CIRCULAR DATED 13 JANUARY 2016

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

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

If you have sold or transferred your shares in the capital of Zagro Asia Limited (the "**Company**"), you should immediately forward this Circular together with the Notice of EGM (as defined herein) and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular, the Exit Offer Letter and the Acceptance Forms (all as defined herein) shall not be construed as, and may not be used for the purpose of, and does not constitute a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation.



ZAGRO ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199406784D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED VOLUNTARY DELISTING OF ZAGRO ASIA LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL

Independent Financial Adviser to the Independent Directors of the Company

nra *capital*

NRA CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199904258C)

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of proxy form	:	2 February 2016 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	4 February 2016 at 2.00 p.m.
Place of Extraordinary General Meeting	:	Zagro Global Hub 5 Woodlands Terrace #06-00 Singapore 738430

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PROXY FORM

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

"Acceptance Forms"	:	the FAA and/or FAT, as the case may be.
"Act" or "Companies Act"	:	the Companies Act (Cap 50) of Singapore, as amended, modified or supplemented from time to time.
"Board"	:	the board of Directors of the Company.
"CDP"	:	The Central Depository (Pte) Limited.
"Circular"	:	this circular to Shareholders dated 13 January 2016 issued by the Company in relation to the proposed voluntary delisting of the Company pursuant to Rules 1307 and 1309 of the Listing Manual.
"Closing Date"	:	5.30 p.m. on 18 February 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgment of acceptances of the Exit Offer.
"Code"	:	the Singapore Code on Take-overs and Mergers as amended, supplemented or modified from time to time.
"Company"	:	Zagro Asia Limited.
"Concert Parties"	:	parties acting or presumed to be acting in concert, as defined in the Code, with the Offeror in connection with the Exit Offer.
"Constitution"	:	the constitution of the Company.
"Controlling Shareholder"	:	a person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares) unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or (b) in fact exercises control over the Company.
"CPF"	:	the Central Provident Fund.
"CPF Agent Banks"	:	the agent banks included under the CPFIS.
"CPF Board"	:	the Central Provident Fund Board.
"CPFIS"	:	the Central Provident Fund Investment Scheme.

"CPFIS Investors"	:	the investors who purchased Shares using their monies pursuant to the CPFIS.
"Delisting"	:	the proposed voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.
"Delisting Proposal"	:	the proposal dated 2 November 2015 presented by the Offeror to the Board to seek the Delisting.
"Delisting Resolution"	:	the resolution to be proposed at the EGM to approve the Delisting.
"Directors"	:	the directors of the Company (including the Independent Directors) as at the date of this Circular.
"EGM"	:	the extraordinary general meeting to be convened by the Company on 4 February 2016 at 2.00 p.m. to seek the approval of Shareholders for the Delisting, notice of which is set out on page 101 of this Circular, and any adjournment thereof.
"Exit Offer"	:	the voluntary cash offer made by RHBSEC, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Exit Offer Letter and Acceptance Forms.
"Exit Offer Letter"	:	the letter dated 13 January 2016 issued by RHBSEC, for and on behalf of the Offeror, setting out the terms and conditions of the Exit Offer, as may be amended, revised, supplemented or updated from time to time, which is despatched to Shareholders together with this Circular.
"Exit Offer Price"	:	S$0.30 in cash for each Offer Share.
"FAA"	:	the Form of Acceptance and Authorisation for Offer Shares in respect of the Exit Offer, which forms part of the Exit Offer Letter and which is issued to Shareholders who are Depositors.
"FAT"	:	the Form of Acceptance and Transfer for Offer Shares in respect of the Exit Offer, which forms part of the Exit Offer Letter and which is issued to Shareholders who are Scripholders.
"FY"	:	the financial year of the Company ended or ending 31 December.
"Group"	:	the Company and its subsidiaries.

"HY"	:	the six (6) month financial period ended 30 June.
"IFA" or "NRA"	:	NRA Capital Pte. Ltd., the independent financial adviser to the Independent Directors.
"IFA Letter"	:	the letter from the IFA to the Independent Directors in relation to the Exit Offer, as set out in Appendix 1 of this Circular.
"Independent Directors"	:	the Directors who are considered to be independent for the purposes of making recommendations to Shareholders in relation to the Delisting Proposal and the Exit Offer, namely, SMK, Chan Ying Lock, Ngiam Tong Tau and Wong Choo You.
"Interested Person"	:	as defined in the Note on Rule 24.6 of the Code read with the Note on Rule 23.12 of the Code, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) 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; (d) 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% of more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% of more.
"Joint Announcement"	:	the joint announcement in connection with the Delisting and the Exit Offer released by the Company and the Offeror on the Joint Announcement Date.
"Joint Announcement Date"	:	3 November 2015, being the date on which the Joint Announcement was made.

"Latest Practicable Date"	:	6 January 2016, being the latest practicable date prior to the printing of this Circular.
"Listing Manual"	:	the listing manual of the SGX-ST.
"Market Day"	:	a day on which the SGX-ST is open for trading of securities.
"Notice of EGM"	:	the Notice of EGM as set out on page 101 of this Circular.
"Offeror"	:	Rumakita Investments Pte. Ltd..
"Offer Shares"	:	all Shares held by Shareholders, other than those already owned, controlled or agreed to be acquired by the Offeror.
"PBS"	:	Poh Beng Swee.
"PohConnect"	:	PohConnect Holdings Pte Ltd.
"Register"	:	the register of holders of Shares, as maintained by the Registrar.
"Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd..
"Relevant Directors"	:	PBS and SD.
"Relevant Period"	:	the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
"RHBSEC"	:	RHB Securities Singapore Pte. Ltd., the financial adviser to the Offeror in connection with the Exit Offer.
"Scripholders"	:	Shareholders who hold Shares in scrip form and which are not deposited with CDP.
"SD"	:	Soh Dolly.
"Securities Account"	:	a securities account maintained by a Depositor with CDP but does not include a securities sub-account.
"SFA"	:	the Securities and Futures Act (Cap 289) of Singapore, as amended, modified or supplemented from time to time.
"SGXNET"	:	a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.

