

## CIRCULAR DATED 10 JULY 2017

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of AA Group Holdings Ltd. (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Company is a sponsored company listed on the Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist.

**This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Stamford Corporate Services Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular and the Circular has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Bernard Lui (Telephone: 6389 3000 or email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)).**



## **AA GROUP HOLDINGS LTD.**

(Company Registration No. 200412064D)  
(Incorporated in the Republic of Singapore)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

- (A) THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P CORPORATION PTE. LTD.
- (B) THE PROPOSED ACQUISITION OF 95% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P PRECAST PTE. LTD.
- (C) THE PROPOSED ALLOTMENT AND ISSUANCE OF 20,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.03 PER NEW ORDINARY SHARE AS CONSIDERATION FOR THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P CORPORATION PTE. LTD.
- (D) THE PROPOSED ALLOTMENT AND ISSUANCE OF 70,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.03 PER NEW ORDINARY SHARE AS CONSIDERATION FOR THE PROPOSED ACQUISITION OF 95% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P PRECAST PTE. LTD.

### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	23 July 2017 at 9:30 a.m.
Date and time of Extraordinary General Meeting	:	25 July 2017 at 9:30 a.m.
Place of Extraordinary General Meeting	:	60 Benoi Road #03-02 EMS Building, Boardroom Singapore 629906

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## CONTENTS

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	PAGE
DEFINITIONS .....	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION .....	6
2. DETAILS OF THE W&P CORPORATION PROPOSED ACQUISITION .....	7
3. DETAILS OF THE W&P PRECAST PROPOSED ACQUISITION .....	12
4. FINANCIAL EFFECTS OF W&P CORPORATION PROPOSED ACQUISITION AND W&P PRECAST PROPOSED ACQUISITION .....	17
5. RELATIVE FIGURES OF THE W&P CORPORATION PROPOSED ACQUISITION, W&P PRECAST PROPOSED ACQUISITION, AND THE ACQUISITION OF ENGINEERING MANUFACTURING SERVICES (S) PTE LTD COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL .....	19
6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	20
7. DIRECTORS' RECOMMENDATION .....	20
8. EXTRAORDINARY GENERAL MEETING .....	20
9. ACTION TO BE TAKEN BY SHAREHOLDERS .....	21
10. DOCUMENTS FOR INSPECTION .....	21
11. DIRECTORS' RESPONSIBILITY STATEMENT .....	21
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	22
PROXY FORM	

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## DEFINITIONS

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

“Act”	: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	: The board of directors of the Company as at the date of this Circular
“Business Day”	: A day (other than a Saturday, Sunday or public holiday) when the banks in Singapore are generally open for business
“Catalist”	: The Catalist Board of the SGX-ST
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to the Shareholders dated 10 July 2017 in respect of the Proposed Transactions
“Company”	: AA Group Holdings Ltd.
“Directors”	: The directors of the Company as at the date of this Circular
“EGM”	: The extraordinary general meeting of the Company to be held on 25 July 2017 at 9:30 a.m., notice of which is set out on pages 22 to 24 of this Circular
“Encumbrances”	: Any form of legal, equitable or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, adverse claim, rent-charge, claim, option, pre-emption rights, right to acquire, security arrangement, restriction, security interest, hypothecation, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise) and any other encumbrance or condition whatsoever or any other arrangements having similar effect
“EPS”	: Earnings per Share
“FY”	: Financial year ended or, as the case may be, ending 31 December
“Group”	: The Company and its subsidiaries as at the date of this Circular
“Issue Price”	: The issue price of each W&P Corporation Consideration Share and W&P Precast Consideration Share, being S\$0.03
“Latest Practicable Date”	: 3 July 2017, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The SGX-ST’s Listing Manual Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
“Long-Stop Date”	: 30 August 2017, or such other date as the W&P Corporation Vendors or the W&P Precast Vendor and the Company may otherwise agree in writing
“NTA”	: Net tangible assets

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## DEFINITIONS

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“Proposed Transactions”	: The W&P Corporation Proposed Acquisition and the allotment and issuance of the W&P Corporation Consideration Shares, as well as the W&P Precast Proposed Acquisition and the allotment and issuance of the W&P Precast Consideration Shares
“Securities Account”	: The securities account maintained by a Depositor with CDP (but does not include 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”	: The Singapore Exchange Securities Trading Limited
“Shareholders”	: Persons who are registered as holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“Sponsor”	: Stamford Corporate Services Pte. Ltd.
“W&P Corporation”	: W&P Corporation Pte. Ltd.
“W&P Corporation Consideration Shares”	: 20,000,000 new Shares to be allotted and issued to the W&P Corporation Vendors at the Issue Price as consideration for the W&P Corporation Proposed Acquisition
“W&P Corporation Proposed Acquisition”	: Proposed acquisition by the Company of 100% of the entire issued and paid-up share capital of W&P Corporation
“W&P Corporation Sale and Purchase of Shares Agreement”	: Sale and Purchase of Shares Agreement entered into between the Company and the W&P Corporation Vendors on 19 May 2017 in respect of the W&P Corporation Proposed Acquisition
“W&P Corporation Vendors”	: Ng Chuan Heng, Teo Siew Cheng, Chua Kim Hua, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao
“W&P Precast”	: W&P Precast Pte. Ltd.
“W&P Precast Consideration Shares”	: 70,000,000 new Shares to be allotted and issued to the W&P Precast Vendor at the Issue Price as consideration for the W&P Precast Proposed Acquisition
“W&P Precast Proposed Acquisition”	: Proposed acquisition by the Company of 95% of the entire issued and paid-up share capital of W&P Precast
“W&P Precast Sale and Purchase of Shares Agreement”	: Sale and Purchase of Shares Agreement entered into between the Company and the W&P Precast Vendor on 19 May 2017 in respect of the W&P Precast Proposed Acquisition
“W&P Precast Vendor”	: Poh Huat Heng Corporation Pte. Ltd.

