

CIRCULAR DATED 16 NOVEMBER 2017

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF NEW WAVE HOLDINGS LTD. AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by New Wave Holdings Ltd. ("**Company**"). If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. 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 Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



New Wave Holdings Ltd.

(Company Registration No. 199906870Z)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by



OCBC Bank

Oversea-Chinese Banking Corporation Limited

(Company Registration No. 193200032W)

(Incorporated in the Republic of Singapore)

for and on behalf of

JK Global Assets Pte. Ltd.

(Company Registration No. 201729204E)

(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in
the capital of New Wave Holdings Ltd.

other than those already owned, controlled or agreed to be acquired by JK Global Assets Pte. Ltd.

Independent Financial Adviser to the Independent Directors



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Company Registration No. 200309056E)

(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 30 NOVEMBER 2017 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

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DEFINITIONS

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

“Acceptance Condition”	Shall have the meaning ascribed to it in section 2.5 of this Circular
“Accepting Shareholder”	Shall have the meaning ascribed to it in Section 2.4 of this Circular
“Adjusted Offer Price”	Shall have the meaning ascribed to it in Section 2.4.2 of this Circular
“Articles”	The Articles of Association of the Company
“Books Closure Date”	Shall have the meaning ascribed to it in Section 2.4.1 of this Circular
“Catalist Rules”	Listing Manual Section B: Rules of Catalist of the SGX-ST
“CDP”	The Central Depository (Pte) Limited
“Circular”	This circular to Shareholders issued by the Company containing the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in relation to the Offer
“Closing Date”	5.30 p.m. on 30 November 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
“Code”	The Singapore Code on Take-overs and Mergers as amended, supplemented or modified from time to time
“Companies Act”	The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“Company”	New Wave Holdings Ltd.
“Company Securities”	(i) Shares; or (ii) securities which carry voting rights in the Company
“CPF”	The Central Provident Fund
“CPF Agent Banks”	Agent banks included under the CPFIS
“CPFIS”	Central Provident Fund Investment Scheme
“CPFIS Investors”	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS

DEFINITIONS

“Directors”	The directors of the Company as at the Latest Practicable Date
“Distributions”	Shall have the meaning ascribed to it in Section 2.3 of this Circular
“Encumbrances”	Shall have the meaning ascribed to it in Section 2.3 of this Circular
“Excluded Documents”	<p>(i) The IFA Letter as set out in Appendix I to this Circular; and</p> <p>(ii) the valuation certificates as set out in Appendix IV to this Circular</p>
“FAA”	Form of Acceptance and Authorisation for the Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
“FAT”	Form of Acceptance and Transfer for the Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
“FY”	Financial year ended or ending (as the case may be) on 31 March of a particular year as stated
“Group”	The Company and its subsidiaries
“HY2018”	The financial period from 1 April 2017 to 30 September 2017
“IFA” or “Provenance Capital”	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
“IFA Letter”	The letter dated 16 November 2017 by the IFA to the Independent Directors containing, <i>inter alia</i> , the advice of the IFA to the Independent Directors in respect of the Offer, as set out in Appendix I of this Circular
“Independent Directors”	The directors of the Company who are regarded to be independent for the purposes of the Offer, namely, Mr. Tito Shane Isaac, Mr. Ong Kian Soon, Mr. Tan Bon Tan, Mr. Chan Teck Wah, Mr. Chea Chia Chan, Mdm. Choo Tung Kheng, Mr. Lee Seng Chan and Mr. Lee Teong Sang@Lee Teong Seng

DEFINITIONS

“Interested Person”	<p>As defined in the note on Rule 23.12 of the Code: An interested person is:–</p> <ul style="list-style-type: none">(i) a director, chief executive officer, or substantial shareholder of the company;(ii) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;(iii) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;(iv) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;(v) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or(vi) any company in which a substantial shareholder (being a company) and any of the companies listed in (v) above together (directly or indirectly) have an interest of 30% or more.
“Latest Practicable Date”	8 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 of securities
“Memorandum”	The Memorandum of Association of the Company
“OCBC Bank”	Oversea-Chinese Banking Corporation Limited
“Offer”	The voluntary conditional cash offer made by OCBC Bank, for and on behalf of the Offeror, for all the Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	The announcement of the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	19 October 2017

DEFINITIONS

“Offer Document”	The document dated 2 November 2017, including the FAA and FAT, and any other document which may be issued by OCBC Bank, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
“Offer Document Despatch Announcement”	The announcement of the despatch of the Offer Document released by OCBC Bank, for and on behalf of the Offeror, on 2 November 2017
“Offer Price”	S\$0.0130 in cash for each Offer Share
“Offer Shares”	Shall have the meaning ascribed to it in Section 2.2 of this Circular
“Offeror”	JK Global Assets Pte. Ltd.
“Offeror Securities”	(i) Offeror Shares; or (ii) securities which carry voting rights in the Offeror; or (iii) convertible securities, warrants, options or derivatives in respect of (i) or (ii)
“Offeror Shares”	Issued and paid-up ordinary shares in the share capital of the Offeror
“Overseas Shareholders”	Shall have the meaning ascribed to it in Section 9 of this Circular
“Register”	The register of members of the Company, as maintained by the Share Registrar (as defined below)
“Securities Account”	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	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 Registrar”	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shareholders”	Holders of Shares (including persons whose/which Shares are deposited with CDP or who/which have purchased Shares on the SGX-ST)
“Shares”	Issued and paid-up ordinary shares in the capital of the Company

DEFINITIONS

“SIC”	Securities Industry Council of Singapore
“SRS”	Supplementary Retirement Scheme
“SRS Agent Banks”	Agent banks included under the SRS
“SRS Investors”	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“Valuation Assets”	Comprises of (a) investment properties of the Group located at (i) 101 Kitchener Road #02-11 Jalan Besar Plaza Singapore 208511; (ii) 101 Kitchener Road #02-22 Jalan Besar Plaza Singapore 208511; (iii) 101 Kitchener Road #02-23 Jalan Besar Plaza Singapore 208511; and (b) office premises occupied by the Company located at 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511
“Valuation Certificates”	Four valuation certificates issued by GB Global Pte Ltd dated 30 October 2017 in respect of the Valuation Assets
“Valuer”	GB Global Pte Ltd, an independent valuer commissioned to conduct full valuation on the Valuation Assets
“VWAP”	Volume weighted average price
<u>Units and currencies</u>	
“\$” or “S\$” and “cents”	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	Per centum or percentage

Acting in Concert. The expression “acting in concert” shall have the meaning ascribed to it in the Code.

Depositors and Depository Agents. The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Gender. 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 gender and *vice versa*. References to persons shall, where applicable, include corporations.

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

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

DEFINITIONS

Shareholders. References to “you”, “your” and “yours” in this Circular are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Catalist Rules, and Securities and Futures Act or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules, and Securities and Futures Act or the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary, Related Corporations. The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

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

Total Number of issued Shares. Any reference in this Circular to the total number of issued Shares is a reference to a total of 1,607,469,695 Shares as at the Latest Practicable Date.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Articles are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Articles respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of Offer Document	:	2 November 2017
Date of despatch of Circular	:	16 November 2017
Closing Date and time	:	5.30 P.M. (Singapore time) on 30 November 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.
Date of settlement of consideration for valid acceptances of the Offer	:	<ul style="list-style-type: none">(i) in respect of acceptances of the Offer which are complete in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in accordance with its terms, within seven Market Days of that date; or(ii) in respect of acceptances of the Offer which are complete in all respects and are received after the Offer becomes or is declared to be unconditional in accordance with its terms, but before the Offer closes, within seven Market Days of the date of such receipt

Note:

(1) Please refer to Appendix 1 of the Offer Document for further details.

LETTER TO SHAREHOLDERS

NEW WAVE HOLDINGS LTD.

(Company Registration No. 199906870Z)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Tito Shane Isaac (Non-Executive Chairman and Independent Director)
Mr. Ong Kian Soon (Executive Director and Chief Executive Officer)
Mr. Tan Bon Tan (Executive Director)
Mr. Chan Teck Wah (Executive Director)
Mr. Chea Chia Chan (Executive Director)
Mdm. Choo Tung Kheng (Non-Executive Director)
Mr. Lee Seng Chan (Independent Non-Executive Director)
Mr. Lee Teong Sang@Lee Teong Seng
(Independent Non-Executive Director)

Registered Office:

101 Kitchener Road
#02-17
Jalan Besar Plaza
Singapore 208511

16 November 2017

To: The Shareholders of New Wave Holdings Ltd.

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED FOR AND ON BEHALF OF JK GLOBAL ASSETS PTE. LTD. FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, OCBC Bank announced, for and on behalf of the Offeror, *inter alia*, that the Offeror intends to make a voluntary conditional cash offer for all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror as at the Offer Announcement Date (the “**Offer Announcement**”).

A copy of the Offer Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

1.2 Offer Document

Shareholders should have by the date of this Circular, received a copy of the Offer Document, as announced by OCBC Bank to have been despatched on 2 November 2017, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in section 2 of the Offer Document and Appendix 1 to the Offer Document.

LETTER TO SHAREHOLDERS

Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the website of the SGX-ST at <http://www.sgx.com>.

1.3 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax advisor or other professional adviser immediately.

1.4 Independent Financial Adviser

The Independent Directors have appointed Provenance Capital Pte. Ltd. as their independent financial adviser in respect of the Offer.

2. THE OFFER

Based on information set out in the Offer Document, OCBC Bank has, for and on behalf of the Offeror, made the Offer in accordance with Rule 15 of the Code, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT. The principal terms and conditions of the Offer are set out below.

2.1 Offer Price

As stated in section 2.1 of the Offer Document, the Offeror has offered to acquire the Offer Shares on the following basis:

For each Offer Share: S\$0.0130 in cash.

THE OFFEROR DOES NOT INTEND TO REVISE THE OFFER PRICE OF S\$0.0130 FOR EACH SHARE. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to increase the Offer Price in any way. **However, the Offeror reserves the right to set aside the foregoing no price increase statement and revise the terms of the Offer if a competing offer for the Company is announced or if any other competitive situation in relation to the Company arises, after the Offer Announcement Date, in which case the Offeror shall comply with the provisions of Note 2 to Rule 20.2 of the Code.**

LETTER TO SHAREHOLDERS

2.2 Shares

Section 2.2 of the Offer Document states that the Offer is extended to all Shares, including any and all Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

2.3 No Encumbrances

According to section 2.3 of the Offer Document, the Shares will be acquired (i) fully paid; (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium or any other third party rights or security interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing ("**Encumbrances**"); and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) ("**Distributions**") declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date.

2.4 Adjustment for Distributions.

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date to a Shareholder who validly accepts or has accepted the Offer (the "**Accepting Shareholder**"), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:

- 2.4.1 if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offer Price for each Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Share, as the Offeror will receive the Distribution in respect of such Share from the Company; or
- 2.4.2 if such settlement date falls after the Books Closure Date, the Offer Price for each Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Share (the Offer Price after such reduction, the "**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Share from the Company.

LETTER TO SHAREHOLDERS

2.5 Acceptance Condition

According to section 2.5 of the Offer Document, the Offer will be subject to the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with the Offeror holding Shares representing more than 50 per cent. of all the Shares in issue as at the Closing Date ("**Acceptance Condition**").

Save for the Acceptance Condition, the Offer will be unconditional in all other respects.

2.6 Warranty

According to section 3 of the Offer Document, a Shareholder who tenders his Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as of the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date.

2.7 Duration of the Offer

As set out in Appendix 1 of the Offer Document:

(a) Closing Date

The Offer is open for acceptance by Shareholders for at least 28 days from the date of the despatch of the Offer Document which is 2 November 2017, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. on 30 November 2017 (the "Closing Date"), or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) Final Day Rule

Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. on the 60th day after the date of posting of the Offer Document or of being kept open after the expiry of such period, unless the Offer has previously become or been declared to be unconditional as to acceptances, provided that the Offeror may extend the Offer beyond such 60-day period with SIC's prior consent.

LETTER TO SHAREHOLDERS

(c) Revision

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

(d) No Obligation to Extend Offer

The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by the Closing Date.

2.8 Details of the Offer

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer.

2.9 Procedures for Acceptance

Section 5 of the Offer Document states that Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer.

3. THE UNDERTAKINGS

Information on irrevocable undertakings received by the Offeror is set out in section 8 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated:

“8. IRREVOCABLE UNDERTAKINGS

*KWM has undertaken with the Offeror that (i) if he elects to accept the Offer in respect of the Shares held by him as at the Latest Practicable Date or Shares which he may acquire on or after the Latest Practicable Date up to the Closing Date (collectively, the “**Relevant Shares**”), the consideration payable for the Relevant Shares shall become due and payable on such date falling 20 days after the Closing Date, or such other later date as may be agreed in writing between KWM and the Offeror; and (ii) he will not, except pursuant to the Offer, sell, transfer or otherwise dispose of the Relevant Shares during the Offer period, save in accordance with Rule 11.2(a) of the Code (the “**Undertakings**”). Neither the Offeror nor any of the Relevant Persons has received any irrevocable undertakings from any party to accept or reject the Offer as at the Announcement Date.”*

LETTER TO SHAREHOLDERS

4. INFORMATION ON THE OFFEROR

Information on the Offeror and parties acting in concert with it is set out in section 6 of the Offer Document, Appendix 3 to the Offer Document and an extract of which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated:

“6. INFORMATION ON THE OFFEROR

6.1 *The Offeror. The Offeror is a private company limited by shares incorporated in Singapore on 11 October 2017 for the purpose of making the Offer and its principal activity is investment holding. As at the Latest Practicable Date:*

6.1.1 *the Offeror has an issued and paid-up share capital of S\$1 comprising 1 ordinary share; and*

6.1.2 *KWM is the sole shareholder and director of the Offeror.*

As at the Latest Practicable Date, KWM owns 217,105,200 Shares, representing approximately 13.51% of the issued Shares.”

“APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTOR

The name, addresses and descriptions of the sole director of the Offeror as at the Latest Practicable Date are as follows:

<i>Name</i>	<i>Address</i>	<i>Description</i>
<i>Mr. Koh Wee Meng</i>	<i>456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES

The Offeror is a private company limited by shares incorporated in Singapore on 11 October 2017, and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1 comprising 1 ordinary share, and KWM is the sole shareholder of the Offeror.

3. FINANCIAL SUMMARY

As the Offeror was incorporated on 11 October 2017, no audited or unaudited financial statements of the Offeror have been prepared to date.

LETTER TO SHAREHOLDERS

4. MATERIAL CHANGES IN FINANCIAL POSITION

Save for the Offeror making and obtaining financing for the Offer, there have been no known material changes in the financial position of the Offeror since its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is 456 Alexandra Road, #25-01, Fragrance Empire Building, Singapore 119962."