"Shareholders"	:	registered holders of Shares in the Register, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares.
"Shares"	:	issued and paid-up ordinary shares in the capital of the Company.
"SIC"	:	the Securities Industry Council of Singapore.
"SMK"	:	Soo Kam Beng @ Soo Man Kheng.
"Substantial Shareholder"	:	a person who holds directly or indirectly not less than five per cent. (5%) of the total number of issued Shares (excluding treasury shares).
"Valuation Report"	:	the valuation report dated 23 November 2015 issued by the Valuer.
"Valuation Report Summary"	:	the summary of the Valuation Report issued by the Valuer dated 23 November 2015.
"Valuer"	:	Robert Khan & Co Pte. Ltd..

Currencies, Units and Others

"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore.
"%" or "per cent."	:	per centum or percentage.

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

The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them in Sections 5 and 6 of the Act respectively.

The terms "**acting in concert**" and "**associates**" shall have the meanings ascribed to them in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, 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 term defined under the Act or the Code or the Listing Manual (or any modification thereof) and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act or the Code or the Listing Manual (or any modification thereof), as the case may be, unless otherwise provided.

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.

Any reference in this Circular to the total number of issued Shares shall be 258,772,238 Shares as at the Latest Practicable Date, unless otherwise stated. There are no Shares held in treasury.

Any reference to "**you**", "**your**" and "**yours**" in this Circular is, as the context so determines, to Shareholders.

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

Capitalised terms used in the extracts of the Exit Offer Letter and not defined herein shall bear the same meanings as attributed to them in the Exit Offer Letter.

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", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "shall", "should", "can", "could", "may" and "might". These statements reflect the Company's or, as the case may be, the Offeror'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, the Offeror, RHBSEC nor the IFA guarantees the performance of such forward-looking statements or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of the Exit Offer Letter and this Circular	:	13 January 2016
Last date and time for lodgment of proxy form for the EGM[(1)]	:	2 February 2016 at 2.00 p.m.
Date and time of the EGM	:	4 February 2016 at 2.00 p.m.
Expected date and time of trading suspension of the Shares by the SGX-ST	:	To be announced by or on behalf of the Company
Expected Closing Date and time of the Exit Offer	:	18 February 2016 at 5.30 p.m., or such later date(s) as may be announced by or on behalf of the Offeror, being the last day and time for the lodgment of acceptances of the Exit Offer
Expected date for the Delisting	:	Approximately four (4) to six (6) weeks after the Closing Date or such other date and time as may be announced from time to time by the Company
Expected date for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer	:	Within ten (10) days: (i) after the Exit Offer becomes or is declared unconditional in all respects (where valid acceptances of the Exit Offer are tendered on or prior to the date the Exit Offer becomes or is declared unconditional in all respects); or (ii) after the date of receipt of valid acceptances of the Exit Offer (where such acceptances are tendered after the Exit Offer becomes or is declared unconditional in all respects)

Note:

(1) Proxy forms should be duly completed and deposited at the registered office of the Company at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430, not less than 48 hours before the time appointed for the EGM. Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM in place of his proxy.

SHAREHOLDERS SHOULD NOTE THAT, SAVE FOR THE DATE OF DESPATCH OF THE EXIT OFFER LETTER AND THIS CIRCULAR, THE LAST DATE AND TIME FOR LODGMENT OF PROXY FORMS FOR THE EGM, THE DATE AND TIME OF THE EGM AND THE DATE OF COMMENCEMENT OF THE EXIT OFFER, THE ABOVE TIMETABLE IS INDICATIVE ONLY AND MAY BE SUBJECT TO CHANGE. FOR EVENTS LISTED ABOVE WHICH ARE DESCRIBED AS "EXPECTED", PLEASE REFER TO FUTURE ANNOUNCEMENT(S) BY OR ON BEHALF OF THE COMPANY AND/OR THE OFFEROR VIA SGXNET FOR THE EXACT DATES AND TIMES OF SUCH EVENTS.

INDICATIVE TIMETABLE

PLEASE NOTE THAT THE EXIT OFFER IS CONDITIONAL ON THE DELISTING PROPOSAL CONDITIONS (AS DEFINED IN PARAGRAPH 2.1 BELOW) BEING SATISFIED. IF ANY OF THE DELISTING PROPOSAL CONDITIONS IS NOT SATISFIED, (I) THE DELISTING WILL NOT PROCEED, AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST AND (II) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED.

PLEASE ALSO NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER. PLEASE REFER TO APPENDIX I TO THE EXIT OFFER LETTER WHICH SETS OUT THE PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER IF YOU WISH TO ACCEPT THE EXIT OFFER.

ZAGRO ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199406784D)

Directors

Poh Beng Swee *(Chairman and Chief Executive Officer)*
Soo Kam Beng @ Soo Man Kheng *(Executive Director)*
Chan Ying Lock *(Lead Independent Director)*
Ngiam Tong Tau *(Independent Non-Executive Director)*
Wong Choo You *(Independent Non-Executive Director)*
Soh Dolly *(Non-Executive Director)*

Registered Office

Zagro Global Hub
5 Woodlands Terrace #06-00
Singapore 738430

13 January 2016

To: The Shareholders of Zagro Asia Limited

Dear Sir/Madam

PROPOSED VOLUNTARY DELISTING OF ZAGRO ASIA LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL

1. INTRODUCTION

1.1 On 3 November 2015, the Company and the Offeror, Rumakita Investments Pte. Ltd., jointly announced that the Offeror had presented the Delisting Proposal to the directors of the Company to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

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

1.2 Under the terms of the Delisting Proposal, RHBSEC will make, for and on behalf of the Offeror, a conditional Exit Offer to Shareholders to acquire all the Offer Shares at the Exit Offer Price.

1.3 The Directors, having considered the Delisting Proposal, have resolved to convene an EGM to seek the approval of Shareholders for the Delisting and to make an application to the SGX-ST for the Delisting.

1.4 The purpose of this Circular is to provide Shareholders with information relating to the Delisting Proposal and the Exit Offer, and to seek Shareholders' approval at the EGM for the Delisting Resolution to be proposed at the EGM, notice of which is set out on page 101 of this Circular.

2. THE DELISTING PROPOSAL

Under the Delisting Proposal, RHBSEC will make, for and on behalf of the Offeror, a conditional Exit Offer to Shareholders to acquire all the Shares held by Shareholders, other than those already owned, controlled or agreed to be acquired by the Offeror. The Delisting Resolution, if approved by Shareholders at the EGM in accordance with Rule 1307 of the Listing Manual (as described in **paragraph 2.2.1** below), will result in the Delisting.

