases transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose
“NTA”	: Net tangible assets
“Off-Market Purchases”	: Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Companies Act
“Relevant Period”	: The Period commencing from the date on which the forthcoming AGM is held and the resolution relation to the proposed renewal of the Share Buy-Back Mandate is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier.
“Relevant Persons”	: The Concert Parties and the parties acting in concert with them
“ROE”	: Return on equity
“Securities Account”	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Buy-Back”	: The buy-back of Shares by the Company pursuant to the terms of the Share Buy-back Mandate
“Share Buy-Back Mandate”	: The mandate to authorize the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, its issued Shares on the terms of such mandate in accordance with the terms set out in the circular as well as the rules and regulations set forth in the Companies Act and Catalyst Rules

DEFINITIONS

“Shareholders”	:	Registered holder(s) of the 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 maintained by CDP whose securities accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Sponsor”	:	CIMB Bank Berhad, Singapore Branch
“Substantial Shareholder”	:	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
“Take-over Code” or “Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Treasury Share(s)”	:	A share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been called
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent”	:	Per cent. or percentage

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

The term **“subsidiary”** shall have the meaning ascribed to it under 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. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the SFA, the Companies Act or the Catalist Rules, or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the SFA, the Companies Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

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

LETTER TO SHAREHOLDERS

MIYOSHI LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198703979K)

Directors:

Lim Thean Ee (Non-Executive Chairman and Independent Director)
Sin Kwong Wah, Andrew (Chief Executive Officer and Executive Director)
Wee Piew (Independent Director)
Masayoshi Taira (Non-Independent & Non-Executive Director)
Pek Ee Perh, Thomas (Non-Independent & Non-Executive Director)

Registered Office:

5 Second Chin Bee Road
Singapore 618772

11 December 2017

To: Shareholders of Miyoshi Limited (the “**Company**”)

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1 The Directors wish to refer to (i) the Notice of AGM dated 11 December 2017, accompanying the Annual Report 2017 to convene the AGM to be held on 29 December 2017; and (ii) the ordinary resolution to seek Shareholders’ approval for the proposed renewal of the Share Buy-Back Mandate. The purpose of this Circular is to provide Shareholders with relevant information relating to the proposed renewal of the Share Buy-Back Mandate and to seek Shareholders’ to be tabled at the AGM.
- 1.2 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to 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. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.

At the 2016 EGM, shareholders had approved the grant of a share buy-back mandate (the “**Share Buy-back Mandate**”) to enable the Company to purchase or otherwise acquire its issued shares in the capital of the Company.

As the Share Buy-Back Mandate will expire on the forthcoming annual general meeting, being 29 December 2017, the Directors propose that the Share Buy-Back Mandate be renewed at the forthcoming AGM to be held on 29 December 2017.

If approved by the Shareholders at the AGM, the authority conferred by the renewed Share Buy-Back Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution of the Company, whereupon it will lapse, unless renewed at such meeting, unless prior thereto, Share Buy-Backs are carried out to the full extent mandated or the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting. The Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent general meetings of the Company.

LETTER TO SHAREHOLDERS

2.2 Rationale

The approval of the Share Buy-Back Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share Buy-Back of not more than ten per cent. (10%) of the total number of issued Shares, as described in paragraph 2.3.1 below, at any time during the period when the Share Buy-Back Mandate is in force.

The rationale for the Company to undertake the buy-back or acquisition of its issued Shares is as follows:-

- a) In line with international practice, the Share Buy-Back Mandate will provide the Company with greater flexibility in managing its capital and maximizing returns to Shareholders. To the extent that the Company has capital and sufficient funds which are in excess of its working capital needs, taking into account its growth and expansion plans, the Share Buy-Back Mandate will facilitate the return of excess cash and surplus funds (if any) to Shareholders in an expedient, effective and cost-efficient manner. In managing the business of the Group, the management of the Group will strive to increase Shareholders' value by improving, amongst others, the ROE of the Company. In addition to growth and expansion of the business, Share Buy-Backs may be considered as one of the ways through which the ROE of the Company may be enhanced.
- b) The Share Buy-Back Mandate will provide the Company with the flexibility to undertake Share Buy-Backs or acquisitions at any time, subject to market conditions and compliance with the Catalist Rules, during the period when the Share Buy-Back Mandate is in force.
- c) Share Buy-Backs may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence. The lack of liquidity most times makes it difficult for Shareholders to realise their gains. The Company now offers Shareholders an exit path.
- d) The Company is also able to protect Shareholders' investments in the Company in a depressed share price situation through judicious purchases of Shares to enhance the EPS. Shares purchased or acquired by the Company may also enhance the net asset value per Share of the Group if the Share Purchases are made at a price below the net asset value per Share of the Group.