5. RATIONALE FOR THE OFFER

The information on the Offeror's rationale for the Offer is set out in section 9 of the Offer Document and an extract of which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated:

"9. RATIONALE FOR THE OFFER

9.1 Compelling Premium. *The Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately 44.4 per cent. over the Company's closing price of S\$0.0090 as of the Last Trading Date and a premium of 38.3 per cent., 9.2 per cent., 18.2 per cent. and 28.7 per cent. over the VWAP of the Shares for the one-month, three-month, six-month and 12-month periods up to and including the Last Trading Date of S\$0.0094, S\$0.0119, S\$0.0110 and S\$0.0101 respectively, without incurring brokerage and other trading costs.*

9.2 Low Trading Liquidity. *The trading volume of the Shares has been generally low, with an average daily trading volume¹ of approximately 83,152 Shares, 1,384,927 Shares, 1,441,147 Shares and 1,265,308 Shares during the one-month period, three-month period, six-month period and 12-month period up to Last Trading Date. Each of these represents less than 0.2 per cent. of the total number of issued Shares for any of the aforementioned relevant periods.*

Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

9.3 Stronger Shareholder Base. *The Offeror wishes to increase its shareholding in the Company through the Offer. Based on the financial results as published in the relevant annual reports of the Company, the Company has recorded a loss for the last six completed financial years (including the year ended 31 March 2012). The Offeror believes that it can provide the Company with a stronger shareholder base to support the Company's future business growth plans over the long term."*

¹ *The average daily trading volume is computed based on the total volume of Shares traded divided by the number of Market Days with respect to the one-month period, three-month period, six-month period and 12-month period up to and including the Last Trading Date.*

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6. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities as at the Latest Practicable Date, are set out in **Appendix II** to this Circular.

7. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

7.1 Offeror's Intentions in relation to the Company

The information on the Offeror's intentions in relation to the Company is set out in section 10 of the Offer Document and an extract of which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated:

"10. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The Offeror currently intends for the Company to continue with its existing activities and has no current intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves."

7.2 Listing Status

The information on the Offeror's intentions in relation to the listing status of the Company is set out in sections 11 and 12 of the Offer Document and an extract of which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated:

"11. LISTING STATUS

11.1 Free Float Requirement. *Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). Pursuant to Rule 1104 of the Catalist Rules, upon the announcement by the Offeror that acceptances have been received that bring the holdings owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public. Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the Closing Date.*

LETTER TO SHAREHOLDERS

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

- 11.2** ***Intention of the Offeror.** It is the current intention of the Offeror to retain the listing of the Company on the Catalist Board of the SGX-ST. However, in the event that the Company does not meet the Free Float Requirement at the Closing Date and the SGX-ST suspends trading in the Shares, the Offeror will assess the options available at that time. Accordingly, it may be that the Offeror will decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.*

12. COMPULSORY ACQUISITION

- 12.1** ***Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Shares in issue as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”).*

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror will assess its options at that time and will consider whether or not to exercise its right to compulsorily acquire all the Shares not acquired under the Offer.

- 12.2** *Section 215(3). In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.”*

LETTER TO SHAREHOLDERS

8. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

8.1 Appointment of Independent Financial Adviser

Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should read and consider carefully the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in their entirety before deciding whether or not to accept the Offer. The advice of the IFA to the Independent Directors is set out in the IFA Letter which is set out in **Appendix I** of this Circular.

8.2 Advice of the IFA to the Independent Directors on the Offer

The following is an extract from section 8 of the IFA Letter and should be read in conjunction with, and interpreted in, the full context of the IFA Letter. All terms and expression used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Shares;*
- (b) Financial performance of the Group;*
- (c) Financial position of the Group;*
- (d) Comparison with recently completed offers of companies listed on the SGX-ST;*
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;*
- (f) Dividend track record of the Company;*
- (g) Other relevant considerations in relation to the Offer.*

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable.

Accordingly, we advise the Directors to recommend Shareholders to ACCEPT the Offer. Shareholders who wish to realise their investments in the Company can also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs)."

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8.3 Recommendations of the Independent Directors

All the Directors are independent in relation to the Offer. The Independent Directors, having considered carefully the terms of the Offer and the advice of the IFA as set out in the IFA Letter, **CONCUR** with the advice given by the IFA in respect of the Offer. The advice of the IFA is set out in section 8.2 above.

Accordingly, the Independent Directors recommend the Shareholders to **ACCEPT** the Offer or to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

Shareholders are advised to read the IFA Letter set out in Appendix I of this Circular carefully and in its entirety before deciding whether or not to accept the Offer.

In making their recommendation, the IFA and the Independent Directors have not given regard to any specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, the Independent Directors, as advised by the IFA, recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately.

Shareholders are advised that the opinion and advice of the IFA and the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

9. OVERSEAS SHAREHOLDERS

Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to section 16 of the Offer Document, which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“16. OVERSEAS SHAREHOLDERS

16.1 Overseas Shareholders. *This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Offer Document and the Relevant Acceptance Forms to any overseas jurisdictions, the Offeror and OCBC Bank reserve the right not to send this Offer Document and the Relevant Acceptance Forms to such overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (“Overseas Shareholders”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document and the Relevant Acceptance Forms have not been, or will not be, sent.*

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16.2 Copies of the Offer Document. *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a scrip holder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 to request for this Offer Document, the Relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

16.3 Notice. *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*

16.4 Compliance with Applicable Laws. *It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on his behalf (including OCBC Bank, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the rights described in this Offer Document. In (a) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP, the Registrar and OCBC Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction."*

This Circular and any related documents may not be sent to certain Overseas Shareholders due to the potential restrictions on sending such documents to overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain copies of this Circular during normal business hours and up to the Closing Date, from the office of the Share Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623. Alternatively, any Overseas Shareholder may write to the Share Registrar at

LETTER TO SHAREHOLDERS

the aforementioned address to request for this Circular and any related documents to be sent to an address in Singapore by ordinary post at his own risk (the last date for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date).

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

10. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

As stated in section 17 of the Offer Document, CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Offer will receive the payment for their Shares in their CPF investment accounts and SRS investment accounts.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 30 November 2017, and should take note of the procedures for acceptance of the Offer as set out in Appendix 2 of the Offer Document, the FAA and/or the FAT.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the FAA and/or the FAT which have been sent to them.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (excluding those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer and the Excluded Documents) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular (excluding those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer and the Excluded Documents) misleading.

The recommendation of the Independent Directors to Shareholders set out in section 8.3 of this Circular is the sole responsibility of the Independent Directors. In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Company are, to the best of their knowledge and belief, fair and accurate in all material respects.

LETTER TO SHAREHOLDERS

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Excluded Documents), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately and correctly reflected or reproduced in this Circular in its proper form and context.

The Directors jointly and severally accept full responsibility accordingly.

Yours faithfully

For and on behalf of the Board of Directors of
NEW WAVE HOLDINGS LTD.

Ong Kian Soon
Executive Director and Chief Executive Officer

APPENDIX I: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY IN RESPECT OF THE VOLUNTARY CONDITIONAL CASH OFFER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

16 November 2017

To: The Directors of New Wave Holdings Ltd.
(who are all deemed independent in respect of the Offer)

Mr Tito Shane Isaac	(Non-Executive Chairman and Independent Director)
Mr Ong Kian Soon	(Executive Director and Chief Executive Officer)
Mr Tan Bon Tan	(Executive Director)
Mr Chan Teck Wah	(Executive Director)
Mr Chea Chia Chan	(Executive Director)
Mdm Choo Tung Kheng	(Non-Executive Director)
Mr Lee Seng Chan	(Independent Non-Executive Director)
Mr Lee Teong Sang@Lee Teong Seng	(Independent Non-Executive Director)

Dear Sirs / Madam,

VOLUNTARY CONDITIONAL CASH OFFER BY JK GLOBAL ASSETS PTE. LTD., TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF NEW WAVE HOLDINGS LTD., INCLUDING ALL THE SHARES OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY PARTIES ACTING OR DEEMED TO BE ACTING IN CONCERT WITH JK GLOBAL ASSETS PTE. LTD.

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of New Wave Holdings Ltd. ("**Shareholders**") dated 16 November 2017 ("**Circular**").*

1. INTRODUCTION

1.1 Offer Announcement

On 19 October 2017 ("**Offer Announcement Date**"), Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") announced ("**Offer Announcement**"), for and on behalf of JK Global Assets Pte. Ltd. ("**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer ("**Offer**") for all the issued ordinary shares ("**Shares**") in the capital of New Wave Holdings Ltd. ("**Company**"), including all the Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Singapore Code on Take-overs and Mergers ("**Code**").

The Offeror is a company incorporated in Singapore on 11 October 2017 for the purpose of making the Offer and its principal business is investment holding. Mr Koh Wee Meng is the sole shareholder and director of the Offeror.

As at the Offer Announcement Date, the Offeror and parties acting in concert with it hold, in aggregate, 238,995,000 Shares, representing approximately 14.87% of the total number of issued Shares, totalling 1,607,469,695 Shares.

The Offer is to be made at the offer price of **S\$0.0130 in cash** for each Share ("**Offer Price**"). The Offeror has stated that it does not intend to revise the Offer Price of S\$0.0130 per Share.

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which,

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LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY IN RESPECT OF THE VOLUNTARY CONDITIONAL CASH OFFER

together with Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding Shares representing more than 50% of all the Shares in issue as at the close of the Offer ("**Acceptance Condition**").

1.2 Our role as Independent Financial Adviser to the Offer

In connection with the Offer, the Company has appointed Provenance Capital Pte. Ltd. ("**Provenance Capital**") as the independent financial adviser ("**IFA**") to the directors ("**Directors**") who are considered independent in respect of the Offer, for the purpose of making their recommendation to the Shareholders in relation to the Offer. We note that all the existing Directors are considered to be independent for the purpose of making a recommendation to the Shareholders on the Offer.

This letter ("**Letter**") is therefore addressed to all the Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer and our recommendations on the Offer. This Letter forms part of the Circular which provides, *inter alia*, details of the Offer and the recommendations of the Directors on the Offer.

Shareholders should have by now received a copy of the Offer Document dated 2 November 2017, setting out, *inter alia*, the terms and conditions of the Offer. The Offer Document is also available on the SGXNET.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Directors in respect of their recommendation to the Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to the Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and its subsidiaries ("**Group**"). Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 8 November 2017, being the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the Shares may trade after the close of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In this regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Group ("**Management**") and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the

APPENDIX I:

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY IN RESPECT OF THE VOLUNTARY CONDITIONAL CASH OFFER

accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The Directors have confirmed, having made all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment).

However, the Group had commissioned the independent valuer, GB Global Pte Ltd, (“**Valuer**”) to carry out an independent valuation of property units located within the Jalan Besar Plaza complex which are owned by the Group for the purpose of determining the open market value of the above properties for accounting purposes in relation to the preparation of the unaudited interim financial results of the Group for the half year ended 30 September 2017 (“**HY2018**”). The HY2018 results were announced by the Company on 8 November 2017, which is during the Offer period. Accordingly, the HY2018 results were reported on by us and the Company’s independent auditors, BDO LLP, pursuant to Rule 25 of the Code.

We have been furnished with the valuation certificates of the above properties dated 30 October 2017 as prepared by the Valuer (“**Valuation Certificates**”), copies of which are attached as Appendix IV to the Circular.

Notwithstanding that the Valuation Certificates were prepared for financial reporting purposes for HY2018, for the purpose of the Offer, the Company had sought confirmation from the Valuer that (a) the market valuations of the properties held by the Group are still valid and unchanged for the purpose of the Offer; and (b) the valuation methodologies used for the valuation of the properties do not vary due to the different purposes of the valuation.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Certificates for such asset appraisals and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Certificates or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Code.

The information we had relied on in the assessment of the Offer were based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer, as the case may be, which may be released or published after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

APPENDIX I: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY IN RESPECT OF THE VOLUNTARY CONDITIONAL CASH OFFER

The Company has been separately advised by its own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purpose of the Offer, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Directors for their benefit and deliberation of the Offer. The recommendation made to the Shareholders in relation to the Offer, as the case may be, shall remain the responsibility of the Directors.

Our recommendation to the Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 and Appendix 1 of the Offer Document. The key terms of the Offer are set out below for your reference.

3.1 Offer Price

The consideration for each Offer Share is S\$0.0130 in cash.

The Offeror has stated that it does not intend to revise the Offer Price of S\$0.0130 for each Share.

Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to increase the Offer Price in any way.

However, the Offeror reserves the right to set aside the foregoing no price increase statement and revise the terms of the Offer if a competing offer for the Company is announced or if any other competitive situation in relation to the Company arises, after the Offer Announcement Date, in which case the Offeror shall comply with the provisions of Note 2 to Rule 20.2 of the Code.

3.2 Shares

The Offer is extended to all Shares, including any and all Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

3.3 No Encumbrances

The Shares are to be acquired:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) ("**Distributions**") declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date.

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Accordingly, if any Distributions is declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer (“**Accepting Shareholder**”), and the settlement date in respect of the Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offer Price for each Share shall be reduced by the amount of such Distribution in respect of each Share (“**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Share from the Company.

Since the Offer Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any Distribution.

3.4 Acceptance Condition

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which, together with Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and its concert parties holding Shares representing more than 50% of all the Shares in issue as at the close of the Offer (“**Acceptance Condition**”).

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

As at the Latest Practicable Date, the Offer has not become or been declared unconditional in all respects.

3.5 Warranty

A Shareholder who tenders his Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances and (c) together with all rights, benefits and entitlements attached thereto as of the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distributions (if any) which falls on or after the Offer Announcement Date.

3.6 Duration of the Offer

The First Closing Date of the Offer is at 5.30 p.m. on 30 November 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by the Closing Date.

The Offer will not be capable of becoming or being declared unconditional as to acceptances after 5.30 p.m. on the 60th day after the despatch date of the Offer Document.

In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period of not less than 14 days after the date on which it would otherwise have closed.

Further information on the duration of the Offer is set out in Section 1 of Appendix 1 to the Offer Document.

3.7 Further details of the Offer

Further details of the Offer, including details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; (c) the right of withdrawal of acceptances of the Offer; and (d) procedures for acceptance of the Offer are set out in Appendices 1 and 2 to the Offer Document.

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4. INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

Offeror and parties acting in concert with it

The Offeror is a company incorporated in Singapore on 11 October 2017 for the purpose of making the Offer. Its principal activity is investment holding. Mr Koh Wee Meng is the sole shareholder and director of the Offeror.

The Offeror has an issued and paid-up share capital of S\$1 comprising 1 ordinary share.