2.1 TERMS OF THE DELISTING PROPOSAL

2.1.1 Under the terms of the Delisting Proposal, the Delisting and the Exit Offer will be conditional on:

(a) the approval of the SGX-ST for the Delisting being obtained;

(b) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares, if any) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for Shareholders to vote on the Delisting Resolution (the Directors who hold Shares and Controlling Shareholders need not abstain from voting on the Delisting Resolution) in accordance with Rule 1307 of the Listing Manual;

(c) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares, if any) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM in accordance with Rule 1307 of the Listing Manual; and

(d) the receipt by the Offeror, by the close of the Exit Offer, of valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding more than 50% of the Shares (excluding Shares held by the Company as treasury shares, if any) as at the close of the Exit Offer (the "**Minimum Acceptance Condition**"),

(collectively the "**Delisting Proposal Conditions**").

2.1.2 Under Rule 1307(2) of the Listing Manual, all Shareholders (including the Offeror, its Concert Parties who hold Shares, Directors who hold Shares and Controlling Shareholders of the Company) are entitled to vote on the Delisting Resolution.

2.1.3 Each of PBS, SD, PohConnect and SMK has irrevocably and unconditionally undertaken to the Offeror that in the event the EGM is convened, each of PBS, SD, PohConnect and SMK will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. Further details of the irrevocable undertakings given by each of PBS, SD, PohConnect and SMK are set out in **paragraph 3 of the Exit Offer Letter**.

2.1.4 If the Delisting Resolution is approved by Shareholders at the EGM, the Exit Offer will remain open for acceptance by Shareholders for a period of at least 14 days after the date of announcement of the said Shareholder's approval. Accordingly, the Exit Offer will close at 5.30 p.m. on 18 February 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror ("**Closing Date**").

2.2 REQUIREMENTS UNDER THE LISTING MANUAL

2.2.1 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company for the Delisting if:

(a) the Company convenes a general meeting to obtain the approval of its Shareholders for the Delisting;

(b) the Delisting Resolution is approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and

(c) the Delisting Resolution is not voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

Shareholders should note that under Rule 1307(2) of the Listing Manual, all Shareholders (including the Offeror and its Concert Parties who hold Shares, Directors who hold Shares and Controlling Shareholders of the Company) are entitled to vote on the Delisting Resolution.

2.2.2 In addition, Rule 1309 of the Listing Manual requires that if the Company is seeking to delist from the Official List of the SGX-ST:

(a) a reasonable exit alternative, which should normally be in cash, should be offered to Shareholders and holders of any other classes of listed securities to be delisted; and

(b) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

2.2.3 An application was made by the Company to the SGX-ST on 26 November 2015 to delist the Company from the Official List of the SGX-ST. The SGX-ST has in its letter dated 4 January 2016 advised that it has no objection to the Delisting, subject to compliance with Rules 1307 and 1309 of the Listing Manual. However, the said decision of the SGX-ST is not to be taken as an indication of the merits of the Delisting.

2.3 CODE REQUIREMENTS

Information relating to the application made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer and the SIC's ruling on the application has been extracted from **paragraph 8 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated.

*"**8. RULINGS FROM THE SIC***

An application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code apply to the Exit Offer. The SIC ruled on 23 October 2015, amongst others, that:

(a) the Exit Offer is exempted from compliance with the following provisions of the Code:

(i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;

(ii) Rule 22 on the offer timetable;

(iii) Rule 28 on acceptances; and

(iv) Rule 29 on the right of acceptors to withdraw their acceptances,

(b) subject to the following conditions:

(i) disclosure in the Delisting Circular of:

(A) the Consolidated NTA per Share of the Group based on the latest published accounts prior to the date of the Delisting Circular; and

(B) particulars of all known material changes as at the latest practicable date which may affect the Consolidated NTA per Share of the Group or a statement that there are no such known material changes; and

(ii) the Exit Offer remaining open for at least:

(A) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting has been obtained, or

(B) 14 days after the date of the announcement of Shareholders' approval of the Delisting Proposal if the Exit Offer Letter is despatched on the same date as the Delisting Circular;

(c) PBS and SD, being concert parties of the Offeror, are exempted from the requirement to make a recommendation on the Exit Offer to the Shareholders as they face irreconcilable conflict of interests in doing so. Nevertheless, PBS and SD must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Exit Offer.

SMK, Mr Chan Ying Lock, Mr Ngiam Tong Tau and Mr Wong Choo You, being the other Directors of the Company, will be considered independent for the purposes of providing a recommendation on the Exit Offer to the Shareholders."

2.4 EXIT OFFER DOCUMENTS

Subject to **paragraph 15 of this Letter to Shareholders**, the Exit Offer Letter and the relevant Acceptance Forms have been despatched to Shareholders by ordinary post together with this Circular.

2.5 ACCEPTANCE PROCEDURES. YOU CAN ACCEPT THE EXIT OFFER ANYTIME DURING THE PERIOD COMMENCING FROM THE DATE OF DESPATCH OF THE EXIT OFFER LETTER AND ENDING AT 5.30 P.M. ON THE CLOSING DATE.

If you decide to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions stated in the Exit Offer Letter and the relevant Acceptance Form. Additional information on the procedures for acceptance and settlement of the Exit Offer is set out in **Appendix I to the Exit Offer Letter**.

Acceptance of the Exit Offer does not mean that you have voted in favour of the Delisting Resolution. To vote in favour of the Delisting Resolution, you may wish to attend the EGM, or if you are unable to attend in person, you may wish to appoint a proxy to attend and vote on your behalf in accordance with paragraph 17.1 of this Letter to Shareholders.

Shareholders should note that in the event that the Offeror acquires 90% or more of the Offer Shares pursuant to the Exit Offer, the Offeror will be entitled to exercise the right of compulsory acquisition under Section 215(1) of the Act, to acquire all the remaining Offer Shares of Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price. It is the intention of the Offeror to exercise such right of compulsory acquisition if the Offeror should acquire sufficient Offer Shares to be entitled to such right. It should be noted that Shareholders who do not accept the Exit Offer would have a corresponding right, under and subject to Section 215(3) of the Act, to require the Offeror to acquire their Shares at the Exit Offer Price by serving notice requiring the Offeror to do so, in the event that the Offeror or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with any other Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares).