While the Share Buy-Back Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent. (10%) limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full ten per cent. (10%) limit as authorised. In particular, no purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.3 Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buy-Back Mandate are summarised below:-

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (ascertained as at the date

LETTER TO SHAREHOLDERS

of the forthcoming AGM at which the Share Buy-Back Mandate is approved), unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions under the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 494,029,490 Shares (excluding 3,640,000 Treasury Shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, not more than 49,766,949 Shares (representing not more than ten per cent. (10%) of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Buy-Back Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM, at which the renewal of the Share Buy-Back Mandate is approved, up to the earlier of:-

- (a) the conclusion of the next AGM;
- (b) the date by which the next AGM is required by law to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy-Back Mandate are carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting.

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

2.3.3 Manner of purchases or acquisitions of Shares

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

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**"), effected pursuant to an equal access scheme or schemes as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are consistent with the Share Buy-Back Mandate, the Catalist Rules and the Companies Act, as they consider appropriate in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:-

- (i) 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;

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- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will have to issue an offer document to all Shareholders containing, amongst others, 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 purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (6) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase price

The purchase price per Share (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for Shares to be purchased or acquired pursuant to the Share Buy-Back Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

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

For the above purposes of determining the Maximum Price:

- (i) “**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 immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period; and

LETTER TO SHAREHOLDERS

- (ii) “**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 Shares

2.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as is reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept 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 interest of the Company at that time.

2.4.2 Treasury Shares

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

- (i) **Maximum Holdings**

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (“**Treasury Shares Limit**”). Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as ACRA may allow.

As at the Latest Practicable Date, the number of issued Shares (excluding Treasury Shares) is 494,029,490. The Company has 3,640,000 Treasury Shares as at the Latest Practicable Date. Assuming no further Shares are issued on or prior to the AGM, the Company may pursuant to the purchase or acquisition of shares under the Share Buy-Back Mandate, hold up to 49,766,949 Shares as Treasury Shares.

- (ii) **Voting and Other Rights**

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the 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. A subdivision or consolidation of any treasury share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

LETTER TO SHAREHOLDERS

(iii) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:-

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

Where Shares purchased pursuant to the Share Buy-Back Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held, shall not, subject to the Act, exceed the Treasury Shares Limit at any time.

Under the Catalist Rules, 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, and 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.

2.5 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, amongst others, the details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Company shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

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

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

LETTER TO SHAREHOLDERS

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

2.6 Source of funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent (as defined in paragraph 2.7 below). The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such an extent that the working capital position and/or the gearing of the Group would be materially adversely affected.

The Company intends to use internal sources of funds and/or if need be, external borrowings, to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Buy-Back Mandate will depend on, amongst others, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.7 Solvency Test

Under the Act in force as at the Latest Practicable Date, we may not purchase Shares if we know that our Company is not solvent. For this purpose, a company is "solvent" if:-

- (a) the company is able to pay its debts in full at the time of the payment for the purchase and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and
- (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect, or may affect, such values.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares, if made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Taking into consideration the existing 3,640,000 Shares held in treasury by the Company as at the Latest Practicable Date, the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Buy-Back Mandate and hold in treasury shall be 46,126,949 Shares.

LETTER TO SHAREHOLDERS

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. 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.

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company has 494,029,490 issued Shares (excluding 3,640,000 Shares held in treasury).