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## DEFINITIONS

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“S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of Singapore

“%” or “per cent.” : Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them in the relevant sections of the Securities and Futures Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Listing Manual and used in this Circular shall, where applicable, have the meaning assigned to it under the Act or any modification thereof or the Listing Manual, as the case may be.

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

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

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## LETTER TO SHAREHOLDERS

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### AA GROUP HOLDINGS LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200412064D)

**Board of Directors:**

Hsieh Kuo Chuan @ Jaimes Hsieh (Executive Chairman)  
Yau Woon Foong (Executive Director)  
Tan See Leng (Lead Independent Director)  
Amelia Vincent (Independent Director)  
Ng Ser Chiang (Independent Director)

**Registered Office:**

6 Mohamed Sultan Road  
#03-01  
Singapore 238956

Date: 10 July 2017

**To: The Shareholders of the Company**

Dear Sir/Madam,

- (A) THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P CORPORATION**
- (B) THE PROPOSED ACQUISITION OF 95% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P PRECAST**
- (C) THE PROPOSED ALLOTMENT AND ISSUANCE OF 20,000,000 W&P CORPORATION CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.03 PER W&P CORPORATION CONSIDERATION SHARE AS CONSIDERATION FOR THE PROPOSED ACQUISITION OF 100% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P CORPORATION**
- (D) THE PROPOSED ALLOTMENT AND ISSUANCE OF 70,000,000 W&P PRECAST CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.03 PER W&P PRECAST CONSIDERATION SHARE AS CONSIDERATION FOR THE PROPOSED ACQUISITION OF 95% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF W&P PRECAST**

#### **1. INTRODUCTION**

- 1.1 On 19 May 2017, the Board announced that the Company had on 19 May 2017 entered into the W&P Corporation Sale and Purchase of Shares Agreement in respect of the W&P Corporation Proposed Acquisition and the W&P Precast Sale and Purchase of Shares Agreement in respect of the W&P Precast Proposed Acquisition.
- 1.2 Pursuant to the W&P Corporation Sale and Purchase of Shares Agreement, the Company will purchase 100% of the entire issued and paid-up share capital of W&P Corporation from the W&P Corporation Vendors for the sum of S\$600,000 which shall be fully satisfied by the allotment and issuance of 20,000,000 W&P Corporation Consideration Shares at the Issue Price to the W&P Corporation Vendors in proportion to their shareholding in W&P Corporation.
- 1.3 Pursuant to the W&P Precast Sale and Purchase of Shares Agreement, the Company will purchase 95% of the entire issued and paid-up share capital of W&P Precast from the W&P Precast Vendor for the sum of S\$2,100,000 which shall be fully satisfied by the allotment and issuance of 70,000,000 W&P Precast Consideration Shares at the Issue Price to the W&P Corporation Vendor.
- 1.4 The W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition are deemed to be "Discloseable Transactions" as defined under Chapter 10 of the Listing Manual. It was announced by the Company on 19 May 2017 that the Company was seeking clarifications with the SGX-ST on whether Shareholders' approval is needed pursuant to Rule 1007(1). Notwithstanding that, the Company decided and announced on 18 June 2017 that it would be

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## LETTER TO SHAREHOLDERS

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seeking the approval of the Shareholders for the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition. Accordingly, the Proposed Transactions are conditional upon the receipt of approval, inter alia, from the Shareholders.

- 1.5 The Board of Directors is convening the EGM to be held on 25 July 2017 at 9:30 a.m. to seek the approval of the Shareholders for the Proposed Transactions through four (4) ordinary resolutions:
- (i) the W&P Corporation Proposed Acquisition (“**Ordinary Resolution 1**”);
  - (ii) the W&P Precast Proposed Acquisition (“**Ordinary Resolution 2**”);
  - (iii) the allotment and issuance of the W&P Corporation Consideration Shares (“**Ordinary Resolution 3**”); and
  - (iv) the allotment and issuance of the W&P Precast Consideration Shares (“**Ordinary Resolution 4**”).
- 1.6 Shareholders should note that Ordinary Resolution 1 is conditional upon Ordinary Resolution 3 being approved. In addition, Ordinary Resolution 2 is conditional upon Ordinary Resolution 4 being approved. This means that if Ordinary Resolution 1 is not approved, Ordinary Resolution 3 will not be passed; and if Ordinary Resolution 2 is not approved, Ordinary Resolution 4 will not be passed.
- 1.7 The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to the Proposed Transactions including the rationale and the financial effects thereof on the Group, and to seek Shareholders’ approval at the forthcoming EGM.
- This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched by the Company) or for any other purpose.
- 1.8 The W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition form part of the Company’s continued search for new businesses to provide additional revenue and income streams in accordance with the business diversification mandate which the Company had obtained through an extraordinary general meeting held on 10 March 2016. This is part of the Board’s corporate strategy to revitalize the Group and bring about long-term growth for the Company, so as to enhance Shareholders’ value.
- 1.9 With the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition, the Company will further reduce reliance on its previous core business of manufacturing and supplying high-precision loudspeaker parts. This sector has been facing challenging market conditions, such as rising costs, which have limited the Company’s growth and financial performance. Nevertheless, the Company remains an established name in this sector and the Board is still reviewing its previous core business and formulating strategies to maximise the profitability of its business in this sector.

## 2. DETAILS OF THE W&P CORPORATION PROPOSED ACQUISITION

### 2.1 Information on W&P Corporation

W&P Corporation is a private company incorporated in Singapore with limited liability. It is principally engaged in the business of supply and manufacturing of ready-mix concrete, precast component and related products. The directors of W&P Corporation are Tan Poh Guan, Ng Chuan Heng and Chua Kim Hua. The shareholders of W&P Corporation are Ng Chuan Heng, Teo Siew Cheng, Chua Kim Hua, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao.

### 2.2 Information on the W&P Corporation Vendors

The aforesaid shareholders of W&P Corporation (Ng Chuan Heng, Teo Siew Cheng, Chua Kim Hua, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao) are the W&P Corporation Vendors.