Shareholders should also note that if the Delisting Resolution is not approved at the EGM, the condition to the Exit Offer will not be fulfilled. In such event, those Shares in respect of which acceptances have been received shall be transferred to the "Free Balance" of the relevant Shareholder's Securities Account in accordance with the terms set out in the Acceptance Forms.

In the event that the Delisting Resolution is approved by Shareholders and you take no action, the Company will be delisted from the Official List of the SGX-ST, and you will continue to hold unquoted Shares of the Company (as an unlisted company). If you hold Shares that are deposited with CDP, a share certificate representing your delisted Shares that are deposited with CDP will be sent, by ordinary post and at your own risk, to your mailing address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST. The implications of the Delisting for Shareholders are set out in **paragraph 8.2 of this Letter to Shareholders**.

2.6 CPFIS INVESTORS

CPFIS Investors should refer to the separate letter from their respective CPF Agent Banks for information on how to accept or reject the Exit Offer under CPFIS. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. Additional information pertaining to CPFIS Investors is set out in **paragraph 13 of the Exit Offer Letter**.

3. THE EXIT OFFER AND IRREVOCABLE UNDERTAKINGS

Information relating to the Exit Offer and irrevocable undertakings has been extracted from **paragraphs 2 and 3 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated.

*"**2. THE EXIT OFFER***

For and on behalf of the Offeror, RHBSEC hereby makes the Exit Offer to acquire all the Offer Shares, on the terms and subject to the conditions set out in this Exit Offer Letter (including the Acceptance Forms), and on the following basis:

2.1 Consideration

The offer price for each Offer Share is S$0.30 in cash.

AS PREVIOUSLY ANNOUNCED ON 8 DECEMBER 2015, THE OFFEROR DOES NOT INTEND TO REVISE OR INCREASE THE EXIT OFFER PRICE. ACCORDINGLY, THE EXIT OFFER PRICE WILL NOT BE REVISED OR INCREASED UNDER ANY CIRCUMSTANCES.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Each Shareholder who accepts the Exit Offer will receive S$30 for every 100 Offer Shares tendered for acceptance under the Exit Offer.

Save as disclosed in Section 8.2 of Appendix II to this Exit Offer Letter, the Offer Shares will be acquired fully paid, free from Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Announcement Date and thereafter (including but not limited to the right to receive and retain all Distributions, if any, which may be declared, the Record Date for which falls on or after the Joint Announcement Date).

2.2 Adjustments for Distributions

Without prejudice to the generality of the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Record Date for which falls on or after the Joint Announcement Date. In the event of any such Distributions, the Exit Offer Price payable to a Shareholder who validly accepts or has validly accepted the Exit Offer shall be reduced by an amount which is equal to the amount of such Distributions as follows, depending on when the Exit Offer Settlement Date falls:

(a) if the Exit Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Exit Offer Price of S$0.30 in cash for each Offer Share, as the Offeror will receive the Distributions in respect of such Offer Share from the Company;

(b) if the Exit Offer Settlement Date falls after the Record Date, the Exit Offer Price payable for each Offer Share tendered in acceptance shall be reduced by an amount which is equal to the Distributions in respect of such Offer Shares, as the Offeror will not receive such Distributions from the Company.

2.3 Conditions

The Delisting Proposal and the Exit Offer will be conditional on:

(a) the approval of the SGX-ST for the Delisting;

(b) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares, if any) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors who hold Shares and controlling Shareholders need not abstain from voting on the Delisting Resolution) in accordance with Rule 1307 of the Listing Manual;

(c) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares, if any) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM in accordance with Rule 1307 of the Listing Manual; and

*(d) the receipt by the Offeror, by the close of the Exit Offer, of valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding more than 50% of the Shares (excluding Shares held by the Company as treasury shares, if any) as at the close of the Exit Offer (the "**Minimum Acceptance Condition**"),*

*(collectively, "**Delisting Proposal Conditions**").*

Shareholders are to note that if the Delisting Proposal Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

An application was made by the Company to the SGX-ST on 26 November 2015 to delist the Company from the Official List of the SGX-ST. The SGX-ST has in its letter dated 4 January 2016 advised that it has no objection to the Delisting, subject to the approval by Shareholders in compliance with Rule 1307 of the Listing Manual. However, the aforesaid decision of the SGX-ST is not to be taken as an indication of the merits of the Delisting.

Under Rule 1307(2) of the Listing Manual, all Shareholders (including the Offeror, its Concert Parties who hold Shares, Directors who hold Shares and controlling Shareholders) are entitled to vote on the Delisting Resolution.

The Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders and the Additional Irrevocable Undertaking from SMK that they will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. Further details of the Irrevocable Undertakings and the Additional Irrevocable Undertaking are set out in Section 3 of this Exit Offer Letter.

As at the Latest Practicable Date, the Undertaking Shareholders and SMK hold in aggregate 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares. SMK holds 1,584,000 Shares, representing approximately 0.61% of the total number of issued Shares. The respective shareholdings of each of the Undertaking Shareholders are set out in Section 4.3 to this Exit Offer Letter.

Accordingly, as at the Latest Practicable Date, an aggregate of 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares, will vote in favour of the Delisting Resolution at the EGM.

In view of the Irrevocable Undertakings and the Additional Irrevocable Undertaking, the Offeror would receive acceptances of at least 73.85% of the Offer Shares. As such, once the Offeror receives acceptances from the Undertaking Shareholders and SMK and in respect of their Undertaking Shares and Additional Undertaking Shares respectively, the Minimum Acceptance Condition will be satisfied.

2.4 Warranty

Save as disclosed in Section 8.2 of Appendix II to this Exit Offer Letter, acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him/her as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter (including the right to receive and retain all Distributions, if any, which may be declared, paid or made, the Record Date for which falls on or after the Joint Announcement Date).

2.5 Duration and Closing Date

Shareholders may choose to submit the relevant Acceptance Form(s) to accept the Exit Offer before the EGM. However, please note that such acceptance is conditional upon the Delisting Proposal Conditions being satisfied. In the event that any of the Delisting Proposal Conditions is not fulfilled, the Exit Offer will lapse and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution is approved by Shareholders at the EGM, the Exit Offer will remain open for acceptance by Shareholders for a period of at least 14 days after the date of the announcement of the said Shareholders' approval.