(b) Illustrative Financial Effects

Purely for **illustrative purposes**, on the basis of 494,029,490 Shares in issue (excluding 3,640,000 Shares held in treasury) as at the Latest Practicable Date and no further Shares are issued or held by the Company as Treasury Shares on or prior to the AGM, the purchase by the Company of 10% of its issued Shares (excluding Shares held in treasury) will result in the purchase of 46,126,949 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 46,126,949 Shares at the Maximum Price of S\$0.079 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 46,126,949 Shares is approximately S\$3,644,000.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 46,126,949 Shares at the Maximum Price of S\$0.090 for each Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 46,126,949 Shares is approximately S\$4,151,000.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:-

- (i) the Share Buy-Back Mandate had been effective since 1 September 2016;
- (ii) such Share purchases are funded solely by internal resources and/or borrowings;
- (iii) purchase or acquisition of 46,126,949 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled;
- (iv) purchase or acquisition of 46,126,949 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;
- (v) purchase or acquisition of 46,126,949 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and held in treasury; and
- (vi) purchase or acquisition of 46,126,949 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury,

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the financial effects on the audited consolidated financial results of the Group for FY2017, are set out below:-

Scenario 1: Purchases made entirely out of capital and cancelled

(S\$'000) As at 31 August 2017	Group			
	Market Purchase		Off-Market Purchase	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
Share capital and Reserves	57,257	53,413	57,257	52,938
Treasury Shares	(200)	–	(200)	–
Total Shareholders' Equity	57,057	53,413	57,057	52,906
Net Tangible Assets attributable to owners of the Company	57,057	53,413	57,057	52,906
Current Assets	36,415	32,771	36,415	32,264
Current Liabilities	16,511	16,511	16,511	16,511
Working Capital	19,904	16,260	19,904	15,753
Total Borrowings	10,013	10,013	10,013	10,013
Number of shares (excluding treasury shares) ('000)	494,029.49	447,902.54	494,029.49	447,902.54
Number of treasury shares ('000)	3,640	–	3,640	–
Weighted average number of shares	462,285.93	416,158.98	462,285.93	416,158.98
Financial Ratios				
NTA per share (cents)	0.12	0.12	0.12	0.12
Gearing (times)	0.18	0.19	0.18	0.19
Current Ratio (times)	2.21	1.98	2.21	1.95
Basic EPS (cents)	0.48	0.53	0.48	0.53

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Scenario 2: Purchases made entirely out of capital and held as treasury shares

(S\$'000) As at 31 August 2017	Group			
	Market Purchase		Off-Market Purchase	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
Share capital and Reserves	57,257	57,257	57,257	57,257
Treasury Shares	(200)	(3,844)	(200)	(4,351)
Total Shareholders' Equity	57,057	53,413	57,057	52,906
Net Tangible Assets attributable to owners of the Company	57,057	53,413	57,057	52,906
Current Assets	36,415	32,771	36,415	32,264
Current Liabilities	16,511	16,511	16,511	16,511
Working Capital	19,904	16,260	19,904	15,753
Total Borrowings	10,013	10,013	10,013	10,013
Number of shares (excluding treasury shares) ('000) ⁽¹⁾	494,029.49	447,902.54	494,029.49	447,902.54
Number of treasury shares ('000)	3,640	49,766.95	3,640	49,766.95
Weighted average number of shares	462,285.93	416,158.98	462,285.93	416,158.98
Financial Ratios				
NTA per share (cents)	0.12	0.12	0.12	0.12
Gearing (times)	0.18	0.19	0.18	0.19
Current Ratio (times)	2.21	1.98	2.21	1.95
Basic EPS (cents)	0.48	0.53	0.48	0.53

Note:-

- (1) The number of Treasury Shares that the Company may hold, taking into account the 3,640,000 Treasury Shares held by the Company as at the Latest Practicable Date, shall not exceed 49,766,949 Shares.

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2017 and is not necessarily representative of future financial performance.

Although the proposed Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of its total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its total number of issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed Share Buy-Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications

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

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2.9.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights.

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentage of voting rights of such person and their concert parties, treasury shares shall be excluded.

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 following persons will, *inter alia*, be presumed to be acting in concert under the Take-over Code:

- (a) 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 for the purchase of voting rights;
- (b) 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;
- (c) a company with any of its pension funds and employee share schemes;
- (d) 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;
- (e) 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;

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- (f) 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;
- (g) partners; and
- (h) 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 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, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 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 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buy-Back Mandate.