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## LETTER TO SHAREHOLDERS

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### 2.3 Salient terms of the W&P Corporation Sale and Purchase of Shares Agreement

#### 2.3.1 Sale and Purchase

Pursuant to the W&P Corporation Sale and Purchase of Shares Agreement, the Company will acquire all 1,000,000 fully paid-up ordinary shares in the capital of W&P Corporation ("**W&P Corporation Sale Shares**"), representing 100% of the issued and paid-up capital of W&P Corporation free from all Encumbrances and together with all rights attaching thereto for the consideration of S\$600,000. Following completion of the W&P Corporation Proposed Acquisition ("**W&P Corporation Completion**"), W&P Corporation will become a wholly-owned subsidiary of the Company.

#### 2.3.2 Consideration

The consideration for the sale and purchase of the W&P Corporation Sale Shares of S\$600,000 shall be fully satisfied by the Company through the allotment and issuance of 20,000,000 W&P Corporation Consideration Shares at the Issue Price of S\$0.03 per W&P Corporation Consideration Share to the W&P Corporation Vendors in proportion to their current shareholding in W&P Corporation. Based on the W&P Corporation Vendors' current shareholding in W&P Corporation, Ng Chuan Heng will be allotted 8,000,000 of the W&P Corporation Consideration Shares, Tan Poh Guan will be allotted 4,000,000 of the W&P Corporation Consideration Shares and Teo Siew Cheng, Chua Kim Hua, Tan Zhen Ying and Tan Jun Hao will each be allotted 2,000,000 of the W&P Corporation Consideration Shares. Based on the Issue Price of S\$0.03 per W&P Corporation Consideration Share, this represents a discount of approximately 8.98% of the weighted average price of S\$0.03296 per Share for trades done on Catalist on 19 May 2017 (being the full market day on which the W&P Corporation Sale and Purchase of Shares Agreement was signed).

The W&P Corporation Consideration Shares, when allotted and issued, shall be issued free from all claims, charges, liens and other Encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the W&P Corporation Consideration Shares.

The W&P Corporation Vendors are not persons who fall within the categories set out in Rule 812(1) of the Listing Manual unless Rule 812(3) of the Listing Manual applies. There is no moratorium imposed on the W&P Corporation Consideration Shares.

The Sponsor will be making an application on behalf of the Company to SGX-ST, for the listing and quotation of the W&P Corporation Consideration Shares on Catalist. The Company will make the necessary announcement in due course upon obtaining the approval in-principle from the SGX-ST.

The listing and quotation notice of the SGX-ST for the listing and quotation of the W&P Corporation Consideration Shares is not to be taken as an indication of the merits of the W&P Corporation Proposed Acquisition, W&P Corporation Consideration Shares, the Company, its subsidiaries and their securities. The Sponsor and the SGX-ST assume no responsibility for the correctness of the statements made or reports contained or opinions expressed in this Circular.

The consideration of S\$600,000 was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account (i) the net loss of W&P Corporation for the twelve (12) months from 1 April 2016 to 31 March 2017; and (ii) the net asset value of W&P Corporation for the twelve (12) months period from 1 April 2016 to 31 March 2017. The Company did not commission an independent valuation of the W&P Corporation Sale Shares.



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## LETTER TO SHAREHOLDERS

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### 2.3.3 Conditions Precedent

Under the terms of the W&P Corporation Sale and Purchase of Shares Agreement, the W&P Corporation Completion is conditional upon, amongst others (the “**W&P Corporation Sale Conditions**”):

- (a) the Company being satisfied in its sole discretion with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) to be carried out by the Company and/or its advisers on W&P Corporation, including without limitation the title to and the status and condition of any properties (whether movable or immovable), assets (whether tangible or intangible), liabilities, businesses, operations, records, financial position, accounts, results, legal and corporate structure, its subsidiaries and associated companies and the W&P Corporation Vendors procuring W&P Corporation to regularise and/or resolve any issues raised under the said due diligence;
- (b) all necessary requirements under the Listing Manual and all necessary consents or approvals (if any) being granted by third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the acquisition of the W&P Corporation Sale Shares or the transactions contemplated under the W&P Corporation Sale and Purchase of Shares Agreement as the Company may deem necessary (including without limitation, the consent or approval of the SGX-ST or the Shareholders (as applicable and where required) and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the party on which they are imposed, and such conditions being fulfilled before the W&P Corporation Completion and such consents or approvals not being revoked or repealed on or before the W&P Corporation Completion;
- (c) the provision of any documents which may be required for the Company (at their sole discretion), whether from the W&P Corporation Vendors or otherwise, to comply with the Listing Manual, applicable laws and regulations;
- (d) there being no adverse change (as determined by the Company in its sole and absolute discretion) in the global economy and the prospects, operations or financial condition of W&P Corporation occurring on or before the W&P Corporation Completion;
- (e) no governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
  - i. make the transactions contemplated in the W&P Corporation Sale and Purchase of Shares Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
  - ii. render the Company unable to purchase all or any of the W&P Corporation Sale Shares in the manner set out in the W&P Corporation Sale and Purchase of Shares Agreement; and/or
  - iii. render the W&P Corporation Vendors unable to dispose of all or any of their W&P Corporation Sale Shares in the manner set out in the W&P Corporation Sale and Purchase of Shares Agreement;
- (f) listing and quotation notice being received from the SGX-ST for the dealing in, listing of and quotation for the W&P Corporation Consideration Shares on the Catalist and where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to the W&P Corporation Vendors and the Company as confirmed by these parties;

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## LETTER TO SHAREHOLDERS

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- (g) the appointment of such directors nominated by the Company to form part of W&P Corporation's board of directors;
- (h) the receipt of approvals of the respective board of directors of the Company and W&P Corporation for the transfer of the W&P Corporation Sale Shares;
- (i) the W&P Corporation Vendors obtaining the undertaking from the directors of W&P Corporation to continue with the provision of personal guarantees for hire purchase facilities of W&P Corporation with the Company providing an indemnity to them with regards to the same in the form as substantially set out in the W&P Corporation Sale and Purchase of Shares Agreement;
- (j) W&P Corporation entering into a services agreement with Poh Huat Heng Corporation Pte. Ltd. for certain services to be provided by Poh Huat Heng Corporation Pte. Ltd. in the form as substantially set out in the W&P Corporation Sale and Purchase of Shares Agreement; and
- (k) save as disclosed in the W&P Corporation Vendors' disclosure letter, each of the warranties in the W&P Corporation Sale and Purchase of Shares Agreement being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the W&P Corporation Vendors and the Company as at the date of the W&P Corporation Sale and Purchase of Shares Agreement and until the W&P Corporation Completion.