As at the Offer Announcement Date, the Offeror does not own any Shares and parties acting in concert with the Offeror hold in aggregate 238,995,000 Shares, representing 14.87% of the total issued Shares. The parties acting in concert with the Offeror are Mr Koh Wee Meng who owns 180,995,000 Shares (representing 11.26% of the total Shares) and Mr Periakaruppan Aravindan who owned 58,000,000 Shares (representing 3.61% of the total Shares) as at the Offer Announcement Date.

Post the Offer Announcement Date, Mr Koh Wee Meng had, on 23 and 24 October 2017, acquired further Shares totalling 36,110,200 Shares, all at the price of S\$0.013 per Share. Details relating to the holdings and dealings of the Shares by the Offeror and parties acting in concert with it as at 27 October 2017 are set out in Appendix 5 to the Offer Document.

As at the Latest Practicable Date, based on publicly available information, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it amounted to an aggregate of 275,105,200 Shares, representing approximately 17.11% of the total number of issued Shares.

Irrevocable Undertaking

In connection with the Offer, Mr Koh Wee Meng has undertaken with the Offeror that (i) if he elects to accept the Offer in respect of the Shares held by him, or Shares which he may acquire up to close of the Offer, the consideration payable for these Shares shall become due and payable 20 days after the close of the Offer, or such other later date as may be agreed in writing between Mr Koh Wee Meng and the Offeror; and (ii) he will not, except pursuant to the Offer, sell, transfer or otherwise dispose of these Shares during the Offer period, save in accordance with Rule 11.2(a) of the Code.

Save for the above, based on publicly available information, we note that the Offeror has not received any irrevocable undertakings from any party to accept or reject the Offer.

Further details of the Irrevocable Undertaking are set out in Section 8 to the Offer Document.

5. INFORMATION ON THE COMPANY AND THE GROUP

The Company is a public limited company incorporated in Singapore and listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal business of the Company is that of an investment holding company. The Group is organised into two main business segments, namely (a) aluminium products distribution; and (b) components distribution. The aluminium products distribution segment is the bigger of the two segments in terms of revenue, impact on profit & loss, assets and liabilities. The Group's business segments operate in three main geographical areas, Singapore, Malaysia and the People's Republic of China ("PRC").

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The board of directors of the Company comprises the following:

- (a) Mr Tito Shane Isaac (Non-Executive Chairman and Independent Director);
- (b) Mr Ong Kian Soon (Executive Director and Chief Executive Officer);
- (c) Mr Tan Bon Tan (Executive Director);
- (d) Mr Chan Teck Wah (Executive Director);
- (e) Mr Chea Chia Chan (Executive Director);
- (f) Mdm Choo Tung Kheng (Non-Executive Director);
- (g) Mr Lee Seng Chan (Independent Non-Executive Director); and
- (h) Mr Lee Teong Sang@Lee Teong Seng (Independent Non-Executive Director).

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$26.1 million, comprising 1,607,469,695 Shares. The Company does not hold any treasury shares and does not have any outstanding instruments convertible into, rights to subscribe for, or options in respect of, Shares or securities which carry voting rights in the Company.

Based on the Offer Price of S\$0.013 and the number of issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S\$20.9 million.

Based on the disclosures in the 2017 annual report of the Company, the substantial Shareholders as at 16 June 2017 were as follows:

	Direct and Indirect Interests	
	No. of Shares	%
Choo Tung Kheng	372,692,197	23.19
Koh Wee Meng	187,346,300	11.65

The above substantial Shareholder, Mr Koh Wee Meng, is effectively making the Offer for the Company, being the sole shareholder and director of the Offeror.

Additional information on the Company and the Group is set out in Appendix 4 to the Offer Document.

6. RATIONALE FOR THE OFFER AND THE INTENTION OF THE OFFEROR

The full text of the Offeror's rationale and intention for the Offer is set out in Sections 9 and 10 of the Offer Document.

In summary, the Offeror's rationale for the Offer are as follows:

- (a) the Offer gives Shareholders the opportunity to realise their investment in their Shares at a compelling premium above historical market prices;
- (b) the Offer gives Shareholders a cash exit opportunity which may otherwise not be readily available due to the low trading liquidity of the Shares; and
- (c) the Offeror wishes to increase its shareholding in the Company through the Offer as it believes it can provide the Company with a stronger shareholder base to support the Company's future business growth plans over the long term.

The Offeror currently intends for the Company to continue with its existing activities and has no current intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business. However, the

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Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves.

Listing Status and Compulsory Acquisition

Pursuant to Rule 723 of the Catalist Rules of the SGX-ST (“**Catalist Rules**”), an issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public (“**Free Float Requirement**”).

The Offeror has stated that it is its current intention to retain the listing of the Company on the Catalist of the SGX-ST.

However, in the event that the Company does not meet the Free Float Requirement at the close of the Offer and the SGX-ST suspends trading in the Shares, the Offeror will assess the options available at that time. Accordingly, it may be that the Offeror will decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the date of despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the total number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related companies and their respective nominees as at the date of the despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all the Shares held by Shareholders who have not accepted the Offer.

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror will assess its options at that time and will consider whether or not to exercise its right to compulsorily acquire all the Shares not acquired under the Offer.

7. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading activity of the Shares;
- (b) Financial performance of the Group;
- (c) Financial position of the Group;
- (d) Comparison with recently completed offers of companies listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;
- (f) Dividend track record of the Company; and
- (g) Other relevant considerations in relation to the Offer.

7.1 Market quotation and trading activity of the Shares

The Offer Announcement was released after trading hours on 19 October 2017 (Thursday). The Company had requested for a trading halt on the Shares on 20 October 2017 (Friday). The Shares resumed trading on 23 October 2017 (Monday).

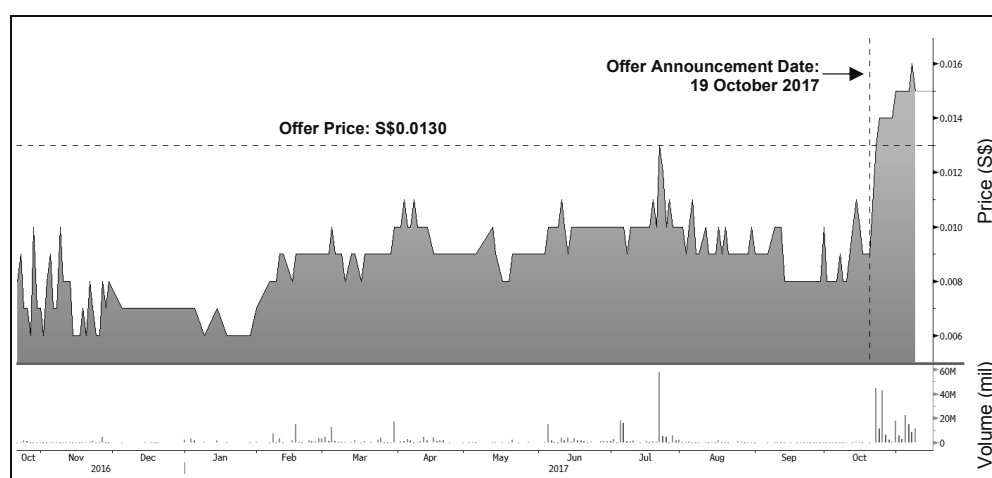
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We have therefore compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 20 October 2016, being the 1-year period prior to the release of the Offer Announcement, and up to the Latest Practicable Date ("**Period Under Review**").

Share Price Chart

We set out below a chart showing the Offer Price relative to the daily last transacted prices and trading volume of the Shares for the Period Under Review:

**Price movement and trading volume of
the Shares for the Period Under Review**



Source: Bloomberg L.P.

As can be seen from the share price chart above, the Shares have mostly been trading at below the Offer Price of S\$0.013 for the 1-year period prior to the Offer Announcement Date, except on 21 July 2017, when the Shares closed at S\$0.013. The last transacted Share price on 19 October 2017, prior to the release of the Offer Announcement Date, was S\$0.009.

Trading of the Shares was halted on 20 October 2017. Following the resumption of trading on 23 October 2017 and up to the Latest Practicable Date, the Shares had mostly traded at or above the Offer Price to a high of S\$0.017 on 25 October 2017.

Daily trading volume on the Shares for the one-year period prior to the Offer Announcement Date had been low, except for 21 July 2017 when trading volume spiked and the last transacted share price reached a high of S\$0.013.

On the two trading days immediately following the Offer Announcement, trading volume on the Shares had increased, partly attributable to the purchases of the Shares by Mr Koh Wee Meng at S\$0.013 per Share. The purchases by Mr Koh Wee Meng in the open market had accounted for approximately 64.6% of the total volume of 55.9 million Shares traded on 23 and 24 October 2017. Since then and up to the Latest Practicable Date, as the Share prices had been trading slightly above the Offer Price of S\$0.013, no further announcements on Shares purchases were made by the Offeror and parties acting in concert with it.

Market Statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review:

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Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price over/ (to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
Prior to the release of the Offer Announcement							
Last 1 year	0.014	0.006	0.0101	29.1	184	1,260	0.13
Last 6 months	0.014	0.008	0.0110	18.7	98	1,441	0.15
Last 3 months	0.014	0.008	0.0119	9.0	55	1,385	0.15
Last 1 month	0.011	0.008	0.0094	38.0	20	83	0.01
19 October 2017 (the last trading day prior to the release of the Offer Announcement)	0.011	0.008	0.0090	44.4	1	173	0.02
After the Offer Announcement Date to the Latest Practicable Date							
20 October 2017	← Trading halt on the Shares →						
23 October 2017 to the Latest Practicable Date	0.017	0.013	0.0143	(9.3)	13	14,829	1.57
Latest Practicable Date	0.016	0.015	0.0150	(13.3)	1	11,529	1.22

Source: Bloomberg L.P.

Notes:

- (1) The VWAP for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts/suspension on the Shares) during that period; and
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 941.7 million Shares based on the free float of 58.58% as disclosed on the annual report of the Company for the financial year ended 31 March 2017.

We observe the following with regard to the share price performance of the Company for the Period Under Review:

- (a) Over the 1-year period prior to the release of the Offer Announcement, the Shares have traded between a low of S\$0.006 and a high of S\$0.014. The Offer Price represents a premium of S\$0.007 (or 116.7%) above the lowest transacted price and a discount of S\$0.001 (or 7.1%) to the highest transacted price of the Shares. The Shares have mostly traded at below the Offer Price during the 1-year period prior to the release of the Offer Announcement;
- (b) The Offer Price represents a premium of approximately 29.1%, 18.7%, 9.0% and 38.0% above the VWAP of the Shares for 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement respectively;
- (c) The Offer Price represents a premium of approximately 44.4% above the VWAP of the Shares of S\$0.009 on 19 October 2017, being the day when the Shares were last traded prior to the release of the Offer Announcement; and

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- (d) Since the Offer Announcement and up to the Latest Practicable Date, the Shares have traded between S\$0.013 and S\$0.017. The Shares were last transacted at S\$0.015 on 8 November 2017, being the Latest Practicable Date. The market Share price is presumably supported by the Offer Price.

We observe the following with regards to the trading liquidity of the Shares:

- (i) Over the 1-year period prior to the release of the Offer Announcement, the Shares were not traded very actively throughout the period. The average daily trading volume of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement was low and represent 0.13%, 0.15%, 0.15% and 0.01% of the free float of the Shares respectively; and
- (ii) During the period following the release of the Offer Announcement and up to the Latest Practicable Date, the average daily trading volume on the Shares was higher at approximately 16 million Shares, representing 1.71% of the free float of the Shares. Of the total volume of 192.8 million Shares traded during this period, 36,110,200 Shares (or approximately 18.7%) were attributable to purchases made by the Offeror and its concert parties.

7.2 Financial performance of the Group

We set out below a summary of the key financial results of the Group for the financial years ended 31 March 2015 ("FY2015"), 31 March 2016 ("FY2016") and 31 March 2017 ("FY2017"), as well as the half year ended 30 September 2016 ("HY2017") and HY2018:

S\$'000	Audited			Unaudited	
	FY2015	FY2016	FY2017	HY2017	HY2018
Revenue	24,495	20,873	17,665	9,040	7,939
Gross profit	4,639	3,616	3,036	1,656	1,625
Other income	522	227	243	99	2,657
Operating expenses	(5,683)	(5,115)	(4,385)	(2,365)	(2,026)
(Loss)/Profit before income tax	(521)	(1,272)	(1,106)	(610)	2,256
(Loss)/Profit for the financial year/period	(721)	(1,330)	(1,153)	(635)	2,176

Source: Company's annual report for FY2016 and FY2017 and the unaudited financial results of the Group for HY2018

We note that for HY2018, the Group had recognised a significant fair value gain on its investment properties totalling S\$2,505,000. The Group states its investment properties at fair value in accordance with its accounting policy for investment properties. We note that in prior years for the financial periods under review, there was no fair value gain recognised on the Group's investment properties.

Review of operating results

FY2016 vs FY2015

Revenue for FY2016 decreased by S\$3.6 million (or 14.8%) from S\$24.5 million in FY2015 to S\$20.9 million in FY2016 due to the sluggish global economic condition which affected revenue contribution from both the components distribution and aluminium products distribution divisions. In terms of geographical segments, sales from both Singapore and Malaysia declined but the decline in the Malaysian segment was steeper due to the weak exchange rate between Malaysian Ringgit against the S\$. Sales from the PRC increased despite the slowdown in economic growth in the PRC as investments made to improve the products portfolio and expand customer base yielded results.

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In line with decrease in revenue, gross profit decreased by S\$1.0 million (or 22.1%) from S\$4.6 million in FY2015 to S\$3.6 million in FY2016. Gross profit margin decreased from 18.9% in FY2015 to 17.3% in FY2016, due to uncertain market conditions and weakening demand which led to keener price competition and resulted in downward pressure on the Group's margin.

Operating expenses, which consist of distribution costs, administrative expenses, finance costs and other expenses, decreased by S\$0.6 million (or 10.0%) from S\$5.7 million in FY2015 to S\$5.1 million in FY2016, in line with the decrease in revenue.

As a result of the above, loss for the financial year increased by S\$0.6 million (or 84.5%) from S\$0.7 million in FY2015 to S\$1.3 million in FY2016.

FY2017 vs FY2016

Revenue for FY2017 decreased by S\$3.2 million (or 15.4%) from S\$20.9 million in FY2016 to S\$17.7 million in FY2017, due to weaker demand for the Group's products and affected sales in both business segments. Sales from across the three main geographical areas also declined due to weaker sales and the weak exchange rates of the Malaysian Ringgit and Renminbi against S\$.

Gross profit decreased by S\$0.6 million (or 16.0%) from S\$3.6 million in FY2016 to S\$3.0 million in FY2017, in line with revenue. Gross profit margin, however, was maintained at 17.2% in FY2017 as compared to 17.3% in FY2016.