2.9.4 Application of the Take-over Code

As at the Latest Practicable Date, Mr. Sin Kwong Wah, Andrew, has a total direct and deemed interest of approximately 31.1% of the entire issued and paid up share capital of the Company, and is the chief executive officer and executive Director, and Controlling Shareholder of the Company. Mr. Sin Kwong Wah, Andrew is deemed to have an interest in the 45,175,000 Shares held by DBS Nominees Pte Ltd, 31,269,000 Shares held by his spouse, Mdm. Pek Yee Chew and 1,500,000 Shares held by his daughter, Ms. Sin Shi Min Andrea. Please refer to shareholding details as set out in paragraph 3 of the Circular.

Accordingly, by virtue of their relationships, Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea ("**Concert Parties**") are presumed acting in concert with each other in relation to the Company for the purposes of the Take-over Code in respect of their combined direct and deemed holdings of approximately 31.1% of the entire issued and paid up share capital of our Company.

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The obligation of the Concert Parties under (i) Market Purchase; and (ii) Off-Market Purchase in accordance with an equal access scheme, is illustrated using the following examples:

(a) Market Purchase

Assumptions

- (i) the Company purchases a maximum 46,126,949 Shares, together with the 3,640,000 shares held in treasury, the total being ten per cent (10%) of the total number of Shares in issue;
- (ii) the 49,766,949 Shares are not held as treasury shares and are cancelled; and
- (iii) there was no change in the number of Shares held or deemed to be held by the Concert Parties.

Concert Parties	Interests in Shares directly held or held by a nominee company before Share Buy-Back (No. of Shares)	Interests in Shares directly held or held by a nominee company after Share Buy-Back (No. of shares)	Before Share Buy-Back assuming Market Purchases (%) ⁽¹⁾	After Share Buy-Back assuming Market Purchases (%) ⁽²⁾
Mr. Sin Kwong Wah, Andrew,	120,917,900	120,917,900	24.5	27.0
Mdm. Pek Yee Chew	31,269,000	31,269,000	6.3	7.0
Ms. Sin Shi Min Andrea	1,500,000	1,500,000	0.3	0.3
Total	153,686,900	153,686,900	31.1	34.3

Notes: -

- (1) The percentages are calculated on the basis of the share capital of 494,029,490 Shares as at the Latest Practicable Date.
- (2) The percentages are calculated on the basis of the issued share capital of 447,902,541 Shares after the purchase or acquisition by the Company of 49,766,949 Shares, being ten per cent. (10%) of the existing issued share capital of the Company.

Based on the example above, in the event that the Company purchases or acquires up to ten per cent. (10%) of its Shares pursuant to the proposed Share Buy-Back Mandate, the aggregate holdings of Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea and their concert parties will increase by more than one per cent. (1%) within a six (6) month period.

Accordingly, under the Take-over Code, the Concert Parties and the parties acting in concert with them (collectively the “**Relevant Persons**”), unless exempted, will become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buy-Back Mandate, their interest in the voting rights of the Company increase by more than one per cent. (1%) within a six (6) month period.

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(b) Off-Market Purchase

Assumptions

- (i) the Company purchases a maximum 46,126,949 Shares, together with the 3,640,000 shares held in treasury, the total being ten per cent (10%) of the total number of Shares in issue; and
- (ii) the 49,766,949 Shares are not held as treasury shares and are cancelled.

Concert Parties	Interests in Shares directly held or held by a nominee company before Share Buy-Back (No. of shares)	Interests in Shares directly held or held by a nominee company after Share Buy-Back (No. of shares)	Before Share Buy-Back assuming Off-Market Purchases (%) (1)	After Share Buy-Back assuming Off-Market Purchases (%) (2)
Mr. Sin Kwong Wah, Andrew,	120,917,900	108,826,110	24.5	24.3
Mdm. Pek Yee Chew	31,269,000	28,142,100	6.3	6.3
Ms. Sin Shi Min Andrea	1,500,000	1,350,000	0.3	0.3
Total	153,686,900	138,318,210	31.1	30.9

Notes: -

- (1) The percentages are calculated on the basis of the share capital of 494,029,490 Shares as at the Latest Practicable Date.
- (2) The percentages are calculated on the basis of the issued share capital of 447,902,541 Shares after the purchase or acquisition by the Company of 49,766,949 Shares, being ten per cent. (10%) of the existing issued share capital of the Company.