The W&P Corporation Completion will take place not later than fourteen (14) business days after all the W&P Corporation Sale Conditions are fulfilled in accordance with the W&P Corporation Sale and Purchase of Shares Agreement.

If the W&P Corporation Sale Conditions have not been fulfilled or waived by mutual consent on the Long-Stop Date, the W&P Corporation Sale and Purchase of Shares Agreement shall lapse and cease to have effect.

### 2.3.4 Value of the W&P Corporation Sale Shares

#### (a) Net Asset Value

The net asset value of W&P Corporation for the twelve (12) months period from 1 April 2016 to 31 March 2017 based on the financial accounts of W&P Corporation is S\$51,321.

#### (b) Net Loss

The net loss before tax attributable to W&P Corporation for the twelve (12) months period from 1 April 2016 to 31 March 2017 based on the financial accounts of W&P Corporation is S\$1,277,179.

### 2.3.5 Service Contracts

There are no persons proposed to be appointed as directors of the Company in connection with the W&P Corporation Proposed Acquisition.

There are no service contracts to be entered into at the W&P Corporation Completion, as the management team of W&P Corporation will be kept to continue to manage the business and affairs of W&P Corporation.

### 2.3.6 Rationale

The Board is of the view that the W&P Corporation Proposed Acquisition is in the best interests of the Company and the Shareholders as W&P Corporation is attractively priced given the current market cycle of the industry. As most know that the industry is probably at the trough of market cycle, an acquisition at this moment will provide the Company with upside potential once the industry turns around.

## LETTER TO SHAREHOLDERS

The W&P Corporation Proposed Acquisition presents a good opportunity for the Company to diversify its business and position itself for a pick-up in the construction industry in relation to the supply of construction materials.

### 2.3.7 Financial effects of the W&P Corporation Proposed Acquisition

#### (a) Assumptions

The pro forma financial effects in this section are based on the audited consolidated accounts of the Group for FY2016 and the unaudited financial statements of W&P Corporation for the twelve (12) months period ended 31 December 2016 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the W&P Corporation Completion.

#### (i) NTA

For illustrative purposes and assuming the W&P Corporation Proposed Acquisition had been completed on 31 December 2016, the pro forma financial effects on the consolidated NTA for FY2016 are as follows:

	<b>Before the W&amp;P Corporation Proposed Acquisition</b>	<b>After the W&amp;P Corporation Proposed Acquisition</b>
NTA (S\$'000)	19,451	20,144
Number of Shares	1,059,038,211	1,079,038,211
NTA per Share (Singapore cents)	1.84	1.87

#### (ii) EPS

For illustrative purposes and assuming the W&P Corporation Proposed Acquisition had been completed on 1 January 2016, the pro forma financial effects on the EPS of the Group for FY2016 are as follows:

	<b>Before the W&amp;P Corporation Proposed Acquisition</b>	<b>After the W&amp;P Corporation Proposed Acquisition</b>
Net profit attributable to Shareholders after tax from continuing operations (S\$'000)	(1,179)	(2,007)
Number of weighted average shares	205,441,839	225,441,839
EPS (Singapore cents)	(0.57)	(0.89)

#### (iii) Share Capital

The W&P Corporation Proposed Acquisition involves the allotment and issuance of the W&P Corporation Consideration Shares.

The W&P Corporation Consideration Shares represent approximately 1.52% of the existing issued and paid-up share capital of the Company of 1,319,636,961 Shares as at the Latest Practicable Date (excluding treasury shares). Immediately after completion of the W&P Corporation Proposed Acquisition and assuming that no further Shares are issued prior thereto, the W&P Corporation Proposed Acquisition will

## LETTER TO SHAREHOLDERS

increase the number of issued and paid-up Shares to 1,339,636,961 Shares and the W&P Corporation Consideration Shares represent approximately 1.51% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

The Company is seeking the specific approval of Shareholders for the issuance and allotment of the W&P Corporation Consideration Shares.

### 2.3.8 Relative Figures computed on the bases set out in Rule 1006 of the Listing Manual

Based on (i) the audited consolidated financial statements of the Group for FY2016 and (ii) the unaudited financial statements of W&P Corporation for the twelve (12) months period ended 31 December 2016, the relative figures for the W&P Corporation Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	70.19 <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	1.89 <sup>(2)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	1.89 <sup>(3)</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

#### Notes:

- (1) The Group had a net loss of S\$1,179,285 for FY2016, whereas W&P Corporation had a net loss of S\$827,784 for the same period.
- (2) The market capitalisation was derived from the 1,059,038,211 Shares in issue and the weighted average price of S\$0.03296 per Share as at 19 May 2017, being the last traded market day immediately preceding the date of the W&P Corporation Sale and Purchase of Shares Agreement. The aggregate value of the W&P Corporation Consideration Shares is S\$659,200 based on the said weighted average price per Share.
- (3) The number of W&P Corporation Consideration Shares issued by the Company is 20,000,000 and the number of equity securities previously issued is 1,059,038,211.

## 3. DETAILS OF THE W&P PRECAST PROPOSED ACQUISITION

### 3.1 Information on W&P Precast

W&P Precast is a private company incorporated in Singapore with limited liability. It is principally engaged in the business of manufacturing of articles of concrete, cement and plaster, and those relating to general contractors. The directors of W&P Precast are Tan Poh Guan, Ng Chuan Heng and Eric Sean Koo Kong Chew. The shareholders of W&P Precast are the W&P Precast Vendor and Eric Sean Koo Kong Chew. The directors of the W&P Precast Vendor are Tan Poh Guan, Tan Jun Hao and Ng Chuan Heng and the shareholders of the W&P Precast Vendor are Ng Chuan Heng, Teo Siew Cheng, Tan Poh Guan, Tan Zhen Ying and Tan Jun Hao.