Operating expenses decreased by S\$0.7 million (or 14.3%) from S\$5.1 million in FY2016 to S\$4.4 million in FY2017, in line with the decrease in revenue and concerted effort to control spending.

As a result of the above, loss for the financial year decreased slightly from S\$1.3 million in FY2016 to S\$1.2 million in FY2017.

HY2018 vs HY2017

Revenue for HY2018 decreased by S\$1.1 million (or 12.2%) from S\$9.0 million in HY2017 to S\$7.9 million in HY2018 as the Group continued to experience weak demand for its products. Overall sales were affected by the decrease in sales in the PRC market by 46.8% due mainly to delays encountered in certain project orders and planned reduction of sales to the PRC stockists as the Group consolidated its inventory portfolio.

The lacklustre performance from components distribution division also contributed to the decrease in sales although sales of aluminium products distribution division improved in both the Singapore and Malaysia markets. Sales growth in the Malaysian market would have been higher if not for the downward movement of the Malaysian Ringgit against S\$.

Gross profit decreased marginally from S\$1.7 million in HY2017 to S\$1.6 million in HY2018. Gross profit margin improved from 18.3% in HY2017 to 20.5% in HY2018 due mainly from the aluminium products distribution division as the division continued to work on improving its inventory portfolio.

Other income increased significantly by S\$2.6 million from S\$0.1 million in HY2017 to S\$2.7 million in HY2018, due mainly to gains from change in fair value of investment properties of S\$2.5 million.

Operating expenses decreased by S\$0.3 million (or 14.3%), from S\$2.4 million in HY2017 to S\$2.0 million in HY2018 due partly to the lower sales and partly to concerted efforts made to reduce spending.

As a result of the above, the Group recorded profit of S\$2.2 million for HY2018. Excluding the fair value gain on the investment properties, the Group would have recorded a slightly lower loss of S\$0.3 million for HY2018 compared to the loss of S\$0.6 million for HY2017.

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Historical Price-earnings Ratio ("PER") implied by the Offer Price

PER illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As shown above, the Group has been reporting losses for the financial periods under review except for HY2018 due mainly to the fair value gain on the investment properties. Excluding such fair value gain on the investment properties, the Group would also have recorded a loss for HY2018. We note that in prior years for the financial periods under review, there was no fair value gain recognised on the Group's investment properties.

Thus, the assessment of the valuation of the Group (implied by the Offer Price) based on historical earnings approach would not be meaningful.

7.3 Financial Position of the Group

7.3.1 Analysis of the financial position of the Group

A summary of the financial position of the Group as at 30 September 2017 is set out below based on the Group's latest financial results for HY2018:

S\$'000	Unaudited as at 30 September 2017
ASSETS	
Non-current assets	8,887
Current assets	18,553
Total assets	27,440
LIABILITIES	
Current liabilities	5,907
Non-current liabilities	1,118
Total liabilities	7,025
Equity attributable to owners of the parent	20,415
Net asset value ("NAV") of the Group (S\$)	20,415,000
Net tangible assets ("NTA") of the Group (excluding intangible assets) (S\$)	19,524,000
Number of issued Shares	1,607,469,695
NAV per share (S\$)	0.0127
NTA per Share (S\$)	0.0121

Source: The Company's unaudited financial results of the Group for HY2018

Assets

As at 30 September 2017, the Group has total assets of S\$27.4 million comprising non-current assets of S\$8.9 million (32.4% of total assets) and current assets of S\$18.6 million (67.6% of total assets).

The main non-current assets of the Group are investment properties of S\$5.3 million (59.9% of non-current assets), property, plant and equipment ("PPE") of S\$2.6 million (29.3% of non-current assets) and intangible assets of S\$1.0 million (10.0% of non-current assets). The main current assets of the Group are inventories of S\$8.5 million (45.7% of current assets), cash and cash equivalents of S\$5.8 million (31.2% of current assets) and trade and other receivables of S\$4.1 million (22.2% of current assets).

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The Group owns 4 freehold commercial units in Jalan Besar Plaza located at 101 Kitchener Road Singapore 208511, namely #02-11, #02-17, #02-22 and #02-23. Of these properties, #02-17 is for the Group's own use and recorded under PPE and the remaining property units are recorded as investment properties.

The Group also owns a freehold factory in Malaysia which is not subject to the above valuation exercise. Management has represented that there would not be any significant revaluation surplus when translated into Singapore Dollars, arising from the revaluation of the factory.

The Company had commissioned the Valuer, GB Global Pte Ltd, to carry out an independent valuation of the above property units in Jalan Besar Plaza for the purpose of the preparation of the unaudited interim financial results for HY2018. The Valuer had adopted the comparable sales method in determining the open market value of the properties as at 30 September 2017. The Valuer has indicated its awareness that Jalan Besar Plaza is in the process of an enbloc exercise. However, the Valuer has not taken the potential enbloc sale into consideration in its valuations. In accordance with the accounting policy of the Company, the market valuations of the investment properties were reflected as the book values of these properties, while the property recorded under PPE is recorded at cost in the statement of financial position of the Group as at 30 September 2017.

The valuations of these properties are summarised below:

Property units in Jalan Besar Plaza	Floor area (square metres)	Valuation amount (S\$)
<u>Property recorded under PPE</u>		
#02-17	163	4,700,000
<u>Properties recorded as investment properties</u>		
#02-11	112	3,300,000
#02-22	31	970,000
#02-23	34	1,050,000
Total		10,020,000

Copies of the Valuation Certificates are attached as Appendix IV to the Circular.

Notwithstanding that the Valuation Certificates were prepared for financial reporting purposes for HY2018, for the purpose of the Offer, the Company had sought confirmation from the Valuer that (a) the market valuations of the properties held by the Group are still valid and unchanged for the purpose of the Offer; and (b) the valuation methodologies used for the valuation of the properties do not vary due to the different purposes of the valuation.

Liabilities

Total liabilities of S\$7.0 million comprise mainly the current and non-current portion of interest-bearing liabilities totalling S\$4.7 million (67.9% of total liabilities) and trade and other payables of S\$2.2 million (30.8% of total liabilities). The interest bearing liabilities are secured on various assets, including plant and machinery and the freehold factory in Malaysia, and corporate guarantees by the Company.

Equity/NAV/NTA

Total equity of S\$20.4 million as at 30 September 2017 comprises mainly share capital of S\$26.1 million, accumulated losses of S\$4.5 million and loss on foreign currency translation reserve of S\$1.5 million.

NAV of the Group as at 31 March 2017 was S\$20.4 million, representing NAV per Share of S\$0.0127 based on 1,607,469,695 outstanding Shares as at 31 September 2017.

After deducting intangible assets, the NTA of the Group is S\$19.5 million, representing NTA per Share of S\$0.0121.

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7.3.2 Computation of revalued NTA (“RNTA”) of the Group

Management has indicated the book value of the property unit #02-17 held under PPE was S\$662,978 as at 30 September 2017. As the revaluation surplus on #02-17 has not been taken into account in the NTA of the Group as at 30 September 2017, we have therefore computed the RNTA of the Group as follows:

	S\$'000	S\$ per Share
Unaudited NTA of the Group as at 30 September 2017	19,524	0.0121
Add: Net revaluation surplus on #02-17 ⁽¹⁾ (Market value of #02-17 of S\$4,700,000 less net book value of #02-17 of S\$662,978)	4,037	0.0025
RNTA of the Group as at 30 September 2017	23,561	0.0147

Note:

- (1) In assessing the above revaluation surplus, we have also considered whether there is any potential tax liabilities which would arise on the disposal of the above property in a hypothetical scenario for the purpose of Rule 26.3 of the Code. The Company had advised that the property unit is held for its own use. However, the unit together with the units held as investment properties are currently part of the collective sale of Jalan Besar Plaza which is being put up for public tender.

If the collective sale of Jalan Besar Plaza is successful, the Group will realize a gain on the disposal of all its property units in the commercial complex if the proceeds from the collective sales are above the net book values of these properties. However, Management is of the view that these gains, if any, are capital in nature and there is therefore no potential tax liability arising on the disposal of these properties as any gain on disposal will be capital in nature and hence is not subject to tax, in a hypothetical scenario where the above properties are sold or if the collective sale of Jalan Besar Plaza proceeds to completion.

Price-to-RNTA (“P/RNTA”) ratio of the Group implied by the Offer Price

The net asset backing of the Group is measured by its NAV, NTA or revalued NAV, revalued NTA value.

The NAV and NTA based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

The NAV based valuation approach shows the extent to which the value of each Share is backed by both the Group's tangible and intangible assets. NTA is derived by deducting intangible assets from the NAV and the NTA based valuation approach shows the extent to which the value of each Share is backed by its net tangible assets.

Based on the NTA per Share of S\$0.0121 per Share as at 30 September 2017, the Offer Price represents a P/NTA of 1.07 times, that is, the Offer Price is at a premium of 7.0% above the NTA per Share.

Based on the RNTA per Share of S\$0.0147 as at 30 September 2017, the Offer Price represents a P/RNTA of 0.89 times, that is, the Offer Price is at a discount of 11.3% to the RNTA per Share.

For the purpose of evaluating the Offer in Section 7.4 and Section 7.5 of this Letter, we have based our analysis on the RNTA per Share of S\$0.0147 as at 30 September 2017.

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Collective sale of Jalan Besar Plaza

As mentioned above, the Jalan Besar Plaza is being put up for collective sale by public tender. Jalan Besar Plaza is a 16-storey commercial cum residential development. The 1st to 4th storey are occupied by commercial units and the 5th to 16th storey are occupied by residential units.

Based on publicly available information, we note that Jalan Besar Plaza had previously been put up for collective sales but was not successful. The first public tender was in November 2015 with a reserve price of S\$390 million and the second public tender in June 2016 with a reserve price of S\$380 million.

The current collective sale was put up on 10 October 2017 with a reserve price of S\$390 million. The closing date for this current tender is 10 November 2017. As at the Latest Practicable Date, the results of the tender have not been published yet.

Management has represented that if the current collective sale of Jalan Besar Plaza is successful at the reserve price of S\$390 million, the Group could potentially receive gross proceeds of approximately S\$12.0 million for its four shop units. This is approximately S\$2.0 million above the aggregate market valuation of these units, representing an additional upside to the RNTA per Share of S\$0.0012 per Share from S\$0.0147 to S\$0.0159. The Offer Price would then represent a potential P/RNTA of 0.82 times or a slightly higher discount of 18.2% to the potentially higher RNTA of S\$0.0159 per Share if the collective sale of Jalan Besar Plaza is completed successfully at the reserve price.

As at the Latest Practicable Date, the results of the tender and the final tender price on the Jalan Besar Plaza collective sale is not known yet. Hence, Shareholders should note that the above analysis serves only as an illustrative guide.

Besides the above valuation of the properties of the Group, in our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 September 2017, and whether there are factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NTA as at 30 September 2017.

In respect of the above, we have sought the following confirmation from the Board of Directors and the management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, and save for the announcements made by the Company since 30 September 2017 to the Latest Practicable Date:

- (a) there are no material differences between the realisable values of the Group's assets and their respective book values as at 30 September 2017 which would have a material impact on the NTA of the Group;
- (b) other than that already provided for or disclosed in the Group's financial statements as at 30 September 2017, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NTA of the Group as at the Latest Practicable Date;
- (c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) there are no intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and

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- (e) save for the property units being the subject of the collective sale of Jalan Besar Plaza, there are no material acquisitions or disposals of assets by the Group between 30 September 2017 and the Latest Practicable Date nor does the Group have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities of the Company or the Group (including without limitation, property, plant and equipment). We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on Valuation Certificates for such asset appraisal and have not made any independent verification of the contents thereof.

We do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

7.4 Comparison with recently completed offers of companies listed on the SGX-ST

The Offeror has stated, *inter alia*, its current intention to retain the listing status of the Company on the Catalist board of the SGX-ST.

Therefore, in our assessment on the reasonableness of the Offer Price, we have compared the financial terms implied by the Offer Price with those of selected recently completed offers for companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) that were announced since January 2016 to the Latest Practicable Date, where the offeror has indicated similar intentions to preserve the listing status of the offeree company ("**Non-Privatisation Transactions**")

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the offeree companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of the respective transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the NAV of the respective target companies. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NAV, revalued NTA or adjusted NAV or NTA of the respective target companies.

We wish to highlight that the target companies listed in the Non-Privatisation Transactions as set out in the analysis below may not be directly comparable with the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular Non-Privatisation Transaction varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Non-Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

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Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over/(to)			P/NTA (times)
			Last transacted price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)	
Abundance International Limited	Businesses of chemical trading, investments, and commercial printing (adopting an outsourcing model without internal production)	24 Mar 2016	72.4	65.6	67.2	1.3 ⁽¹⁾
Halcyon Agri Corporation Limited	Production of high quality natural rubber	28 Mar 2016	18.1	12.8	8.0	n.m. ⁽²⁾
British and Malayan Trustees Limited	Provision of professional trustee and advisory services	13 May 2016	n.a. ⁽³⁾	n.a. ⁽³⁾	n.a. ⁽³⁾	1.1 ⁽³⁾
Ellipsiz Ltd	Distribution and service solutions provider for semiconductor and electronics manufacturing	07 Jul 2016	1.6	5.0	8.0	0.7 ⁽⁴⁾
Healthway Medical Corporation Limited	Healthcare management	07 Feb 2017	2.4	8.9	15.0	0.7 ⁽⁵⁾
International Healthway Corporation Limited	Provides, develops and manages healthcare services	16 Feb 2017	0.0	14.0	20.5	1.1 ⁽⁶⁾
CMC Infocomm Limited	Provider of integrated communication solutions and services	07 May 2017	18.8	34.6	30.5	1.7 ⁽⁷⁾
Cityneon Holdings Limited	Provider of events management and exhibition services, design and build services for museums and galleries and interior architecture services	12 May 2017	(5.4)	0.6	3.9	3.2 ⁽⁸⁾
United Engineers Limited	Property, engineering and distribution, and manufacturing businesses	13 Jul 2017	7.9	11.1	12.8	0.9 ⁽⁹⁾
Blumont Group Limited	Investment holding, sterilisation, property, mineral and energy resources	24 Aug 2017	(81.8) ⁽¹³⁾	(87.9) ⁽¹³⁾	(86.0) ⁽¹³⁾	0.6 ⁽¹⁰⁾
Mary Chia Holdings Limited	Provision of lifestyle and wellness services	24 Aug 2017	68.2	93.0	96.1	2.8 ⁽¹¹⁾

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Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over/(to)			P/NTA (times)
			Last transacted price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)	
BRC Asia Limited	Building construction and manufacture of basic iron and steel	08 Sep 2017	7.6	9.8	10.0	0.8 ⁽¹²⁾
High			72.4	93.0	96.1	3.2
Low			(5.4)	0.6	3.9	0.6
Mean			19.2	25.4	27.2	1.4
Median			7.7	12.0	13.9	1.1
Company (implied by the Offer Price)		19 Oct 2017	44.4	38.0	9.0	0.9 (based on RNTA as at 30 Sep 2017)

Source: SGX-ST announcements and circulars to shareholders in relation to the Non-Privatisation Transactions

Notes:

- (1) Based on the NTA per share of Abundance International Limited as at 31 December 2015 and enlarged share capital pursuant to the share issuance on 24 March 2016;
- (2) n.m. denotes not meaningful as Halcyon Agri Corporation Limited had a net liability position as at 31 March 2016;
- (3) Based on the audited revalued NAV per share of British and Malayan Trustees Limited as at 30 June 2016. The shares of British and Malayan Trustees Limited were last traded on 26 October 2015;
- (4) Based on the unaudited NTA per share of Ellipsiz Ltd as at 30 June 2016;
- (5) Based on the NAV per share of Healthway Medical Corporation Limited as at 31 December 2016;
- (6) Based on the revalued NTA per share of International Healthway Corporation Limited as at 30 September 2016;
- (7) Based on the NTA per share of CMC Infocomm Limited as at 30 November 2016;
- (8) Based on the NAV per share of Cityneon Holdings Limited as at 31 December 2016;
- (9) Based on the NTA per share of United Engineers Limited as at 30 June 2017;
- (10) Based on the revalued NTA per share of Blumont Group Limited as at 30 June 2017;
- (11) Based on the revalued NAV per share of Mary Chia Holdings Limited as at 31 March 2017; and
- (12) Based on the revalued NAV per Share of BRC Asia Limited as at 30 June 2017; and
- (13) Excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transacted price, and the VWAP for the 1-month period prior to the release of the Offer Announcement are within the range, and substantially higher than the mean and median of the corresponding premia of the Non-Privatisation Transactions.