Based on the example above, in the event that the Company purchases or acquires up to ten per cent. (10%) of its Shares pursuant to the proposed Share Buy-Back Mandate under the Off-Market Purchases with an equal access scheme, the percentage shareholding interests of Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea and their concert parties will remain the same after the purchases or acquisition of up to ten per cent. (10%) by the Company of its Shares pursuant to the proposed Share Buy-Back Mandate and the Relevant Persons will not be obliged to make a general offer under the Take-over Code for the Shares not owned by them.

2.9.5 Exemptions under the Take-over Code

The Relevant Persons will be exempted from the requirement under Rule 14.1, Note 6 of notes on dispensation from Rule 14, and Appendix 2 – Share Buy-Back Guidance Note of the Take-over Code to make a general offer for the Company in the event that their total shareholding increases by more than one per cent. (1%) in any six (6) month period as a result of the Company acquiring its own shares under the proposed Share Buy-Back Mandate (“**Relevant Scenario**”), subject to the following conditions:

- (a) this Circular to Shareholders on the resolution to authorise the proposed Share Buy-Back Mandate contains advice to the effect that by voting for the approval of the proposed Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from Relevant Persons who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any six (6) month period and the names of the Relevant Persons and their voting rights at the time of the resolution and after the share buy-back are disclosed in the same circular;

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- (b) the resolution to authorise the proposed Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share Buy-Back;
- (c) the Relevant Persons abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the proposed Share Buy-Back Mandate;
- (d) within seven (7) days after the passing of the resolution to authorise the proposed Share Buy-Back Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) the Relevant Persons have not acquired and will not acquire any Shares of the Company between the date on which they know that the announcement of the proposed Share Buy-Back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the proposed Share Buy-Back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Buy-Back, would cause their aggregate voting rights to increase to thirty per cent. (30%) or more; and

- (f) the Relevant Persons, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposed Share Buy-Back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the proposed Share Buy-Back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

The required price in relation to the obligation of the Relevant Persons to make a general offer arising from the proposed Share Buy-Back Mandate is the higher of:

- (a) the highest price paid by the Relevant Persons for the Shares in the preceding six (6) months; or
- (b) the highest price paid by the Company for the Shares in the preceding six (6) months.

It follows that where the aggregate voting rights held by the Relevant Persons increase by more than one per cent. (1%) solely as a result of the Relevant Scenario and none of them has acquired any Shares during the relevant period defined in paragraph (f) above, then the Relevant Persons would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

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If the Company ceases to buy back its Shares under the proposed Share Buy-Back Mandate and the increase in the aggregate voting rights held by the Relevant Persons as a result of the Company repurchasing its Shares at the time of such cessation is less than one per cent. (1%) in any six (6) month period, the Relevant Persons will be allowed to acquire Shares. However, any increase in the Relevant Persons' percentage of voting rights in the Company as a result of the share buy-back will be taken into account together with any Shares acquired by the Relevant Persons (by whatever means) in determining whether the Relevant Parties have increased their aggregate voting rights in the Company by more than one per cent. (1%) in any six (6) month period.

Shareholders should therefore note that by voting in favour of the ordinary resolution to approve the proposed Share Buy-Back Mandate, they will be waiving their rights to a general offer at the required price by Relevant Persons in the circumstances set out above.

For the purposes of this Circular, “**required price**” shall mean in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-over Code which is the highest of the price paid by the Relevant Persons for the Company's Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquire through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by SIC under Rule 14.3 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the proposed Share Buy-Back Mandate.

As at the Latest Practicable Date, the Relevant Persons consist of the Concert Parties.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share buy-backs by the Company.

2.9.6 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The term “public”, as defined under the Catalist Rules, are persons other than (a) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (b) the Associates of persons in (a).

As at the Latest Practicable Date, approximately 254,778,800 issued Shares were held by the public, representing approximately 51.6% of the total number of issued Shares. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (including treasury shares), being 49,402,949 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 205,375,851 Shares, representing approximately 46.2% of the remaining issued Shares of the Company.