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## LETTER TO SHAREHOLDERS

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### 3.2 Information on the W&P Precast Vendor

The W&P Precast Vendor is a private company incorporated in Singapore with limited liability and is principally engaged in the business of underground cable installation, road reinstatement services and other related activities.

### 3.3 Salient terms of the W&P Precast Sale and Purchase of Shares Agreement

#### 3.3.1 Sale and Purchase

Pursuant to the W&P Precast Sale and Purchase of Shares Agreement, the Company will acquire 23,750 fully paid-up ordinary shares in the capital of W&P Precast ("**W&P Precast Sale Shares**"), representing 95% of the issued and paid-up capital of W&P Precast free from all Encumbrances and together with all rights attaching thereto for the consideration of S\$2,100,000. Following completion of the W&P Precast Proposed Acquisition ("**W&P Precast Completion**"), W&P Precast will become a subsidiary of the Company.

#### 3.3.2 Consideration

The consideration for the sale and purchase of the W&P Precast Sale Shares of S\$2,100,000 shall be fully satisfied by the Company through the allotment and issuance of 70,000,000 W&P Precast Consideration Shares at the Issue Price of S\$0.03 per W&P Precast Consideration Share to the W&P Precast Vendor. Based on the Issue Price of S\$0.03 per W&P Precast Consideration Share, this represents a discount of approximately 8.98% of the weighted average price of S\$0.03296 per Share for trades done on Catalist on 19 May 2017 (being the full market day on which the W&P Precast Sale and Purchase of Shares Agreement was signed).

The W&P Precast Consideration Shares, when allotted and issued, shall be issued free from all claims, charges, liens and other Encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the W&P Precast Consideration Shares.

The W&P Precast Vendor is not a person who falls within the categories set out in Rule 812(1) of the Listing Manual unless Rule 812(3) of the Listing Manual applies. There is no moratorium imposed on the W&P Precast Consideration Shares.

The Sponsor will be making an application on behalf of the Company to SGX-ST, for the listing and quotation of the W&P Precast Consideration Shares on Catalist. The Company will make the necessary announcement in due course upon obtaining the approval in-principle from the SGX-ST.

The listing and quotation notice of the SGX-ST for the listing and quotation of the W&P Precast Consideration Shares is not to be taken as an indication of the merits of the W&P Precast Proposed Acquisition, the W&P Precast Consideration Shares, the Company, its subsidiaries and their securities. The Sponsor and the SGX-ST assume no responsibility for the correctness of the statements made or reports contained or opinions expressed in this Circular.

The consideration of S\$2,100,000 was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account (i) the net profit of W&P Precast for the twelve (12) months from 1 April 2016 to 31 March 2017; and (ii) the net asset value of W&P Precast for the twelve (12) months period from 1 April 2016 to 31 March 2017. The Company did not commission an independent valuation of the W&P Precast Sale Shares.

#### 3.3.3 Conditions Precedent

Under the terms of the W&P Precast Sale and Purchase of Shares Agreement, the W&P Precast Completion is conditional upon, amongst others (the "**W&P Precast Sale Conditions**"):

- (a) the Company being satisfied in its sole discretion with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) to be carried out by the Company and/or its advisers on W&P Precast, including without limitation the title to and the status and

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## LETTER TO SHAREHOLDERS

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condition of any properties (whether movable or immovable), assets (whether tangible or intangible), liabilities, businesses, operations, records, financial position, accounts, results, legal and corporate structure, its subsidiaries and associated companies and the W&P Precast Vendor procuring W&P Precast to regularise and/or resolve any issues raised under the said due diligence;

- (b) all necessary requirements under the Listing Manual and all necessary consents or approvals (if any) being granted by third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the acquisition of the W&P Precast Sale Shares or the transactions contemplated under the W&P Precast Sale and Purchase of Shares Agreement as the Company may deem necessary (including without limitation, the consent or approval of the SGX-ST or the Shareholders (as applicable and where required) and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the party on which they are imposed, and if such conditions being fulfilled before the W&P Precast Completion and such consents or approvals not being revoked or repealed on or before the W&P Precast Completion;
- (c) the provision of any documents which may be required for the Company (at their sole discretion), whether from the W&P Precast Vendor or otherwise, to comply with the Listing Manual, applicable laws and regulations;
- (d) there being no adverse change (as determined by the Company in its sole and absolute discretion) in the global economy and the prospects, operations or financial condition of W&P Precast occurring on or before the W&P Precast Completion;
- (e) no governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
  - i. make the transactions contemplated in the W&P Precast Sale and Purchase of Shares Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
  - ii. render the Company unable to purchase all or any of the W&P Precast Sale Shares in the manner set out in the W&P Precast Sale and Purchase of Shares Agreement; and/or
  - iii. render the W&P Precast Vendor unable to dispose of all or any of their W&P Precast Sale Shares in the manner set out in the W&P Precast Sale and Purchase of Shares Agreement;
- (f) listing and quotation notice being received from the SGX-ST for the dealing in, listing of and quotation for the W&P Precast Consideration Shares on the Catalist and where such listing and quotation notice is obtained subject to any conditions, such conditions being reasonably acceptable to the W&P Precast Vendor and the Company as confirmed by these parties;
- (g) the appointment of such directors nominated by the Company to form part of W&P Precast's board of directors;
- (h) the receipt of approvals of the respective board of directors of the Company and W&P Precast for the transfer of the W&P Precast Sale Shares;



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## LETTER TO SHAREHOLDERS

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- (i) the W&P Precast Vendor obtaining the undertaking from the directors of W&P Precast to continue with the provision of personal guarantees for hire purchase facilities of W&P Precast with the Company providing an indemnity to them with regards to the same in the form as substantially set out in the W&P Precast Sale and Purchase of Shares Agreement;
- (j) W&P Precast entering into a services agreement with the W&P Precast Vendor for certain services to be provided by the W&P Precast Vendor in the form as substantially set out in the W&P Precast Sale and Purchase of Shares Agreement;
- (k) W&P Precast entering into an agreement with the W&P Precast Vendor for a further twelve (12) months regarding the arrangements between W&P Precast and the W&P Precast Vendor for supply of raw materials in the form as substantially set out in the W&P Precast Sale and Purchase of Shares Agreement; and
- (l) save as disclosed in the W&P Precast Vendor's disclosure letter, each of the warranties in the W&P Precast Sale and Purchase of Shares Agreement being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the W&P Precast Vendor and the Company as at the date of the W&P Precast Sale and Purchase of Shares Agreement and until the W&P Precast Completion.

