S i2i Limited

Presentation to SIAS on Proposed Share Buyback Programme

7th July 2017

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Background

Issues raised by shareholders

In the most recent and past general meetings, minority shareholders (primarily affected by share consolidation) have expressed difficulty in disposing of their shares

Following a share consolidation exercise carried out on 30 June 2015 to meet the minimum trading price requirement which came into effect on 2 March 2015, there are numerous shareholders holding odd lots of less than 100 shares who may experience difficulty realizing fair market value for their shares

Low liquidity

Despite a free-float of 54.61%[2], total trading volume on Friday 30th June 2017 was 0.01% of total shares outstanding. From 1st July 2016 to 30th June 2017, total trading volume was 14% of total shares outstanding.

Notes

1 As of 20th March 2017

Share buyback mandate ('SBB mandate')

To address the issues faced by shareholders, the Directors on 30th May 2017 announced that they would be seeking shareholder approval to authorize the Board to purchase shares in the Company in accordance with the terms set out in the Company's Act and the Listing Manual (a Share buyback 'SBB' and the Share buyback mandate 'SBB mandate'). A circular will be circulated to shareholders for approval in due course.

Rationale

The Directors believe a SBB programme will provide an orderly avenue for shareholders to dispose of their shares. To address issues faced by holders of odd lots, S i2i will also be acquiring shares through the unit market. In addition, to address prohibitive transaction costs equitably, S i2i intends to bear any brokerage costs incurred by Shareholders pursuant to the Company's exercise of the SBB Mandate.

In addition to the above, S i2i strives to increase all shareholders' value by improving, inter alia, the return on equity ('ROE'). A SBB programme at the appropriate price level is one of the ways the ROE of S i2i may be enhanced.

Key terms of SBB Mandate

Maximum number of shares

No more than 10% of the total number of issued shares[1]

Duration of programme until the earlier of

a) the maximum number of shares is acquired
b) date of next AGM
c) authority varied or revoked

Manner of SBB and maximum purchase price

Under the Listing Rules of the SGX-ST, the maximum purchase price for on-market purchases is 5% above the Average Closing Price of the securities

If and when circumstances permit, the Directors will decide whether to effect the SBB via On-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach

Notes

1 *As of the date of the forthcoming EGM to approve the SBB Mandate. Treasury shares excluded from calculation*
2 *Average of the closing market prices of the shares over the previous 5 consecutive trading days*

What shareholders need to do

Update address details
To ensure receipt of Circular, please ensure address and other details is up to date. If in doubt, check on the SGX website for S i2i's announcement and filing of the Circular

Upon receipt of the Circular
If unable to attend EGM, appoint a proxy to attend the EGM and vote on their behalf by filling in the proxy form and mailing with the self-addressed envelope.

At the EGM on [●] 2017 (Circular with EGM details will be sent out soon)
Shareholder or proxy to attend EGM to vote

Upon receiving shareholder approval for SBB.
Contact your broker to understand the details and benefits SBB Mandate further. Offer shares for sale.



Thank you