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Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.10 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three (3) quarters and one (1) month immediately preceding the announcement of the Company’s full-year results, as the case may be, and ending on the date of announcement of the relevant results.

2.11 Previous Share Purchases

Information on the Share Purchases carried out by the Company during the 12 months preceding the Latest Practicable Date is set out below:-

Date of Share Purchase	Type of Transaction	Total Number of Shares Purchased	Highest Price paid per Share (S\$)	Lowest Price paid per Share (S\$)	Total Consideration (S\$) ⁽¹⁾
16 February 2017	On-Market Share Purchase	3,640,000	0.055	0.054	199,728.79

Note:-

(1) Inclusive of stamp duties, clearing charges, etc, paid or payable for the Shares.

None of the Shares purchased was resold or cancelled in the preceding 12 months. All the purchased Shares were held as treasury shares.

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 Substantial Shareholders of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.13 Tax Implications

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

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%)(⁽¹⁾)	Number of Shares	(%)(⁽¹⁾)	Number of Shares	(%)(⁽¹⁾)
Directors						
Sin Kwong Wah, Andrew ⁽²⁾	75,742,900	15.3	77,944,000	15.8	153,686,900	31.1
Masayoshi Taira ⁽³⁾	–	–	69,509,290	14.1	69,509,290	14.1
Pek Ee Perh, Thomas	15,954,500	3.2	–	–	15,954,500	3.2
Wee Piew	–	–	–	–	–	–
Lim Thean Ee	100,000	n.m.	–	–	100,000	n.m.
Substantial Shareholders (other than Directors)						
Miyoshi Industry Co., Ltd	69,509,290	14.1	–	–	69,509,290	14.1
Pek Yee Chew ⁽⁴⁾	31,269,000	6.3	122,417,900	24.8	153,686,900	31.1

Notes: -

- (1) Based on the issued share capital of the Company of 494,029,490 Shares as at the Latest Practicable Date.
- (2) Mr. Sin Kwong Wah, Andrew is deemed to have an interest in the 45,175,000 Shares held by DBS Nominees Pte Ltd, 31,269,000 Shares held by his spouse, Mdm. Pek Yee Chew and 1,500,000 Shares held by his daughter, Ms. Sin Shi Min Andrea.
- (3) Mr. Masayoshi Taira is deemed to have an interest in the 69,509,290 Shares held by Miyoshi Industry Co., Ltd.
- (4) Mdm. Pek Yee Chew is deemed to have an interest in the Shares held or deemed to be held by her spouse, Mr. Sin Kwong Wah, Andrew and 1,500,000 Shares held by his daughter, Ms. Sin Shi Min Andrea.

4. DIRECTORS' RECOMMENDATION

The Directors (save for Mr. Sin Kwong Wah, Andrew, who is a Relevant Person, has accordingly refrained from making any voting recommendations to Shareholders) are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 10 in set out in the Notice of AGM dispatched to Shareholders together with the Annual Report 2017 of the Company.

5. APPROVAL AND RESOLUTION

Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate will be sought at the AGM. The resolution relating to the proposed renewal of the Share Buy-Back Mandate is contained in the Notice of AGM as Resolution 10.

6. ABSTENTION FROM VOTING

The Relevant Persons will abstain from voting at the AGM in respect of the resolution relating to the proposed renewal of the Share Buy-Back Mandate in view of Note 3(iii) of Appendix 2 of the Take-over Code and would not accept nominations as proxy or otherwise for voting at the AGM in respect of the said ordinary resolution.

The Relevant Persons have also undertaken to ensure that their Associates will abstain from making any recommendation and from voting at the AGM in respect of the ordinary resolution relating to the proposed renewal of the Share Buy-Back Mandate and would not accept nominations as proxy or otherwise for voting at the AGM relating to the proposed renewal of the Share Buy-Back Mandate.

LETTER TO SHAREHOLDERS

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 renewal of the Share Buy-Back Mandate and the Group, 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.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 5 Second Chin Bee Road, Singapore 618772 during normal business hours for a period of three (3) months from the date of this Circular:

- (a) the annual report of the Company for FY2017; and
- (b) the Constitution of the Company.

By Order of the Board
MIYOSHI LIMITED

Sin Kwong Wah, Andrew
Chief Executive Officer and Executive Director
11 December 2017