The W&P Precast Completion will take place not later than fourteen (14) business days after all the W&P Precast Sale Conditions are fulfilled in accordance with the W&P Precast Sale and Purchase of Shares Agreement.

If the W&P Precast Sale Conditions have not been fulfilled or waived by mutual consent on the Long-Stop Date, the W&P Precast Sale and Purchase of Shares Agreement shall lapse and cease to have effect.

### 3.3.4 Value of the W&P Precast Sale Shares

#### (a) Net Asset Value

The net asset value of W&P Precast for the twelve (12) months period from 1 April 2016 to 31 March 2017 based on the financial accounts of W&P Precast is S\$1,254,873.

#### (b) Net Profits

The net profit before tax attributable to W&P Precast for the twelve (12) months period from 1 April 2016 to 31 March 2017 based on the financial accounts of W&P Precast is S\$20,766.

### 3.3.5 Service Contracts

There are no persons proposed to be appointed as directors of the Company in connection with the W&P Precast Proposed Acquisition.

There are no service contracts to be entered into at the W&P Precast Completion, as the management team of W&P Precast will be kept to continue to manage the business and affairs of W&P Precast.

### 3.3.6 Rationale

The Board is of the view that the W&P Precast Proposed Acquisition is in the best interests of the Company and the Shareholders as W&P Precast is attractively priced given the current market cycle of the industry. As most know that the industry is probably at the trough of market cycle, an acquisition at this moment will provide the Company with upside potential once the industry turns around.

The W&P Precast Proposed Acquisition presents a good opportunity for the Company to diversify its business and position itself for a pick-up in the construction industry in relation to the supply of construction materials.



## LETTER TO SHAREHOLDERS

### 3.3.7 Financial effects of the W&P Precast Proposed Acquisition

#### (a) Assumptions

The pro forma financial effects in this section are based on the audited consolidated accounts of the Group for FY2016 and the unaudited financial statements of W&P Precast for the twelve (12) months period ended 31 December 2016 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the W&P Precast Completion.

#### (i) NTA

For illustrative purposes and assuming the W&P Precast Proposed Acquisition had been completed on 31 December 2016, the pro forma financial effects on the consolidated NTA for FY2016 are as follows:

	<b>Before the W&amp;P Precast Proposed Acquisition</b>	<b>After the W&amp;P Precast Proposed Acquisition</b>
NTA (S\$'000)	19,451	20,673
Number of Shares	1,059,038,211	1,129,038,211
NTA per Share (Singapore cents)	1.84	1.83

#### (ii) EPS

For illustrative purposes and assuming the W&P Precast Proposed Acquisition had been completed on 1 January 2016, the pro forma financial effects on the EPS of the Group for FY2016 are as follows:

	<b>Before the W&amp;P Precast Proposed Acquisition</b>	<b>After the W&amp;P Precast Proposed Acquisition</b>
Net profit attributable to Shareholders after tax from continuing operations (S\$'000)	(1,179)	(1,345)
Number of weighted average shares	205,441,839	275,441,839
EPS (Singapore cents)	(0.57)	(0.49)

#### (iii) Share Capital

The W&P Precast Proposed Acquisition involves the allotment and issuance of the W&P Precast Consideration Shares.

The W&P Precast Consideration Shares represent approximately 5.30% of the existing issued and paid-up share capital of the Company of 1,319,636,961 Shares as at the Latest Practicable Date (excluding treasury shares). Immediately after completion of the W&P Precast Proposed Acquisition and assuming that no further Shares are issued prior thereto, the W&P Precast Proposed Acquisition will increase the number of issued and paid-up Shares to 1,389,636,961 Shares and the W&P Precast Consideration Shares represent approximately 5.08% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

The Company is seeking the specific approval of Shareholders for the issuance and allotment of the W&P Precast Consideration Shares.

## LETTER TO SHAREHOLDERS

### 3.3.8 Relative Figures computed on the bases set out in Rule 1006 of the Listing Manual

Based on (i) the audited consolidated financial statements of the Group for FY2016 and (ii) the unaudited financial statements of W&P Precast for the twelve (12) months period ended 31 December 2016, the relative figures for the W&P Precast Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	14 <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	6.61 <sup>(2)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	6.61 <sup>(3)</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

**Notes:**

- (i) The Group had a net loss of S\$1,179,285 for FY2016, whereas W&P Precast had a net loss of S\$166,011 for the same period.
- (ii) The market capitalisation was derived from the 1,059,038,211 Shares in issue and the weighted average price of S\$0.03296 per Share as at 19 May 2017, being the last traded market day immediately preceding the date of the W&P Precast Sale and Purchase of Shares Agreement. The aggregate value of the W&P Precast Consideration Shares is S\$2,307,200 based on the said weighted average price per Share.
- (iii) The number of W&P Precast Consideration Shares issued by the Company is 70,000,000 and the number of equity securities previously issued is 1,059,038,211.

## 4. FINANCIAL EFFECTS OF W&P CORPORATION PROPOSED ACQUISITION AND W&P PRECAST PROPOSED ACQUISITION

- 4.1 The W&P Corporation Proposed Acquisition and W&P Precast Proposed Acquisition are not inter-conditional. This section sets out the pro forma financial effects in the event that both the W&P Corporation Proposed Acquisition and W&P Precast Proposed Acquisition are approved by Shareholders and completed.
- 4.2 The pro forma financial effects in this section are based on the audited consolidated accounts of the Group for FY2016 and the unaudited financial statements of W&P Corporation and W&P Precast for the twelve (12) months period ended 31 December 2016 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the W&P Corporation Completion and the W&P Precast Completion.