The premium implied by the Offer Price over the VWAP for the 3-month period prior to the release of the Offer Announcement is within the range, but lower than the mean and median of the corresponding premia of the Non-Privatisation Transactions; and

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- (b) The P/RNTA of 0.9 times implied by the Offer Price is within the range, lower than the mean and slightly lower than the median of the corresponding P/NTA ratios of the Non-Privatisation Transactions.

Shareholders should also note that the above comparison with the Non-Privatisation Transactions is purely for illustrative purposes only.

7.5 Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group

The Group is principally engaged in the distribution of aluminium components, and to some extent, the distribution of electrical and electronic components. For the purpose of assessing the Offer Price, we have attempted to compare the valuation ratios of the Company implied by the Offer Price with those of selected companies listed on the SGX-ST that are involved in businesses which can be considered as broad proxies to the principal business of the Group, that is, listed companies that are engaged in the distribution of aluminium components ("**Comparable Peer Companies**"). For a more meaningful comparison, we have selected Comparable Peer Companies with a market capitalisation of S\$200 million and below as at the Offer Announcement Date as broad proxies to the Group. There are only two such Comparable Peer Companies.

We have had discussions with Management about the suitability and reasonableness of the selected Comparable Peer Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Peer Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable Peer Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Peer Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Peer Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Peer Companies, as extracted from Bloomberg L.P. is set out below:

Company name	Stock Exchange	Principal Business
Soon Lian Holdings Ltd (" Soon Lian ")	SGX-Catalist	Soon Lian distributes aluminum alloy parts for marine, precision engineering, and other uses.
AEI Corp Ltd (" AEI ")	SGX-ST Mainboard	AEI Corp Ltd. manufactures aluminum extrusion sections for electronics and precision engineering, and construction and infrastructure building industries. The Company also manufactures, imports, exports metal materials and other related products.

Source: Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the selected Comparable Peer Companies using the following bases:

- (i) The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern; and

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- (ii) The P/NTA ratio of NTA approach is used to show the extent the value of each share is backed by all assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangibles of the group.

Company name	Last financial year end	Market capitalisation as at the Offer Announcement Date (S\$'million)	Historical PER ⁽¹⁾ (times)	P/NTA ⁽²⁾ (times)
Soon Lian	31 Dec 2016	9.8	n.m. ⁽³⁾	0.4
AEI	31 Dec 2016	24.4	n.m. ⁽³⁾	0.6
Mean/Median			n.m. ⁽³⁾	0.5
Company (implied by the Offer Price)	31 Mar 2017	20.9	n.m. ⁽³⁾	0.9 (based on RNTA as at 30 Sep 2017)

Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Peer Companies

Notes:

- (1) The historical PERs of the Comparable Peer Companies are computed based on their respective latest published full year earnings or trailing twelve months earnings, where applicable, as at the Offer Announcement Date;
- (2) The P/NTA ratios of the Comparable Peer Companies are computed based on their respective NTA values as set out in their latest published financial statements available as at the Offer Announcement Date; and
- (3) n.m. denotes not meaningful as these companies are loss-making.

Based on the above, we note that:

- (a) The PER comparison is not meaningful for comparison purposes as the Group is loss-making and so are the Comparable Peer Companies; and
- (b) The P/RNTA ratio of the Group of 0.9 times implied by the Offer Price is higher than the P/NTA of the Comparable Peer Companies and hence higher than the mean/median P/NTA ratios of the Comparable Peer Companies.

Shareholders should also note that the above comparison with the Comparable Peer Companies is purely for illustrative purposes only.

7.6 Dividend track record of the Company

We note that the Company has not declared or paid any dividends to its Shareholders since its listing on 14 August 2000 on SESDAQ (now known as Catalist). In addition, the Group has reported losses for the last six financial years which would have constrained its ability to declare any dividends.

As disclosed in the Company's annual report for FY2017, the Company currently does not have a fixed dividend policy and the declaration and payment of future dividends will depend upon the Group's operating results, cash flows projections and investment plans.

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7.7 Other relevant considerations in relation to the Offer

7.7.1 No increase in Offer Price

Shareholders should note that the Offer Price is final as the Offeror has stated that it does not intend to revise the Offer Price. Accordingly, pursuant to Rule 20.2 of the Code, the Offeror will not be allowed to increase the Offer Price in any way.

However, the Offeror reserves the right to set aside the foregoing no price increase statement and revise the terms of the Offer if a competing offer for the Company is announced or if any other competitive situation in relation to the Company arises, after the Offer Announcement Date, in which case the Offeror shall comply with the provisions of Note 2 to Rule 20.2 of the Code.

7.7.2 Conditional Offer

As at the Latest Practicable Date, the Offer has not become or been declared unconditional in all respects. In the event that the Offer has not become or been declared unconditional in all respects by the close of the Offer, all acceptances to the Offer will be returned to Shareholders.

In the event that the Offer becomes or has been declared unconditional in all respects, the Offeror and parties acting concert with it will become the new major controlling shareholder of the Company.

7.7.3 Intention of the Offeror regarding listing status

The Offeror has stated that its current intention is to retain the listing of the Company on the Catalist of the SGX-ST.

However, as mentioned in Section 6 of this Letter, the Offeror has also disclosed that in the event that the Company does not meet the Free Float Requirement at the close of the Offer and the SGX-ST suspends trading in the Shares, the Offeror will then assess the options available to it. Accordingly, it may be that the Offeror will decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.

Similarly, in the event that the Offeror becomes entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, the Offeror will assess its options at that time and will consider whether or not to exercise its right to compulsorily acquire all the Shares not acquired under the Offer.

Therefore, although the Offeror has the intention to retain the listing status of the Company, it has not disclosed any actions or support to retain the listing status of the Company.

7.7.4 Collective sale of Jalan Besar Plaza

The closing date for the public tender for the collective sale of Jalan Besar Plaza is 10 November 2017. As at the Latest Practicable Date, the results of the collective sale is not published yet.

Shareholders should take note of any announcements by the Company in relation to the above which may be released after the Latest Practicable Date.

7.7.5 Directors' intentions with respect to their Shares

In Section 8.3 of the Circular, the Directors have concurred with our views on the terms of the Offer and our recommendation on the Offer.

Notwithstanding the above, the Directors, namely Mr Ong Kian Soon, Mr Tan Bon Tan, Mr Chan Teck Wah, Mr Chea Chia Chan and Mdm Choo Tung Kheng, who collectively owned

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approximately 28.77% of the total number of Shares, intend to reject the Offer in respect of the Shares held by each of them, for reasons as stated in Section 4.9 of Appendix II to the Circular.

Save for the above, the remaining Directors, namely Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang@Lee Teong Seng, do not hold any Shares.

7.7.6 Commentary by the Company in the results announcement for HY2018

The Company had made the following comments in relation to its business outlook in its interim results announcement for HY2018:

“With a more balanced inventory portfolio, the Group targets to strengthen its customer base and expand its market coverage through, amongst others, organic growth, acquisitions and/or joint ventures with relevant parties, which may be funded through the Group’s internal resources, bank borrowings and/or issuance of new shares in the Company.

We will continue to optimize our inventory portfolio and manage operational efficiency in view of the uncertainty over the general economic outlook.”

8. OUR RECOMMENDATION TO THE DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Shares;
- (b) Financial performance of the Group;
- (c) Financial position of the Group;
- (d) Comparison with recently completed offers of companies listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;
- (f) Dividend track record of the Company;
- (g) Other relevant considerations in relation to the Offer.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable.

Accordingly, we advise the Directors to recommend Shareholders to ACCEPT the Offer. Shareholders who wish to realise their investments in the Company can also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. In addition, we advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer, as the case may be.

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Our recommendation is addressed to the Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, as the case may be, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. Our recommendation does not constitute, and should not be relied on as, a recommendation to, or confer any rights upon, any Shareholder as to how such Shareholder should deal with his/her/its shares in relation to the Offer or any matter related thereto.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX II: ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Tito Shane Isaac	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Non-Executive Chairman and Independent Director
Mr. Ong Kian Soon	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Executive Director and Chief Executive Officer
Mr. Tan Bon Tan	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Executive Director
Mr. Chan Teck Wah	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Executive Director
Mr. Chea Chia Chan	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Executive Director
Mdm. Choo Tung Kheng	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Non-Executive Director
Mr. Lee Seng Chan	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Independent Non-Executive Director
Mr. Lee Teong Sang @ Lee Teong Seng	c/o 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511	Independent Non-Executive Director

2. HISTORY AND PRINCIPAL ACTIVITIES

The Company was incorporated in the Republic of Singapore on 4 November 1999 as a private company limited by shares under the Companies Act. It was converted into a public limited company on 14 July 2000. On 17 January 2006, the Company changed its name to New Wave Holdings Ltd. to better reflect its corporate profile and new core business structure.

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As at the Latest Practicable Date, the Company is an investment holding company, and the principal activities of its subsidiaries are set out as follows:

Name of company		Principal activities	Effective equity held by the Group as at the Latest Practicable Date
Held by the Company	General Electronics & Instrumentation Corporation Private Limited	Trading in electrical and electronic equipment and components, hardware and software engineering in micro-computer and communication systems	100%
	Eplus Technologies Pte Ltd	Trading in electrical and electronics components and provision of IT and software consultancy services	100%
	Manufacturing Network Pte Ltd	Wholesale of aluminium plates, wedges and bars including cutting and refining aluminium plates, trading and distribution of metal precision components and investment holding	100%
	Eplus Technologies Sdn. Bhd.	Trading and distribution of cables, electrical and electronics components	100%
Held by Manufacturing Network Pte Ltd	MNPL Aluminium Centre Sdn. Bhd.	Wholesale of aluminium plates, rods and bars including cutting and refining aluminium plates, rods and bars	100%
	MNPL Investments Pte. Ltd.	Investment holding	100%
	MSC Aluminium Holdings Pte. Ltd.	Import and export of aluminum alloy products and investment holding	100%
Held by MNPL Investments Pte. Ltd.	MNPL Metals Co., Ltd.	Sale and distribution of aluminium alloy, steel, stainless steel and other ferrous and non-ferrous semi-finished products	100%
Held by MSC Aluminium Holdings Pte. Ltd.	Twin Metal Service Centre Sdn. Bhd.	Fabricating and trading of aluminum products	100%

APPENDIX II: ADDITIONAL GENERAL INFORMATION

3. SHARE CAPITAL

3.1 Issued Share Capital

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$26,088,313 comprising 1,607,469,695 Shares. The Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the Company does not have any treasury Shares and other class of share capital.

3.2 Capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles, which are available for inspection at the Company's registered office at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511. The relevant provisions in the Articles relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix V** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Articles and/or the Companies Act.

3.3 Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 March 2017, being the end of the last financial year.

3.4 Convertible Instruments

As at the Latest Practicable Date, the Company has not granted any other instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting any Shares.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

4.2 Dealings by the Company in Offeror Securities

The Company has not dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

APPENDIX II: ADDITIONAL GENERAL INFORMATION

4.4 Dealings by the Directors in Offeror Securities

None of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interests in the Company Securities as at the Latest Practicable Date.

Directors	Direct interest		Deemed interest	
	Number of Shares	As a percentage of total number of issued Shares (%)	Number of Shares	As a percentage of total number of issued Shares (%)
Chan Teck Wah	15,888,400	0.99	—	0.00
Chea Chia Chan	19,500,000	1.21	—	0.00
Choo Tung Kheng	196,314,197	12.21	176,378,000 ⁽¹⁾	10.97
Ong Kian Soon	31,180,000	1.94	—	0.00
Tan Bon Tan	23,175,000	1.44	2,500 ⁽²⁾	0.00

Note:

(1) Mdm Choo Tung Kheng is deemed to be interested in the 176,378,000 shares held by Citibank Nominees Singapore Pte Ltd for the account of Sea Treasures Ltd, a Cayman Islands incorporated company, wholly owned by Mdm Choo.

(2) Mr. Tan Bon Tan is deemed to be interested in the 2,500 shares held by his spouse, Mdm Wong May Lai.

4.6 Dealings by the Directors in Company Securities

None of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Interests of the IFA in Company Securities

The IFA does not have any direct or deemed interests in the Company Securities as at the Latest Practicable Date.

4.8 Dealings by the IFA in Company Securities

The IFA has not dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

APPENDIX II: ADDITIONAL GENERAL INFORMATION

4.9 Intentions of the Directors in respect of their Shares

All the Directors who hold Shares, namely, Mr. Ong Kian Soon, Mr. Tan Bon Tan, Mr. Chan Teck Wah, Mr. Chea Chia Chan and Mdm. Choo Tung Kheng, have informed the Company that they **DO NOT INTEND** to accept, or procure the acceptance of, the Offer in respect of all the Shares held by him or her (whether directly, or indirectly through his or her nominee, trustee or other designated person holding such Shares on his or her behalf).