Although no extension of the Closing Date is currently contemplated by the Offeror, if the Closing Date is extended, an announcement on the same will be made, and the Exit Offer will remain open for acceptance for such period as may be announced. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

Accordingly, the Exit Offer will close at 5.30 p.m. on 18 February 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.6 Procedures for Acceptance

A Shareholder can, in relation to all or part of his Offer Shares, either:

(a) accept the Exit Offer in respect of such Offer Shares in full or in part, in accordance with the procedures set out in Appendix I to this Exit Offer Letter; or

(b) take no action and let the Exit Offer lapse or close, as the case may be, in respect of his Offer Shares.

In the event that the Delisting Proposal Conditions are satisfied, Shareholders should note that the Company will be delisted from the Official List of the SGX-ST after the close of the Exit Offer, irrespective of the level of acceptances of the Exit Offer. In such event, Shareholders who do not accept the Exit Offer will be left holding unquoted Shares in an unlisted company.

Shareholders should also note that voting in favour of the Delisting Resolution does not constitute an acceptance of the Exit Offer and Shareholders who wish to accept the Exit Offer must tender their acceptances in accordance with the procedures set out in Appendix I to this Exit Offer Letter.

3. IRREVOCABLE UNDERTAKINGS AND ADDITIONAL IRREVOCABLE UNDERTAKING

The Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders and the Additional Irrevocable Undertaking from SMK that, amongst others, they will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. As at the Latest Practicable Date, the Undertaking Shareholders and SMK collectively hold an aggregate of 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares capital of the Company.

The Irrevocable Undertakings and the Additional Irrevocable Undertaking shall expire if (a) the Delisting Resolution is not approved at the EGM (or at any adjournment thereof), or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes.

*The Irrevocable Undertakings also include an agreement by each of the Undertaking Shareholders to either waive or defer at least until ten (10) days after the close of the Exit Offer, the payment of, or capitalise into new shares in the capital of the Offeror, the Exit Offer Price payable by the Offeror in respect of all the Undertaking Shares tendered in acceptance of the Exit Offer to a date to be mutually agreed between the Offeror and each of the Undertaking Shareholders after the close of the Exit Offer, notwithstanding the provisions of the Code in relation to the time period in which payment should be made ("**Undertaking Shareholders Settlement Arrangement**").*

Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date neither the Offeror nor its Concert Parties has received any irrevocable undertaking from any party to (a) vote for or against the Delisting Resolution, and (b) accept or reject the Exit Offer."

4. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

Information on the Offeror and its Concert Parties has been extracted from **paragraph 4 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated. Additional information on the Offeror and its Concert Parties is set out in **Appendix 2 of this Circular**.

"4 INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

4.1 The Offeror

The Offeror is a special purpose vehicle incorporated in Singapore on 2 October 2015 for the purpose of making the Exit Offer. Its registered address is at 5 Woodlands Terrace, Zagro Global Hub, Singapore 738430. As at the Latest Practicable Date, the Offeror is wholly-owned by PBS and SD. PBS and SD are also the Offeror Directors.

As at the Latest Practicable Date, the Offeror does not hold any Shares in the Company.

4.2 Shareholding Structure of the Offeror

As at the Latest Practicable Date, the shareholding structure of the Offeror is as follows:

	Number of issued and paid-up ordinary shares in the Offeror	***As a percentage of total issued and paid-up ordinary shares in the Offeror (%)***
PBS	*6*	*60.00*
SD	*4*	*40.00*
Total	***10***	***100.00***

4.3 Parties Acting in Concert with the Offeror

The parties who are deemed to be acting in concert with the Offeror in relation to the Exit Offer are as follows:

(a) PBS, who is an Offeror Director and a Director of the Company;

(b) SD, who is an Offeror Director and a Director of the Company;

(c) PohConnect, a company which PBS and SD owns 60.00% and 40.00% of the total issued share capital respectively;

(d) Ho Hong Lian Jean, who is the niece of SD;

(e) Poh Beng Seng, who is the brother of PBS;

(f) Poh Jin Kiat JJ, who is the nephew of PBS;

(g) Poh Jin Shen, who is the nephew of PBS;

(h) Soh Ivy, who is the sister of SD; and

(i) Soh Kelvin, who is the brother of SD.

As at the Latest Practicable Date, the shareholdings of the Concert Parties in the Company are as follows:

	Number of Shares	As a percentage of total number of Shares (%)
PBS	*139,215,513*[(1)]	*53.7985*
SD	*30,503,360*	*11.7877*
PohConnect	*19,800,000*	*7.6515*
Ho Hong Lian Jean	*40,000*	*0.0155*
Poh Beng Seng	*5,000*	*0.0019*
Poh Jin Kiat JJ	*50,000*	*0.0193*
Poh Jin Shen	*20,000*	*0.0077*
Soh Ivy	*2,449,920*[(2)]	*0.9467*
Soh Kelvin	*4,000*	*0.0015*
Total	***192,087,793***	***74.2303***

Notes:

(1) 100,000,000 Shares are held through a nominee.

(2) The 2,449,920 Shares are held through a nominee.

4.4 Additional Information

Additional information on the Offeror and its Concert Parties can be found in Appendix II to this Exit Offer Letter."

5. INFORMATION ON THE COMPANY

The Company is incorporated in Singapore and was listed on the then SESDAQ (the Stock Exchange of Singapore Dealing and Automated Quotation System) on 17 June 1996 and was subsequently transferred to the Mainboard of the SGX-ST on 10 July 2000. The principal activity of the Company is investment holding. The subsidiaries of the Company are primarily engaged in the manufacturing and distribution of crop care and animal health products.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$30,026,424 comprising 258,772,238 Shares and there are no Shares held in treasury.

Additional information on the Company and the Group, including a summary of the Group's financial performance for FY2012, FY2013, FY2014, HY2014 and HY2015 is set out in **Appendix 3 of this Circular**.

6. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS

Rationale for the Delisting and the Offeror's intentions for the Group have been extracted from **paragraph 5 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

"5. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS

5.1 Opportunity to Realise Investment with an Upfront Premium

The Exit Offer Price represents the following premia over the historical market prices of the Shares prior to the Joint Announcement Date:

Description	***Share Price (S$)***[1]	***Exit Offer Price's premium over Share Price (%)***
(a) Last transacted price per Share on 2 November 2015, being the Last Trading Day	*0.260*	*15.38*
(b) VWAP per Share for the one (1)-month period preceding the Joint Announcement Date	*0.252*	*19.05*
(c) VWAP per Share for the three (3)-month period preceding the Joint Announcement Date	*0.250*	*20.00*
(d) VWAP per Share for the six (6)-month period preceding the Joint Announcement Date	*0.258*	*16.28*
(e) VWAP per Share for the 12-month period preceding the Joint Announcement Date	*0.268*	*11.94*

Note:

(1) Source: Bloomberg L.P.

The Exit Offer provides Shareholders with an opportunity to realise their investments in the Company, without incurring any brokerage and other trading costs, for a cash consideration at a premium over the market prices of the Offer Shares up to and including the Last Trading Day, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

5.2 Weak Liquidity of the Shares

The trading of the Shares on the SGX-ST has generally been relatively thin, with sporadic trading activity from time to time over the past few years. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods prior to and including 2 November 2015, being the Last Trading Day are approximately as follows:

Period prior to the Last Trading Day	***Average Daily Trading Volume[(1)(2)] ('000)***	***Total Trading Volume[(1)] ('000)***
Last 12 months	*35*	*8,629*
Last six (6) months	*38*	*4,724*
Last three (3) months	*44*	*2,698*
Last one (1) month	*31*	*650*

Notes:

(1) Source: Bloomberg L.P.

(2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of Market Days during the respective periods.

The average daily trading volume of the Shares for the 12-month period prior to and including the Last Trading Day of 34,653 is equivalent to 0.04% of the Company's free float Shares as at the Last Trading Day.

The Exit Offer will provide an exit opportunity for Shareholders who wish to realise their investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares.

5.3 No present need for access to Singapore capital markets

The Company has not tapped on the Singapore capital markets for the past 15 years. It is unlikely that the Company will need to tap on the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

5.4 Compliance Costs of Maintaining Listing

The Company has been incurring costs in maintaining the Company's listing status. As a non-listed entity, the Group will be able to (a) achieve cost-savings by dispensing costs associated with complying with the SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance as well and (b) fully focus its time, human and other resources on its business operations.

5.5 Offeror's Intentions for the Group

The Offeror currently has no intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider and evaluate options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

Following the close of the Exit Offer, the Offeror will undertake a comprehensive review of the businesses and fixed assets of the Group."

7. FINANCIAL ASPECTS OF THE EXIT OFFER

7.1 The financial aspects of the Exit Offer have been extracted from **paragraph 7 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

"7. FINANCIAL ASPECTS OF THE EXIT OFFER

7.1 Closing Prices of the Shares

The table below sets out the (a) closing prices of the Shares on the SGX-ST on the last Market Day (on which there were trades in respect of the Shares) on a monthly basis from May 2015 to October 2015 (being six (6) calendar months prior to the Joint Announcement Date) and the aggregate trading volume of the Shares for the respective months, (b) closing price and aggregate trading volume of the Shares on 2 November 2015, being the Last Trading Day, and (c) closing price and aggregate trading volume of the Shares on the Latest Practicable Date:

Month	***Last closing price (S$)***	***Total Trading Volume ('000)***
May 2015	*0.275*	*877*
June 2015	*0.260*	*674*
July 2015	*0.260*	*475*
August 2015	*0.245*	*1,748*
September 2015	*0.240*	*296*
October 2015	*0.250*	*441*
2 November 2015, being the Last Trading Day	*0.260*	*213*
6 January 2016, being the Latest Practicable Date	*0.300*	*30*

Source: Bloomberg L.P.

7.2 Highest and Lowest Prices of the Shares

As reported by Bloomberg L.P., the highest and lowest closing prices of the Shares on the SGX-ST during the period commencing six (6) calendar months prior to the Joint Announcement Date and ending on the Latest Practicable Date (being 4 May 2015 to 6 January 2016 (both dates inclusive)) are as follows:

	Price (S$)	***Date(s) Transacted***
Highest closing price	*0.30*	*25 November 2015, 26 November 2015, 27 November 2015, 30 November 2015, 1 December 2015, 2 December 2015, 3 December 2015, 4 December 2015, 7 December 2015, 8 December 2015, 9 December 2015, 10 December 2015, 11 December 2015, 14 December 2015, 15 December 2015, 16 December 2015, 17 December 2015, 18 December 2015, 21 December 2015, 22 December 2015, 23 December 2015, 28 December 2015, 30 December 2015, 4 January 2016, 5 January 2016 and 6 January 2016*
Lowest closing price	*0.235*	*24 August 2015*

Source: Bloomberg L.P."

7.2 REVALUED NTA OF THE GROUP

In connection with the Exit Offer, the Group has commissioned an independent valuation to determine the market value of the Group's property assets located at No. 5 Woodlands Terrace, Singapore 738430 (comprising a six storey detached factory with ancillary office) ("**Revalued Assets**"), further information of which is set out in **paragraph 8.3 of the IFA Letter**. The Valuation Report Summary is set out in **Appendix 5 of this Circular**.

"Market Value" is defined in the Valuation Report Summary as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In arriving at the assessed market value, the Valuer has relied on the investment and cost method as further described in the Valuation Report Summary.

Based on the Valuation Report Summary, the market value of the Revalued Assets as at 12 November 2015 is S$16 million. As set out in **paragraph 8.3 of the IFA Letter**,

(a) the computed revalued NTA of the Group as at 30 June 2015 will amount to approximately S$91 million or the equivalent of revalued NTA per Share of S$0.35. Accordingly, the Exit Offer Price represents a discount of approximately 14.3% to the revalued NTA per Share;

(b) notwithstanding that the Exit Offer Price is at a discount to the revalued NTA per Share, the Directors have confirmed that the Group does not have any impending

plans for a material disposal and/or conversion of the use of the Group's assets and/or any material change in the nature of the Group's businesses as at the Latest Practicable Date, and the Offeror has stated that it has no intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business.