## LETTER TO SHAREHOLDERS

### 4.3 NTA

For illustrative purposes and assuming the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition had been completed on 31 December 2016, the pro forma financial effects on the consolidated NTA for FY2016 are as follows:

	<b>Before the W&amp;P Corporation Proposed Acquisition and the W&amp;P Precast Proposed Acquisition</b>	<b>After the W&amp;P Corporation Proposed Acquisition and W&amp;P Precast Proposed Acquisition</b>
NTA (S\$'000)	19,451	21,366
Number of Shares	1,059,038,211	1,149,038,211
NTA per Share (Singapore cents)	1.84	1.86

### 4.4 EPS

For illustrative purposes and assuming the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition had been completed on 1 January 2016, the pro forma financial effects on the EPS of the Group for FY2016 are as follows:

	<b>Before the W&amp;P Corporation Proposed Acquisition and the W&amp;P Precast Proposed Acquisition</b>	<b>After the W&amp;P Corporation Proposed Acquisition and W&amp;P Precast Proposed Acquisition</b>
Net profit attributable to Shareholders after tax from continuing operations (S\$'000)	(1,179)	(2,173)
Number of weighted average shares	205,441,839	295,441,839
EPS (Singapore cents)	(0.57)	(0.74)

### 4.5 Share Capital

The effect of the allotment and issuance of the W&P Corporation Consideration Shares and the W&P Precast Consideration Shares on the share capital of the Company is as follows:

	<b>Before the W&amp;P Corporation Proposed Acquisition and the W&amp;P Precast Proposed Acquisition</b>		<b>After the W&amp;P Corporation Proposed Acquisition and the W&amp;P Precast Proposed Acquisition</b>	
	Number of Shares	S\$'000	Number of Shares	S\$'000
Issued share capital (excluding treasury shares)	1,319,636,961	25,270	1,409,636,961	27,970

## LETTER TO SHAREHOLDERS

**5. RELATIVE FIGURES OF THE W&P CORPORATION PROPOSED ACQUISITION, W&P PRECAST PROPOSED ACQUISITION, AND THE ACQUISITION OF ENGINEERING MANUFACTURING SERVICES (S) PTE LTD (“EMS”) COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL**

The Company had acquired EMS on 20 February 2017. If the acquisition of EMS should be aggregated with the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition in accordance with Rule 1005 of the Listing Manual, the relative figures computed on the bases set out in Rule 1006 are set out below.

Based on (i) the audited consolidated financial statements of the Group for FY2016 and (ii) the unaudited financial statements of W&P Corporation, W&P Precast and EMS for the twelve months period ended 31 December 2016, the relative figures for the W&P Corporation Proposed Acquisition, W&P Precast Proposed Acquisition and the acquisition of EMS computed on the bases set out in Rules 1006 (a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	Not Meaningful <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	80.12 <sup>(2)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	8.50 <sup>(3)</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

**Notes:**

- (1) The Group had a net loss of S\$1,179,285 for FY2016, whereas W&P Corporation, W&P Precast and EMS had a combined net profit of about S\$3,806,205 for the same period.
- (2) The market capitalisation was derived from the 1,059,038,211 Shares of the Company in issue and the weighted average price of S\$0.03296 per Share as at 19 May 2017, being the last traded market day immediately preceding the date of the W&P Corporation Sale and Purchase of Shares Agreement and the W&P Precast Sale and Purchase of Shares Agreement. The value of the W&P Corporation Consideration Shares and W&P Precast Consideration Shares is S\$2,966,400 based on the weighted average price per Share. The value of the consideration for EMS is S\$25,000,000. The aggregate value of the consideration for the W&P Corporation Proposed Acquisition, the W&P Precast Proposed Acquisition and EMS is S\$27,966,400.
- (3) The number of equity securities issued by the Company as consideration for the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition is 90,000,000 and the number of equity securities previously issued is 1,059,038,211.

## LETTER TO SHAREHOLDERS

### 6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 6.1 Interests of the Directors and Substantial Shareholders in the Shares

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's register of directors' shareholdings and register of Substantial Shareholders respectively, are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Nil	N.A.	N.A.	N.A.	N.A.

Substantial Shareholder(s) other than Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Thanaboonchuchai Karnsiri	277,621,542	21.04	Nil	0
Wong Kum Yong	83,471,146	6.33	Nil	0
Quek Lay Wah	82,604,984	6.26	Nil	0

#### 6.2 Interests of the Directors and the Substantial Shareholders in the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition

Save as disclosed herein, none of the Directors or controlling shareholders of the Company have any direct or indirect interest in the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition, other than through their respective shareholdings in the Company.

### 7. DIRECTORS' RECOMMENDATION

7.1 The Directors have considered carefully, *inter alia*, the terms, rationale and financial effects of the Proposed Transactions. The Directors have no dissenting views in relation to the Proposed Transactions and are collectively of the view that the Proposed Transactions are in the interest of the Group and recommend that Shareholders vote in favour of the ordinary resolutions relating to the Proposed Transactions as set out in the notice of the EGM in this Circular.

7.2 Shareholders are advised to read this Circular in its entirety, in particular the rationale for and the financial effects of the Proposed Transactions. Shareholders and the public are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this Circular should consult their stockbroker, bank manager, solicitor or other professional adviser.

### 8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 25 July 2017 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the resolution as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 9. ACTION TO BE TAKEN BY SHAREHOLDERS

- 9.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.
- 9.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by the CDP at least 72 hours before the EGM.

### 10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 6 Mohamed Sultan Road, #03-01, Singapore 238956 during normal business hours for three (3) months from the date of this Circular:–

- i. the W&P Corporation Sale and Purchase of Shares Agreement;
- ii. the W&P Precast Sale and Purchase of Shares Agreement;
- iii. the Company's Annual Report for FY2016; and
- iv. the Constitution of the Company.