Notwithstanding that the aforementioned Directors concur with the IFA's opinion and their recommendation to Shareholders to accept the Offer, these Directors do not intend to accept the Offer on the basis that the Non-Executive Director, Mdm. Choo Tung Kheng and the Executive Directors, who are the co-founders and/or senior management of the Group, have plans in place to strengthen its customer base and expand its market coverage through, amongst others, organic growth, acquisitions and/or joint ventures with relevant parties.

5. OTHER DISCLOSURES

5.1 Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

- (a) As at the Latest Practicable Date, it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- (c) As at the Latest Practicable Date, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

APPENDIX II: ADDITIONAL GENERAL INFORMATION

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Neither the Company nor its subsidiaries has entered into material contracts (not being a contract entered into in the ordinary course of business) with persons who are Interested Persons during the period beginning three (3) years before the Offer Announcement Date, and ending on the Latest Practicable Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

8. FINANCIAL INFORMATION

8.1 a. Consolidated Statements of Comprehensive Income

A summary of the audited consolidated profit and loss statements of the Group for FY2015, FY2016, FY2017, and the unaudited consolidated profit and loss statements of the Group for HY2018 is set out below.

	HY2018	FY2017	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Audited	Audited
Continuing operations				
Revenue	7,939	17,665	20,873	24,495
Cost of sales	(6,314)	(14,629)	(17,257)	(19,856)
Gross profit	1,625	3,036	3,616	4,639
Other items of income				
Interest income from deposits with banks	15	24	13	12
Other income	2,642	219	214	510
Other items of expense				
Distribution costs	(189)	(412)	(460)	(686)
Administrative expenses	(1,582)	(3,428)	(3,919)	(4,199)
Finance costs	(68)	(112)	(160)	(158)
Other expenses	(187)	(433)	(576)	(639)
Profit/(loss) before income tax	2,256	(1,106)	(1,272)	(521)
Income tax expenses	(80)	(47)	(58)	(200)
Profit/(loss) for the financial period/year	2,176	(1,153)	(1,330)	(721)

APPENDIX II: ADDITIONAL GENERAL INFORMATION

	HY2018 S\$'000 Unaudited	FY2017 S\$'000 Audited	FY2016 S\$'000 Audited	FY2015 S\$'000 Audited
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	115	(492)	(867)	(128)
Total comprehensive income for financial period/year	2,291	(1,645)	(2,197)	(849)
Profit/(loss) attributable to:				
Owners of the parent	2,176	(1,153)	(1,330)	(721)
Total comprehensive income attributable to:				
Owners of the parent	2,291	(1,645)	(2,197)	(849)
Earnings/(loss) per share (Singapore Cents)				
– Basic and diluted	0.14	(0.07)	(0.09)	(0.05)

This summary financial information should be read together with the audited consolidated financial statements of the Group for FY2015 to FY2017 and related notes thereto, copies of which are available for inspection at the registered office of the Company at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511 during normal business hours for the period during which the Offer remains open for acceptance. The unaudited consolidated financial statements of the Group for HY2018 are set out in **Appendix III** of this Circular.

b. Dividend per Share

Set out below is also a summary of the dividend per Share declared in respect of each of FY2015, FY2016, FY2017, and HY2018.

	Interim Dividend cents	Final Dividend cents	Special Dividend cents	Total Dividend cents
In respect of HY2018	Nil	Nil	Nil	Nil
In respect of FY2017	Nil	Nil	Nil	Nil
In respect of FY2016	Nil	Nil	Nil	Nil
In respect of FY2015	Nil	Nil	Nil	Nil

APPENDIX II: ADDITIONAL GENERAL INFORMATION

8.2 Consolidated Balance Sheet

A summary of the audited consolidated balance sheet of the Group as at 31 March 2017 and the unaudited consolidated balance sheet of the Group as at 30 September 2017 is set out below.

	30/09/2017 S\$'000 Unaudited	31/03/2017 S\$'000 Audited
Non-current assets		
Property, plant and equipment	2,604	2,569
Investment properties	5,320	2,815
Intangible assets	891	967
Deferred tax asset	72	72
	8,887	6,423
Current assets		
Inventories	8,480	6,719
Trade and other receivables	4,125	4,203
Prepayments	79	98
Cash and cash equivalents	5,782	6,069
Current income tax recoverable	87	124
	18,553	17,213
Less:		
Current liabilities		
Trade and other payables	2,161	2,309
Interest-bearing liabilities	3,728	2,113
Current income tax payable	18	–
	5,907	4,422
Net current assets	12,646	12,791
Less:		
Non-current liabilities		
Interest-bearing liabilities	1,043	1,002
Deferred tax liabilities	75	88
	1,118	1,090
Net assets	20,415	18,124

APPENDIX II: ADDITIONAL GENERAL INFORMATION

	30/09/2017 S\$'000 Unaudited	31/03/2017 S\$'000 Audited
Equity		
Share capital	26,088	26,088
Asset revaluation reserve	315	315
Share-based payment reserve	31	31
Foreign currency translation reserve	(1,525)	(1,640)
Accumulated losses	(4,494)	(6,670)
Equity attributable to owners of the parent	20,415	18,124

This summary financial information should be read together with the audited consolidated financial statements of the Group for FY2017 and related notes thereto, copies of which are available for inspection at the registered office of the Company at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511 during normal business hours for the period during which the Offer remains open for acceptance.

8.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements for FY2017, copies of which are available for inspection at the registered office of the Company at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511 during normal business hours for the period during which the Offer remains open for acceptance, and sections 4 and 5 of the unaudited consolidated financial statements of the Group for HY2018, which are set out in **Appendix III** of this Circular.

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2017, and the unaudited consolidated financial statements of the Group for HY2018:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the Company which are of any major relevance for the interpretation of the financial statements of the Company; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policy of the Company which will cause the figures disclosed in this Circular not to be comparable to a material extent.

8.4 Material Changes in Financial Position

Save as disclosed in publicly available information on the Group (including but not limited to the unaudited consolidated financial statements for HY2018), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 31 March 2017, being the date of the Company's last published audited financial statements.

APPENDIX II: ADDITIONAL GENERAL INFORMATION

8.5 Material Changes in Information

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

8.6 Valuation of Properties

The Group had commissioned GB Global Pte Ltd, an independent professional valuer, to carry out an independent valuation of the Valuation Assets, for accounting purposes in relation to the preparation of the unaudited interim financial results of the Group for the half year ended 30 September 2017. Copies of the Valuation Certificates are attached as **Appendix IV** to the Circular.

9. GENERAL

- 9.1** All expenses and costs (save for the agreed reimbursements) incurred by the Company in relation to the Offer will be borne by the Company.
- 9.2** Provenance Capital Pte. Ltd. named as the IFA, has given and has not withdrawn their written consent to the issue of this Circular with the inclusion of the IFA Letter in **Appendix I** of this Circular and the references to them and their name in the form and context in which they appear in this Circular.
- 9.3** GB Global Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of (a) its name, (b) its Valuation Certificates in **Appendix IV** of this Circular and valuation reports dated 30 October 2017 as well as references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Company at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511 during normal business hours for the period during which the Offer remain open for acceptance:

- (a) the Memorandum and Articles;
- (b) the annual reports of the Company for FY2015, FY2016 and FY2017;
- (c) the IFA Letter as set out in **Appendix I** to this Circular;
- (d) the unaudited consolidated financial statements of the Group for HY2018 as set out in **Appendix III** to this Circular;
- (e) the valuation reports dated 30 October 2017 from the Valuer in respect of Valuation Assets and the Valuation Certificates as set out in **Appendix IV** to this Circular; and
- (f) the letters of consent referred to in paragraphs 9.2 and 9.3 to this **Appendix II** above.

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

NEW WAVE HOLDINGS LTD.

Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30/09/2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Half year ended 30 September		Increase/ (Decrease) %
	2017 S\$'000	2016 S\$'000	
Revenue	7,939	9,040	(12.2)
Cost of sales	(6,314)	(7,384)	(14.5)
Gross profit	1,625	1,656	(1.9)
Other income	2,657	99	2583.8
Distribution costs	(189)	(220)	(14.1)
Administrative expenses	(1,582)	(1,661)	(4.8)
Other expenses	(187)	(427)	(56.2)
Finance costs	(68)	(57)	19.3
Profit/(Loss) before income tax	2,256	(610)	NM
Income tax expense	(80)	(25)	220.0
Profit/(Loss) for the financial period attributable to owners of the parent	2,176	(635)	NM
Other comprehensive income for the financial period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	115	(304)	NM
Total comprehensive income for the financial period, attributable to owners of the parent	2,291	(939)	NM

NM = Not Meaningful

APPENDIX III:
UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(a)(ii) Notes to consolidated statement of comprehensive income

	Group Half year ended 30 September		Increase/ (Decrease) %
	2017 S\$'000	2016 S\$'000	
Profit/(Loss) before income tax is arrived at:			
After charging:			
Allowance for impairment of trade receivables	1	-	NM
Amortisation of intangible asset	76	76	-
Change in fair value of investment properties	2,505	-	NM
Depreciation of property, plant and equipment	105	128	(18.0)
Interest expense	68	57	19.3
Foreign exchange loss, net	-	223	NM
Plant and equipment written off	5	-	NM
and crediting:			
Foreign exchange gain, net	63	-	NM
Gain on disposal of plant and equipment	16	-	NM
Interest income	15	10	50.0
Rental income	31	31	-
Write back of allowance for impairment of trade receivables no longer required	1	-	NM

NM = Not Meaningful

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 30/09/2017 S\$'000	As at 31/03/2017 S\$'000	As at 30/09/2017 S\$'000	As at 31/03/2017 S\$'000
Non-current assets				
Property, plant and equipment	2,604	2,569	-	-
Investment properties	5,320	2,815	-	-
Intangible assets	891	967	-	-
Investments in subsidiaries	-	-	19,838	19,838
Deferred tax asset	72	72	-	-
	<u>8,887</u>	<u>6,423</u>	<u>19,838</u>	<u>19,838</u>
Current assets				
Inventories	8,480	6,719	-	-
Trade and other receivables	4,125	4,203	5,312	5,819
Prepayments	79	98	13	11
Income tax recoverable	87	124	-	-
Cash and cash equivalents	5,782	6,069	1,813	1,787
	<u>18,553</u>	<u>17,213</u>	<u>7,138</u>	<u>7,617</u>
Less:-				
Current liabilities				
Trade and other payables	2,161	2,309	2,903	2,940
Interest-bearing liabilities	3,728	2,113	-	-
Current income tax payable	18	-	-	-
	<u>5,907</u>	<u>4,422</u>	<u>2,903</u>	<u>2,940</u>
Net current assets	<u>12,646</u>	<u>12,791</u>	<u>4,235</u>	<u>4,677</u>
Non-current liabilities				
Interest-bearing liabilities	1,043	1,002	-	-
Deferred tax liabilities	75	88	-	-
	<u>1,118</u>	<u>1,090</u>	<u>-</u>	<u>-</u>
Net assets	<u>20,415</u>	<u>18,124</u>	<u>24,073</u>	<u>24,515</u>
Capital and reserves				
Share capital	26,088	26,088	26,088	26,088
Asset revaluation reserve	315	315	-	-
Share-based payment reserve	31	31	31	31
Foreign currency translation reserve	(1,525)	(1,640)	-	-
Accumulated losses	(4,494)	(6,670)	(2,046)	(1,604)
Equity attributable to owners of the parent	<u>20,415</u>	<u>18,124</u>	<u>24,073</u>	<u>24,515</u>

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/09/2017		As at 31/03/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
73	3,655	59	2,054

Amount repayable after one year

As at 30/09/2017		As at 31/03/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,043	-	1,002	-

Details of any collateral

Amounts due to finance lease creditors (included in interest-bearing liabilities) are secured by plant and equipment acquired under finance lease contracts.

Term loan (included in interest-bearing liabilities) to finance the purchase of the Malaysian factory is secured by a legal charge against the property as well as a corporate guarantee provided by the Company.

Trust receipts of the subsidiaries (included in interest-bearing liabilities) are secured by corporate guarantees provided by the Company.

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Half year ended 30 September	
	2017	2016
	S\$'000	S\$'000
Operating activities		
Profit/(Loss) before income tax	2,256	(610)
Adjustments for:-		
Allowance for impairment of trade receivables	1	-
Amortisation of intangible assets	76	76
Change in fair value of investment properties	(2,505)	-
Depreciation of property, plant and equipment	105	128
Gain on disposal of plant and equipment	(16)	-
Interest expense	68	57
Interest income	(15)	(10)
Plant and equipment written off	5	-
Write back of allowance for impairment of trade receivables no longer required	(1)	-
Operating cash flows before working capital changes	(26)	(359)
Working capital changes:-		
Inventories	(1,693)	1,923
Trade and other receivables	114	1,303
Trade and other payables	(162)	2
Prepayments	19	105
Cash (used in)/from operations	(1,748)	2,974
Interest received	15	10
Interest paid	(68)	(57)
Income taxes paid, net	(36)	(67)
Net cash (used in)/from operating activities	(1,837)	2,860
Investing activities		
Proceeds from disposal of plant and equipment	18	-
Purchase of plant and equipment (Note B)	(40)	(156)
Net cash used in investing activities	(22)	(156)
Financing activities		
Proceeds from trust receipts	4,829	2,514
Repayments of trust receipts	(3,236)	(2,770)
Repayments of finance lease obligations	(22)	(26)
Repayments of term loan	(21)	(18)
Net cash from/(used in) financing activities	1,550	(300)
Net change in cash and cash equivalents	(309)	2,404
Cash and cash equivalents at the beginning of the financial period	6,069	3,181
Effect of currency translation on cash and cash equivalents	22	(51)
Cash and cash equivalents at the end of the financial period (Note A)	5,782	5,534

APPENDIX III:
UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Note A:

Cash and cash equivalents comprised:

	As at 30/09/2017 S\$'000	As at 30/09/2016 S\$'000
Fixed deposits with banks	2,126	2,107
Cash and bank balances	<u>3,656</u>	<u>3,427</u>
	<u>5,782</u>	<u>5,534</u>

Note B:

Additions to property, plant and equipment comprised:

	As at 30/09/2017 S\$'000	As at 30/09/2016 S\$'000
Additions to property, plant and equipment	122	236
Acquired under finance lease agreements	<u>(82)</u>	<u>(80)</u>
	<u>40</u>	<u>156</u>

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Equity attributable to owners of the parent					
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share-based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated (losses)/ profits S\$'000	Total S\$'000
The Group						
Balance at 1 April 2017	26,088	315	31	(1,640)	(6,670)	18,124
Profit for the financial period	-	-	-	-	2,176	2,176
Other comprehensive income for the financial period						
Exchange differences on translating foreign operations	-	-	-	115	-	115
Total comprehensive income for the financial period	-	-	-	115	2,176	2,291
Balance at 30 September 2017	26,088	315	31	(1,525)	(4,494)	20,415
Balance at 1 April 2016	26,088	315	31	(1,148)	(5,517)	19,769
Loss for the financial period	-	-	-	-	(635)	(635)
Other comprehensive income for the financial period						
Exchange differences on translating foreign operations	-	-	-	(304)	-	(304)
Total comprehensive income for the financial period	-	-	-	(304)	(635)	(939)
Balance at 30 September 2016	26,088	315	31	(1,452)	(6,152)	18,830

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

The Company	Share capital S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2017	26,088	31	(1,604)	24,515
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(442)	(442)
Balance at 30 September 2017	26,088	31	(2,046)	24,073
Balance at 1 April 2016	26,088	31	(825)	25,294
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(458)	(458)
Balance at 30 September 2016	26,088	31	(1,283)	24,836

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The share capital of the Company was S\$26,088,313 comprising 1,607,469,695 shares, as at 30 September 2017 and 31 March 2017. There was no change in the Company's share capital from 31 March 2017 up to 30 September 2017.