As the Group does not have any impending plans for a material disposal of the Revalued Assets, no potential tax liabilities (arising from an asset sale at the amount of the valuation) would be crystallised in respect of the Revalued Assets.

The Valuer has confirmed that the market value of the Revalued Assets would not be materially different if the valuation was conducted on the Latest Practicable Date.

8. IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS

8.1 COMPULSORY ACQUISITION OF SHARES BY THE OFFEROR

Information relating to the compulsory acquisition of Shares by the Offeror and listing status of the Company have been extracted from **paragraph 6 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

"6. COMPULSORY ACQUISITION

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer ("**Dissenting Shareholders**") at a price equal to the Exit Offer Price.*

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. ***Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.***

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations and/or their nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, and its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares).

Dissenting Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

In the event that the Delisting Proposal Conditions are satisfied, but (i) the Offeror is not entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act; or (ii) Dissenting Shareholders are not entitled to require the Offeror

to acquire their Shares at the Exit Offer Price under Section 215(3) of the Companies Act, the Company will be delisted, and Shareholders who do not accept the Exit Offer will be left holding unquoted Shares in an unlisted company."

8.2 IMPLICATIONS OF DELISTING FOR SHAREHOLDERS

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies due to the lack of marketability. Following the Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares, as there is no arrangement for such Shareholders to exit. Even if such Shareholders were able to sell their Shares, they would likely receive a lower price as compared with the market prices of the shares of comparable listed companies.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the close of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer.

If the Company is delisted from the Official List of the SGX-ST, it will no longer be obliged to comply with the listing requirements of the SGX-ST. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Act and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Act which includes, *amongst others*, the entitlement to be sent a copy of the profit and loss statement and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with the CDP and does not accept the Exit Offer will be entitled to one share certificate representing his delisted Shares. The Registrar will arrange to forward the share certificates to such Shareholders (not being CPFIS Investors) for their safe-keeping, by ordinary post and at the Shareholders' own risk, to their respective mailing addresses as such addresses appear in the records of CDP. The share certificates belonging to CPFIS Investors will be forwarded to their respective CPF Agent Banks for their safe-keeping, details of which are set out in the Exit Offer Letter. If a Shareholder wishes to split his share certificate into other denominations, he will be required to pay for each share certificate so required, the prevailing rate for which is S$2.00 (excluding goods and services tax).

Shareholders who are in doubt of their position should seek independent legal advice.

9. CONFIRMATION OF FINANCIAL RESOURCES

The confirmation of financial resources has been extracted from **paragraph 9 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

"9. CONFIRMATION OF FINANCIAL RESOURCES

RHBSEC, the financial adviser to the Offeror, has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer by the holders of the Offer Shares on the basis of the Exit Offer Price, which for the avoidance of doubt, excludes the Undertaking Shares pursuant to the Undertaking Shareholders Settlement Arrangement as described in Section 3 above."

10. NO COMPETING OFFER RECEIVED

As at the Latest Practicable Date, no competing offer has been received by the Company.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The table below sets out the Directors' and Substantial Shareholders' interests in the Company as at the Latest Practicable Date, based on the information in the Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively.

Directors	**Direct interest**	**Deemed interest**	**Total**	
	Number of Shares	**Number of Shares**	**Number of Shares**	**%**
Poh Beng Swee[(1)]	139,215,513[(2)]	50,303,360	189,518,873	73.24
Soo Kam Beng @ Soo Man Kheng	1,584,000	–	1,584,000	0.61
Chan Ying Lock	–	–	–	–
Ngiam Tong Tau	–	–	–	–
Wong Choo You	–	–	–	–
Soh Dolly[(3)]	30,503,360	159,015,513	189,518,873	73.24
Substantial Shareholders (other than the Directors)	**Number of Shares**	**Number of Shares**	**Number of Shares**	**%**
PohConnect Holdings Pte Ltd	19,800,000	–	19,800,000	7.65

Notes:

(1) Mr Poh Beng Swee is deemed to be interested in the Shares held by his spouse, Ms Soh Dolly and PohConnect Holdings Pte Ltd, a company in which he controls not less than 20% of the voting Shares.

(2) 100,000,000 Shares are held through a nominee.

(3) Ms Soh Dolly is deemed to be interested in the Shares held by her spouse, Mr Poh Beng Swee and PohConnect Holdings Pte Ltd, a company in which she controls not less than 20% of the voting Shares.

Save as disclosed above, none of the Directors has any direct or deemed interest in the Shares.

Save as disclosed in **Appendix 3 of this Circular**, none of the Directors has any direct or deemed interest in the Offeror Securities (as defined in **Appendix 3 of this Circular**).

12. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATIONS

The SIC ruled on 23 October 2015 that the Relevant Directors are exempted from the requirement to make a recommendation on the Exit Offer to Shareholders as they face irreconcilable conflicts of interests in doing so, being concert parties of the Offeror. Nonetheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents or advertisements issued by, or on behalf of, the Company to Shareholders in connection with the Exit Offer.

13. ADVICE OF INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

13.1 IFA

NRA has been appointed as independent financial adviser to the Independent Directors. The letter from NRA setting out its advice to the Independent Directors is set out in **Appendix 1 of this Circular** ("**IFA Letter**"). Shareholders are advised to read and consider the IFA Letter in its entirety.

13.2 IFA'S ADVICE

Information relating to the advice of the IFA to the Independent Directors and the key factors it has taken into consideration have been extracted from **paragraph 9 of the IFA Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the IFA Letter unless otherwise stated. Shareholders are advised to read the following extract in conjunction with, and in the context of the full text of the IFA Letter.

"In arriving at our advice in respect of the Exit Offer, we have taken into account, amongst others, the following key considerations. This summary should be read in conjunction with, and in the context of, the full text of this letter.

Based our overall financial assessment of the financial terms of the Exit Offer Price, we would highlight the following:

(a) Share Price Performance: The Exit Offer Price represents a premium over the VWAPs and last transacted prices of the Shares for all the periods taken into account in this Letter at approximately 11.9% to 20.0% over the 12-month period prior to the Joint Announcement Date. The Exit Offer Price is also equivalent to the VWAP and last transacted prices taken into account from the Joint Announcement Date up to the Latest Practicable Date.