### 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the W&P Corporation Proposed Acquisition and the W&P Precast Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of  
the Board of Directors of  
**AA Group Holdings Ltd.**

**Yau Woon Foong**  
Executive Director

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### AA Group Holdings Ltd.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200412064D)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of AA Group Holdings Ltd. (the “**Company**”) will be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 25 July 2017 at 9:30 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

### ORDINARY RESOLUTION 1: THE W&P CORPORATION PROPOSED ACQUISITION

THAT:—

- (a) approval be and is hereby given for the Company to effect and complete the W&P Corporation Proposed Acquisition and all transactions in relation thereto, on the terms and subject to the conditions set out in the W&P Corporation Sale and Purchase of Shares Agreement, as defined in the circular to the Shareholders of the Company dated 10 July 2017 (“**Circular**”), the principal terms of which are set out in the Circular; and
- (b) the directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the W&P Corporation Sale and Purchase of Shares Agreement and to give effect to the approvals given by this ordinary resolution.

**Shareholders should note that Ordinary Resolution 1 is conditional on the approval of Ordinary Resolution 3 set out below. If Ordinary Resolution 1 is not approved, Ordinary Resolution 3 would not be passed.**

### ORDINARY RESOLUTION 2: THE W&P PRECAST PROPOSED ACQUISITION

THAT:—

- (a) approval be and is hereby given for the Company to effect and complete the W&P Precast Proposed Acquisition and all transactions in relation thereto, on the terms and subject to the conditions set out in the W&P Precast Sale and Purchase of Shares Agreement, as defined in the Circular, the principal terms of which are set out in the Circular; and
- (b) the directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the W&P Precast Sale and Purchase of Shares Agreement and to give effect to the approvals given by this ordinary resolution.

**Shareholders should note that Ordinary Resolution 2 is conditional on the approval of Ordinary Resolution 4 set out below. If Ordinary Resolution 2 is not approved, Ordinary Resolution 4 would not be passed.**



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **ORDINARY RESOLUTION 3: THE ALLOTMENT AND ISSUANCE OF THE W&P CORPORATION CONSIDERATION SHARES**

THAT:—

- (a) the directors of the Company be and are hereby authorized to allot and issue 20,000,000 new ordinary shares in the capital of the Company to the W&P Corporation Vendors or their nominees in full satisfaction of the consideration payable in accordance with the W&P Corporation Sale and Purchase of Shares Agreement; and
- (b) the directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the W&P Corporation Sale and Purchase of Shares Agreement.

**Shareholders should note that Ordinary Resolution 1 is conditional on the approval of Ordinary Resolution 3. If Ordinary Resolution 1 is not approved, Ordinary Resolution 3 would not be passed.**

### **ORDINARY RESOLUTION 4: THE ALLOTMENT AND ISSUANCE OF THE W&P PRECAST CONSIDERATION SHARES**

THAT:—

- (a) the directors of the Company be and are hereby authorized to allot and issue 70,000,000 new ordinary shares in the capital of the Company to the W&P Precast Vendor or its nominees in full satisfaction of the consideration payable in accordance with the W&P Precast Sale and Purchase of Shares Agreement; and
- (b) the directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the W&P Precast Sale and Purchase of Shares Agreement.

**Shareholders should note that Ordinary Resolution 2 is conditional on the approval of Ordinary Resolution 4. If Ordinary Resolution 2 is not approved, Ordinary Resolution 4 would not be passed.**

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them as in the Circular.

By Order of the Board

**AA GROUP HOLDINGS LTD.**

Leow Siew Yon  
Company Secretary  
Singapore, 10 July 2017

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:–

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A member who is not a relevant intermediary (as defined in section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member's proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
4. In any case where more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and be deposited at the registered office of the Company, 6 Mohamed Sultan Road, #03-01, Singapore 238956, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
6. The instrument appointing a proxy must be deposited at the registered office of the Company, 6 Mohamed Sultan Road #03-01, Singapore 238956, not less than 48 hours before the time of the EGM.
7. Unless defined herein, capitalised terms in the Resolutions set out in this Notice of EGM shall bear the same meanings as in the Circular dated 10 July 2017.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PROXY FORM

### AA GROUP HOLDINGS LTD.

(Company Registration No. 200412064D)  
(Incorporated in the Republic of Singapore)

### PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

1. For investors who have used their CPF monies to buy AA Group Holdings Ltd. shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

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

of \_\_\_\_\_ (Address)

being a member/members of AA GROUP HOLDINGS LTD. (the “Company”) hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

\*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (the “Meeting”) of the Company to be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 25 July 2017 at 9:30 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the ordinary resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion.

Note: Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the notice of the Meeting. In the absence of specific directions or in the event of any item arising at the Meeting not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

S/N	Ordinary Resolutions	For	Against
1	To approve the W&P Corporation Proposed Acquisition		
2	To approve the W&P Precast Proposed Acquisition		
3	To approve the allotment and issuance of the W&P Corporation Consideration Shares		
4	To approve the allotment and issuance of the W&P Precast Consideration Shares		

**Note:** Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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

Signature(s) of Member(s) and  
Common Seal of Corporate Member

\*Delete where applicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



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## PROXY FORM

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### Notes:–

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in the relevant sections of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the above Extraordinary General Meeting of the Company (“**EGM**”) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. A member who is not a relevant intermediary (as defined in section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member’s proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
5. In any case where a more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company, 6 Mohamed Sultan Road, #03-01, Singapore 238956, not less than 48 hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
8. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall, if required by law, be duly stamped and be deposited at the registered office of the Company, 6 Mohamed Sultan Road, #03-01, Singapore 238956, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap. 50).
10. Completion and return of this proxy form appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
11. CPF Investors who buy Shares in the Company may attend and cast their vote at the EGM in person. CPF Investors who are unable to attend the EGM but would like to vote, may inform their CPF Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF Investors shall be precluded from attending the EGM.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 July 2017.

### General:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.