There were no outstanding convertible securities, treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 30 September 2017 and 31 March 2017 was 1,607,469,695 shares.

The Company did not have treasury shares as at 30 September 2017 and 31 March 2017.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there are no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

Pursuant to the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers, the figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

There is no qualification or emphasis of matter in the auditors' review report. The review report of the Independent Auditor is enclosed in Annexure I.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

Save as disclosed in paragraph 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 31 March 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective in the financial periods beginning on or after 1 April 2017. The adoption of these new or revised FRS and INT FRS where relevant has no material impact on the Group's accounting policies and/or the financial statements for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Half year ended	
	30/09/2017	30/09/2016
Profit/(Loss) attributable to owners of the parent (SGD'000)	2,176	(635)
Profit/(Loss) per ordinary share after deducting any provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	0.14	(0.04)
(b) On a fully diluted basis (SGD cents)	0.14	(0.04)

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Earnings/(loss) per ordinary share for the financial periods ended 30 September 2017 and 30 September 2016 in Item 6(a) is computed based on the profit/(loss) attributable to the owners of the parent divided by the actual number of ordinary shares in issue of 1,607,469,695.

Earnings/(loss) per ordinary share on a fully diluted basis for the financial periods ended 30 September 2017 and 30 September 2016 in Item 6(b) is the same as the basic earnings/(loss) per ordinary share because the Company did not have any potentially dilutive ordinary shares during and as at the end of the said financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	As at 30/09/2017	As at 31/03/2017	As at 30/09/2017	As at 31/03/2017
Net asset value per ordinary share based on issued share capital (SGD cents)	1.27	1.13	1.50	1.53

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,607,469,695 shares as at 30 September 2017 and 31 March 2017.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

Review of the Financial Performance of the Group – Six months ended 30 September 2017 (“1H2018”) vs. Six months ended 30 September 2016 (“1H2017”)

Turnover

The Group continued to experience weak demand for its products. Group revenue decreased by 12.2% from S\$9.04 million in 1H2017 to S\$7.94 million in 1H2018.

Sales of the aluminium products distribution division improved in both its Singapore and Malaysia markets. Sales growth in the Malaysia market would have been higher if it had not been affected by the downward movement of the Ringgit against the Singapore dollar.

However, overall sales were affected by the decrease in sales in the PRC market of 46.8% due mainly to delays encountered in certain projects orders. The decrease in sales was further aggravated by the planned reduction of sales to the PRC stockists as the Group consolidated its inventory portfolio.

The lackluster performance from the components distribution division likewise contributed to the decrease in sales.

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Profit Before Income Tax

Gross profit decreased marginally by 1.9% from S\$1.66 million in 1H2017 to S\$1.63 million in 1H2018. Gross margins however improved from 18.3% in 1H2017 to 20.5% in 1H2018. The improvement was mainly from the aluminium products distribution division as the division continued to work on improving its inventory portfolio.

Other income increased from S\$0.10 million in 1H2017 to S\$2.66 million in 1H2018, due mainly to fair value gain on investment properties of S\$2.50 million. In addition, an exchange gain of S\$0.06 million was recorded in 1H2018 whereas an exchange loss of S\$0.22 million was recorded in 1H2017.

With the exception of finance costs, all other categories of expenses decreased due partly to decreased sales and partly to concerted efforts made to reduce spending.

Distribution costs decreased by 14.1% from S\$0.22 million in 1H2017 to S\$0.19 million in 1H2018 due mainly to lower freight costs and lower entertainment expenses in line with lower sales.

Administrative expenses decreased slightly by 4.8% from S\$1.67 million in 1H2017 to S\$1.58 million in 1H2018 due mainly to lower staff costs.

Other expenses decreased by 56.2% from S\$0.43 million in 1H2017 to S\$0.19 million in 1H2018. Included in other expenses in 1H2017 was an exchange loss of S\$0.22 million, whereas there was an exchange gain of \$0.06 million in 1H2018 recorded under other income. Depreciation expense also decreased 18.0% from S\$0.13 million in 1H2017 to S\$0.10 million in 1H2018. Various items of plant and equipment were fully depreciated in the past financial year and this reduction of charges more than offset depreciation of new assets.

Finance costs, which comprised mainly interest charges for trust receipts and a term loan, increased from S\$0.06 million to S\$0.07 million due to increased usage of trust receipts as more purchases were made during 1H2018.

As a result of the above, the Group recorded a profit before income tax of S\$2.26 million in 1H2018, as compared to a loss before income tax of S\$0.61 million in 1H2017.

Assets and Liabilities

Property, plant and equipment increased from S\$2.57 million as at the start of 1H2018 to S\$2.60 million as at the end of 1H2018. Additions to property, plant and equipment totalled S\$0.12 million of which S\$0.11 million were for purchase of lorries and a van for the aluminium products distribution division. Depreciation charges for 1H2018 amounted to S\$0.10 million. Included under property, plant and equipment is an owner-occupied property at Jalan Besar Plaza with a net book value of S\$0.66 million as at 30 September 2017. Based on the valuation report from an independent professional valuer, the market value of the owner-occupied property at Jalan Besar Plaza as at 30 September 2017 is S\$4.70 million. No adjustment has been made to the net book value of the aforementioned property in the Group's consolidated financial statements as at 30 September 2017, which is in line with the Group's accounting policies. Please refer to the next paragraph on investment properties for further details on the valuations of the Group's Jalan Besar Plaza properties.

Investment properties, all of which are situated within Jalan Besar Plaza, increased by S\$2.50 million to S\$5.32 million as at the end of 1H2018 due to an increase in valuation amounts based on the valuation reports from an independent professional valuer. For the valuation of the

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

investment properties and the owner-occupied property mentioned in the foregoing paragraph, the valuer has adopted the Comparable Sales Method where a comparison and analysis is made with recent transactions of similar properties, preferably in the vicinity. Taking into consideration the prevailing economic conditions affecting the property market, appropriate adjustments are made for differences in location, age, tenure, area, design and layout, condition, standard of finishes, date of transaction, among others. The valuer has indicated his awareness that Jalan Besar Plaza is in the process of an Enbloc exercise. However, the valuer has not taken the potential Enbloc sale into consideration in his valuations. The Group notes that the closing date for the ongoing tender for the Enbloc exercise is on 10 November 2017.

Intangible assets decreased through an amortisation charge of S\$0.08 million to S\$0.89 million as at the end of 1H2018.

Inventories increased from S\$6.72 million as at 31 March 2017 to S\$8.48 million as at 30 September 2017 due to increased purchases in line with the Group's marketing plan to expand its market coverage.

Trade and other receivables decreased from S\$4.20 million as at 31 March 2017 to S\$4.12 million as at 30 September 2017 due mainly to decrease in trade receivables in tandem with decreased sales.

Trade and other payables decreased from S\$2.31 million as at 31 March 2017 to S\$2.16 million as at the end of 30 September 2017. Trade payables increased from S\$1.35 million as at 31 March 2017 to S\$1.51 million as at 30 September 2017 due to increased purchases. This increase was however offset by a decrease in other payables from S\$0.96 million as at 31 March 2017 to S\$0.65 million as at 30 September 2017 as accrued fees and charges outstanding as at 31 March 2017 were settled during this half year period.

Current interest-bearing liabilities which comprised mainly trust receipts owing to banks increased from S\$2.11 million as at 31 March 2017 to S\$3.73 million as at 30 September 2017 as more purchases were made in line with inventory policies, and the bulk of these purchases were financed through trust receipts.

Non-current interest-bearing liabilities comprised mainly a term loan owing to a bank and the non-current portion of finance leases. The borrowings increased from S\$1.00 million as at 31 March 2017 to S\$1.04 million as at 30 September 2017 due mainly to S\$0.08 million new finance leases incurred during the period offset with the reduction through instalment payments of the term loan and the finance leases.

The Group had a positive working capital of S\$12.65 million as at the end of 1H2018.

Cash Flow and Working Capital

Cash and cash equivalents decreased from S\$6.07 million as at 31 March 2017 to S\$5.78 million as at 30 September 2017.

Net cash used in operating activities amounted to S\$1.84 million and resulted mainly from working capital changes from the increase in inventories and decrease in trade and other payables of S\$1.69 million and S\$0.16 million respectively. Inventories were increased in line with planned increase of the range of products while other payables decreased as various fees and expenses accrued as at 31 March 2017 were settled during 1H2018.

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Net cash used in investing activities amounted to S\$0.02 million. Additions to plant and equipment that were paid in cash totaled S\$0.04 million, but this amount was offset by proceeds from disposal of used plant and equipment of S\$0.02 million.

Net cash generated from financing activities amounted to S\$1.55 million. The proceeds from fresh trust receipts amounted to S\$4.83 million and these were used mainly towards settlement of matured trust receipts which amounted to S\$3.24 million, and for instalment payments of bank term loan and finance leases.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement has been disclosed previously to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With a more balanced inventory portfolio, the Group targets to strengthen its customer base and expand its market coverage through, amongst others, organic growth, acquisitions and/or joint ventures with relevant parties, which may be funded through the Group's internal resources, bank borrowings and/or issuance of new shares in the Company.

We will continue to optimize our inventory portfolio and manage operational efficiency in view of the uncertainty over the general economic outlook.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

APPENDIX III:

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 1H2018.

13. Requirement under Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalyst

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results for 1H2018 false or misleading in any material aspect.

14. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. There was no interested person transaction with a value of S\$100,000 or more during 1H2018.

15. Update on Use of Placement Proceeds

On 21 December 2015, the Company issued 150 million shares by way of a private placement and the net proceeds after deducting share issue expenses amounted to approximately S\$1.34 million. The Company has not as yet utilised the net proceeds. The full amount has been placed as term deposits with a bank.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1) of the Catalyst Rules

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

17. The Singapore Code on Take-overs and Mergers

As announced by the Company on 20 October 2017, Oversea-Chinese Banking Corporation Limited had, for and on behalf of JK Global Assets Pte. Ltd. (the “**Offeror**”), on 19 October 2017 released an announcement (the “**Offer Announcement**”) that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for all the issued and paid up ordinary shares in the capital of the Company (“**Shares**”), including all Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

In view of the above, this announcement has been reported on in accordance with Rule 25 of the Singapore Code on Take-overs and Mergers with the following Annexures:

Annexure I – Report dated 8 November 2017 from BDO LLP, Public Accountants and Chartered Accountants of Singapore (“Independent Auditor of the Company”) on their review of the consolidated interim financial information for the half year period ended 30 September 2017.

APPENDIX III:
UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Annexure II – Report dated 8 November 2017 from Provenance Capital Pte Ltd, the Independent Financial Adviser to the Directors of the Company who are considered independent for the purpose of making a recommendation to the shareholders of the Company in respect of the Offer, on their review of the unaudited consolidated financial statement for the half year period ended 30 September 2017.

BY ORDER OF THE BOARD

Ong Kian Soon
Chief Executive Officer
8 November 2017

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

Annexure I

The Board of Directors
New Wave Holdings Ltd
101 Kitchener Road #02-17
Jalan Besar Plaza, Singapore 208511

Review Report to the Board of Directors of New Wave Holdings Ltd on review of the unaudited consolidated condensed interim financial information for the six-month period ended 30 September 2017

Introduction

We have reviewed the accompanying unaudited consolidated condensed interim financial statement of financial position of New Wave Holdings Ltd ("Company") and its subsidiaries ("Group") as at 30 September 2017 and related consolidated condensed interim statement of comprehensive income, changes in equity and statement of cash flows for the six-month financial period ended 30 September 2017, and other explanatory notes. Management is responsible for the preparation and fair presentation of their interim financial information in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this unaudited interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited consolidated interim financial information does not prepared, in all material respects, in accordance with Financial Reporting Standard 34 *Interim Financial Reporting*.

Restriction on use

Our report is provided on the basis that it is solely for the information of the directors of the Company to enable the directors of the Company to fulfill their responsibilities under Rule 25 of the Singapore Code on Take-overs and Mergers and the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purpose. We do not assume any responsibility or liabilities for losses occasioned to the directors of the Company or any other party as a result of the circulation, publication, reproduction or use of the report contrary to the provision of this paragraph.



BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
8 November 2017

APPENDIX III: UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR HY2018

ANNEXURE II



8 November 2017

The Board of Directors
New Wave Holdings Ltd.
101 Kitchener Road #02-17
Jalan Besar Plaza
Singapore 208511

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER BY JK GLOBAL ASSETS PTE. LTD., TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF NEW WAVE HOLDINGS LTD., INCLUDING ALL THE SHARES OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY PARTIES ACTING OR DEEMED TO BE ACTING IN CONCERT WITH JK GLOBAL ASSETS PTE. LTD.

This letter has been prepared in relation to the announcement dated 8 November 2017 by the Company on its unaudited financial statements for the half year ended 30 September 2017 ("**HY2018 Results**") of the Company and its subsidiaries ("**Group**").

This letter has been prepared in connection with the Offer pursuant to Rule 25 of the Singapore Code of Take-over and Mergers.

We have examined and held discussions with the management and the Company's directors ("**Directors**") on the HY2018 Results. The HY2018 Results are solely the responsibility of the Directors. We have also considered the Independent Auditor's Report dated 8 November 2017 addressed to the Board by BDO LLP ("**BDO**"), the auditors of the Company, in relation to their review of the HY2018 Results. BDO had conducted their review in accordance with the Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

For the purposes of rendering our opinion on the HY2018 results, we have relied on the accuracy and completeness of all financial and other information discussed with us and assumed such accuracy and completeness for the purposes of providing this letter. We have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have not undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Company or the Group. Save as provided in this letter, we do not express any other opinion on the HY2018 Results.

Based on the foregoing, we are of the opinion that the HY2018 Results had been made by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of The Singapore Code on Take-overs and Mergers, and we do not accept any responsibility to any other person (other than the Board) in respect of, arising from or in connection with this letter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

Provenance Capital Pte. Ltd.

Co. Reg. No: 200309056E

96 Robinson Road, #13-01 SIF Building, Singapore 068899 | Tel : (65) 6227 1580/5810 | Fax: (65) 6224 6316

APPENDIX IV: VALUATION CERTIFICATES

GB GLOBAL:.

VALUATION CERTIFICATE

Ref: 201711/55-GeneralE

30 October 2017

M/s General Electronics & Instrumentation Corp Pte Ltd
C/o 8 First Lok Yang Road
Singapore 629731

Attention: K S Ong

- 1. Property Address** : 101 Kitchener Road #02-11 Jalan Besar Plaza Singapore 208511
- 2. Purpose of Valuation** : For accounting
- 3. Property Details**
 - Property Type : Commercial Unit
 - Age : Circa 1980's
 - Floor Area : 112 square metres / 1,206 square feet
 - Legal Description : TS17-U4237M
 - Tenure : Freehold
 - 2014 Master Plan Zoning : Commercial & Residential
- 4. Method of Valuation** : Comparable Sales Method
- 5. Open Market Value** : S\$3,300,000/- as at 30 September 2017
Singapore Dollars Three Million and Three Hundred Thousand Only

Notes:

1. This Valuation Certificate is a summary of the full report dated 30 October 2017 that GB Global Pte Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report.
2. Further reference may be made to the report copy which is held by M/s General Electronics & Instrumentation Corp Pte Ltd.

For and On Behalf of
GB GLOBAL PTE LTD



Yick Keng Hang
Managing Director
BSc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2002007E

APPENDIX IV: VALUATION CERTIFICATES

GB GLOBAL:.

VALUATION CERTIFICATE

Ref: 201711/55-GeneralE

30 October 2017

M/s General Electronics & Instrumentation Corp Pte Ltd
C/o 8 First Lok Yang Road
Singapore 629731

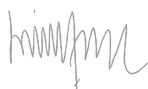
Attention: K S Ong

1. **Property Address** : 101 Kitchener Road #02-22 Jalan Besar Plaza Singapore 208511
2. **Purpose of Valuation** : For accounting
3. **Property Details**
 - Property Type : Commercial Unit
 - Age : Circa 1980's
 - Floor Area : 31 square metres / 334 square feet
 - Legal Description : TS17-U4249L
 - Tenure : Freehold
 - 2014 Master Plan Zoning : Commercial & Residential
4. **Method of Valuation** : Comparable Sales Method
5. **Open Market Value** : S\$970,000/- as at 30 September 2017
**Singapore Dollars Nine Hundred and Seventy
Thousand Only**

Notes:

1. This Valuation Certificate is a summary of the full report dated 30 October 2017 that GB Global Pte Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report.
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For and On Behalf of
GB GLOBAL PTE LTD



Yick Keng Hang
Managing Director
BSc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2002007E

**APPENDIX IV:
VALUATION CERTIFICATES**

GB GLOBAL:.

VALUATION CERTIFICATE

Ref: 201711/55-GeneralE

30 October 2017

M/s General Electronics & Instrumentation Corp Pte Ltd
C/o 8 First Lok Yang Road
Singapore 629731

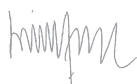
Attention: K S Ong

- | | | |
|--------------------------------|---|---|
| 1. Property Address | : | 101 Kitchener Road #02-23 Jalan Besar Plaza Singapore 208511 |
| 2. Purpose of Valuation | : | For accounting |
| 3. Property Details | | |
| Property Type | : | Commercial Unit |
| Age | : | Circa 1980's |
| Floor Area | : | 34 square metres (366 square feet) |
| Legal Description | : | TS17-U4250N |
| Tenure | : | Freehold |
| 2014 Master Plan Zoning | : | Commercial & Residential |
| 4. Method of Valuation | : | Comparable Sales Method |
| 5. Open Market Value | : | S\$1,050,000/- as at 30 September 2017 |
- Singapore Dollars One Million and Fifty Thousand Only**

Notes:

1. This Valuation Certificate is a summary of the full report dated 30 October 2017 that GB Global Pte Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report.
2. Further reference may be made to the report copy which is held by M/s General Electronics & Instrumentation Corp Pte Ltd.

For and On Behalf of
GB GLOBAL PTE LTD



Yick Keng Hang
Managing Director
BSc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2002007E

APPENDIX IV: VALUATION CERTIFICATES

GB GLOBAL:.

VALUATION CERTIFICATE

Ref: 201711/55-GeneralE

30 October 2017

M/s General Electronics & Instrumentation Corp Pte Ltd
C/o 8 First Lok Yang Road
Singapore 629731

Attention: K S Ong

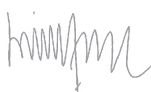
1. **Property Address** : 101 Kitchener Road #02-17 Jalan Besar Plaza Singapore 208511
2. **Purpose of Valuation** : For accounting
3. **Property Details**
 - Property Type : Commercial Unit
 - Age : Circa 1980's
 - Floor Area : 163 square metres / 1,755 square feet
 - Legal Description : TS17-U4243P
 - Tenure : Freehold
 - 2014 Master Plan Zoning : Commercial & Residential
4. **Method of Valuation** : Comparable Sales Method
5. **Open Market Value** : S\$4,700,000/- as at 30 September 2017

**Singapore Dollars Four Million and Seven Hundred
Thousand Only**

Notes:

1. This Valuation Certificate is a summary of the full report dated 30 October 2017 that GB Global Pte Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report.
2. Further reference may be made to the report copy which is held by M/s General Electronics & Instrumentation Corp Pte Ltd.

For and On Behalf of
GB GLOBAL PTE LTD



Yick Keng Hang
Managing Director
BSc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2002007E

APPENDIX V: EXTRACT OF ARTICLES

The provisions in the Company's Articles relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below:

Rights in respect of capital

TREASURY SHARES

3. (A) The Company may hold its shares as treasury shares and deal with such shares in accordance with the provisions of the Act and applicable laws.
- (B) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. Ordinary shares that are purchased or acquired by the Company shall, unless held in treasury, be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share).

ISSUE OF SHARES

4. (A) Subject to the Act and these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Section 70 and 75 of the Act, be issued with such preferential, deferred, qualifies or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that :-
- (a) no shares shall be issued to transfer a controlling interest in the Company without the specific prior approval of the Company in General Meeting; and
- (b) the rights (including voting rights) attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.
- (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

APPENDIX V: EXTRACT OF ARTICLES

- (C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting and as permitted under the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).
- (B) The Company may, notwithstanding Article 5(A) above, authorize the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.
- (C) Without prejudice to the generality of Article 4(A) and notwithstanding Article 5(A), the Company may by resolution in General Meeting give to the Directors a general authority either unconditionally or subject to such conditions as may be specified in the resolution to:—
- (a) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, “instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the resolution was in force, Provided that:—
- (i) the aggregate number of shares to be issued pursuant to the resolution (including shares to be issued in pursuance of instruments made or granted pursuant to the resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (ii) in exercising the authority conferred by the resolution, the Company shall comply with the provisions of the Listing Manual of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Articles;

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- (iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest); and
 - (iv) Any other issue of shares, the aggregate of which would exceed the limits of the authority conferred by the resolution as referred to in this Article, shall be subject to the approval of the Company in general meeting.
- 6. The Company may exercise the powers of paying commissions in respect of subscription for shares which is conferred by the Act to the full extent thereby permitted, Provided Always that the amount or rate of the commissions paid or agreed to be paid and the number of shares to be subscribed for absolutely shall be disclosed in the manner required by the Act, in the relevant prospectus, statement, circular or notice as the case may be. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful subject to disclosure of the amount or rate thereof in the manner required by the Act in the relevant prospectus, statement, circular or notice as the case may be.
- 7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital (except treasury shares) as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
- 8. (A) In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

- 9. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going

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concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

- 10. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into such number of shares as the resolution shall prescribe.
- 11. The Company may by Ordinary Resolution alter its share capital in the manner permitted under the Act and applicable laws, including (without limitation):—
 - (a) consolidate and divide all or any of its share capital;
 - (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, or which have been forfeited and diminish its share capital by the number of the shares so cancelled;
 - (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into such number of shares set out in the resolution, so that the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has then the authority to attach to unissued or new shares; and/or
 - (d) subject to the provisions of Statutes, convert or exchange any class of shares into or for any other class of shares.

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12. (A) The Company may reduce its share capital or other undistributable reserve in any manner permitted by, and with and subject to, any authorization, consent or confirmation required, by law.
- (B) Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

SHARE CERTIFICATES

13. (A) Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon (and such other information as may be prescribed by law from time to time. No certificate shall be issued representing shares of more than one class).
- (B) The provisions in this Article and in Articles 14 to 17 (so far as they are applicable) shall not apply to transfer of book-entry securities.
14. (A) The Company shall not be bound to register more than three persons as the holder of a share except in the case of executors or administrators of the estate of a deceased member.
- (B) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.
15. Every person whose name is entered as a member in the Register of Members shall (in the case of a transfer of shares) be entitled, within ten market days after the date of lodgement of any transfer, or (subject to the provisions of the Statutes) such longer period of time as may be approved by the stock exchange upon which the shares in the Company may be listed, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.
16. (A) Where a member transfer part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) a maximum fee of S\$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.

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- (B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
17. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any stock exchange upon which the shares in the Company may be listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

CALLS ON SHARES

18. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when resolution of the Directors authorizing the call was passed and may be made payable by installments.
19. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
20. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
21. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
23. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at

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such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

FORFEITURE AND LIEN

24. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
25. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of nonpayment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.
27. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.
28. A member whose shares have been made forfeit or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
29. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 29.
30. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in

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writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

31. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.
32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

33. All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and each stock exchange upon which the shares in the Company may be listed. An instrument of transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that CDP shall not be required to sign, as transferee, any instrument of transfer relating to any transfer of shares to it during such period as the Directors may think fit. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
34. The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to any stock exchange upon which the shares in the Company may be listed, stating the period and purpose or purposes for which such closure is made.
35. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of any stock exchange on which the shares in the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market

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days after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

- (B) The Directors may decline to register any instrument of transfer unless:—
- (a) such fee not exceeding S\$2.00 as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (c) the instrument of transfer is in respect of only one class of shares.
36. All instruments of transfer which are registered may be retained by the Company.
37. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:—
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

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TRANSMISSION OF SHARES

38. In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognized by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
39. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
40. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.
41. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 as the Directors may from time to time require or prescribe.

CENTRAL DEPOSITORY SYSTEM

42. A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:—
- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has

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apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;

- (b) the payment by the Company to CDP of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
- (d) the provisions in these presents relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

EXCLUSION OF EQUITIES

- 43. Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

STOCK

- 44. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.
- 45. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the amount paid on the shares from which the stock arose) as the Directors may from time to time determine.

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46. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Rights in respect of voting

GENERAL MEETINGS

47. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.
48. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

49. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:—
- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having that right;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the shares in the Company may be listed, Provided Always that in the case of any General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such General Meeting shall be given to any stock exchange upon which the shares in the Company may be listed.

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50. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.
51. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:—
- (a) declaring dividends;
- (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached and annexed to the accounts;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting); and
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (f) fixing the fees of Directors.
52. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

53. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.
54. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy.

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55. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint.
56. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
57. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
58. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
59. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:—
- (a) the chairman of the meeting; or
 - (b) not less than two members present in person or by proxy and entitled to vote; or
 - (c) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,

Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

APPENDIX V: EXTRACT OF ARTICLES

60. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
61. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
62. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

63. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote, the chairman of the meeting to determine which proxy shall be entitled to vote where a member is represented by two proxies, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act at any meeting of the Company.
64. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.
65. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.
66. No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

APPENDIX V: EXTRACT OF ARTICLES

67. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
68. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
69. (A) A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same General Meeting, Provided that if a member shall nominate two (2) proxies to attend and vote at the same General Meeting, then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the appointment shall be deemed to be alternative.
- (B) A proxy need not be a member of the Company.
- (C) If the member is a Depositor, the Company shall be entitled and bound:—
- (a) to reject any instrument of proxy lodged by any Depositor if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight (48) hours before the General Meeting at which the proxy is to act as certified by CDP to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight (48) hours before the time of the relevant General Meeting as certified by CDP to the Company.
- (D) (a) In a poll, the maximum number of shares that a proxy can cast shall be:—
- (i) the Depositor's shareholding specified in the instrument of proxy if that shareholding does not exceed the true balance standing to the Securities Account of the Depositor as appears on the Depository Register forty-eight (48) hours before the General Meeting; or
- (ii) restricted to the true balance standing to the Securities Account of the Depositor as appears on the Depository Register forty-eight (48) hours before the General Meeting, if the Depositor's shareholding specified in the instrument of proxy is more than the aforesaid true balance standing in the Securities Account of the Depositor.
- (b) A proxy is required to cast his vote in the manner as specified in the instrument of proxy and in the absence of any instruction by the Depositor, he can cast his vote in any manner he deems fit. Nothing in this Article shall require the Company, the Directors or the Chairman to ensure that a proxy complies with the provisions of these Articles.

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70. (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:–
- (a) in the case of an individual member, shall be signed by the member or his attorney duly authorized in writing; and
 - (b) in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorized in writing or a duly authorized officer of the corporation.
- (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.
71. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
72. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting.
73. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

74. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorized is present thereat.

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Rights in respect of dividends

RESERVES

122. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

123. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.
124. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
125. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, and subject to the Act, all dividends shall be declared and paid according to the number of issued and fully paid shares. Where shares are partly paid, dividends shall be apportioned and paid proportionately to the amount paid or credited as paid thereon. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.
126. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company.
127. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.
128. (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and, may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

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129. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
130. by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
131. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
132. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
133. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

CAPITALIZATION OF PROFITS AND RESERVES

134. Subject to the approval of the Company in General Meeting (whether such approval is pursuant to an Ordinary Resolution authorizing the Directors to exercise the power of the Company to issue shares generally pursuant to Article 5 or otherwise), the Directors may issue bonus shares for which no consideration is payable to the Company or capitalize any sum standing to the credit of any of the Company's reserve accounts as representing profits available for distribution under the provisions of the Statutes, by appropriating such sum to the persons registered as the holders of shares in the Register of Members or (as the case

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may be) the Depository Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares or (subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued shares of any other class not being redeemable shares, for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalization or bonus issue, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalization or bonus issue and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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