(b) Market Liquidity of the Shares: The trading liquidity of the Shares on the SGX-ST in the past year has generally been thin. The average daily traded volume of the Shares as a percentage of Free Float for the periods of 12-months, 6-months, 3-months and 1-month prior to the Joint Announcement Date represents approximately 0.042%, 0.045%, 0.052% and 0.037%, respectively.

The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investments in the Shares but may find it difficult to do so as a result of the low trading liquidity.

(c) Comparison with Comparable Companies: The P/E ratio of the Group as implied by the Exit Offer Price of 10.00 times is within the range of the P/E ratios and above both the mean and median P/E ratios of the Comparable Companies.

The P/NTA ratio of the Group as implied by the Exit Offer of 0.97 times is above the range of the P/NTA ratios of the Comparable Companies.

The EV/EBITDA ratio of the Group as implied by the Exit Offer of 4.78 times is within the range of the EV/EBITDA ratios and is slightly above the median and is slightly below the mean EV/EBITDA ratios of the Comparable Companies.

(d) Comparison with Successful Privatisation/Delisting Transactions on the SGX-ST: The market price premia implied by the Exit Offer Price are within the range but below the mean and median premia of the Precedent Transactions. The P/NTA ratio implied by the Exit Offer Price is within the range of the P/NTA ratios of the Precedent Transactions and is equivalent to the mean P/NTA and above the median P/NTA ratios of the Precedent Transactions.

(e) Dividend Yield: The Company has been consistent in declaring dividends. According to the Directors, the Company does not have a fixed dividend policy and payment of future dividends, if any, will depend on, amongst others, financial performance of the Group, working capital requirements and projected capital expenditure and other investment plans.

(f) Other relevant considerations in relation to the Exit Offer such as:

(i) Rationale for the Delisting: (1) The weak liquidity of the Shares traded; (2) the Exit Offer being an opportunity for Shareholders to realise their investments at an upfront premium; (3) the compliance costs in relation to listing; (4) and no present need for access to the Singapore capital markets;

(ii) No competing offer has been received and the likelihood of a competing offer from any third party is also remote given that the Offeror and parties in concert have already secured holdings of more than half of the total number of issued Shares;

(iii) Irrevocable Undertakings and Additional Irrevocable Undertaking, Compulsory acquisition and Implications of Delisting (shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies);

(iv) Recent financial performances and outlook of the Group (section 8.7.1);

(v) Relative Share price performance vis-à-vis the performance of the market index (section 8.1); and

(vi) Analysis of NTA and revalued NTA of the Group against the Exit Offer Price: Notwithstanding that the Exit Offer is at an approximate 14.3% discount to the revalued NTA per Share, the Offeror has stated that it does not have any impending plans for a re-deployment of the Group's fixed assets and/or making any material change in the Group's existing business. As such, the value of the Group's assets implied by the NTA-based valuation approach may not be realised and would not be a material consideration.

After having carefully considered the information available to us, and based upon the financial, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date as well as the considerations set out in this Letter in its entirety, we are of the opinion that, on balance, the financial terms of the Exit Offer are: (i) fair and reasonable; and (ii) not prejudicial to the interests of the minority Shareholders. Accordingly, we advise the Independent Directors to recommend that Shareholders vote in favour of the Delisting Resolution and either accept the Exit Offer or sell their Shares in the open market if they can obtain a price higher than the Exit Offer (after taking into account all brokerage commissions or transaction costs in connection with open market transactions) by doing so.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately."

14. INDEPENDENT DIRECTORS' RECOMMENDATIONS

The Independent Directors have reviewed the terms of the Delisting Proposal (including the Exit Offer) and have carefully considered the advice of the IFA in its letter set out in **Appendix 1 of this Circular**. The Independent Directors **concur** with the advice of the IFA in respect of the Delisting Resolution and Exit Offer. Accordingly, the Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the Delisting Resolution.

In relation to the Exit Offer and in the event that the Delisting Resolution is passed, the Independent Directors, taking into consideration the Offeror's stated intentions, recommend that Shareholders **ACCEPT** the Exit Offer.

Alternatively, Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Exit Offer Price (after deducting related expenses) or choose not to accept the Exit Offer. Shareholders who wish to retain all or part of their investment in the Shares are advised to take into consideration the general economic outlook and the implications of holding Shares in an unlisted or delisted company as set out in **paragraph 8.2 of this Letter to Shareholders** in the event that the Delisting Proposal Conditions are met.

In rendering the above opinion and giving the above recommendations, both the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual 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. Accordingly, the Independent Directors advise that the opinion and advice of the IFA should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Exit Offer.

15. OVERSEAS SHAREHOLDERS

15.1 OVERSEAS SHAREHOLDERS

Information relating to overseas Shareholders have been extracted from **paragraph 12 of the Exit Offer Letter** and reproduced below, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated:

*"**12. OVERSEAS SHAREHOLDERS***

12.1 Overseas Jurisdictions

This Exit Offer Letter does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Exit Offer Letter in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Exit Offer Letter in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Exit Offer Letter is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any other formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the applicable law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

12.2 Overseas Shareholders

*The availability of the Exit Offer to the Shareholders whose addresses are outside Singapore, as shown on the Register of Members or, as the case may be, in the Depository Register ("**Overseas Shareholders**" and each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves of and observe any applicable legal requirements in the relevant overseas jurisdictions, and exercise caution in relation to the Exit Offer, as this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been reviewed by any regulatory authority in any overseas jurisdiction.*

For the avoidance of doubt, the Exit Offer is open to all the Shareholders holding Offer Shares, including those to whom this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been, or may not be, sent.

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and/or any related documents, and/or (b) accept the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, RHBSEC, CDP, the Registrar, the Company and/or any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, RHBSEC, CDP, the Registrar, the Company and/or any person acting on its behalf may be required to pay. In (i) requesting for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and/or any related documents, and/or (ii) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, RHBSEC, CDP, the Registrar and the Company 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.

ANY OVERSEAS SHAREHOLDER WHO IS IN ANY DOUBT ABOUT HIS POSITION SHOULD CONSULT HIS PROFESSIONAL ADVISER IN THE RELEVANT JURISDICTION.

12.3 Copies of the Exit Offer Letter, Acceptance Forms and Delisting Circular

Where there are potential restrictions on sending this Exit Offer Letter, the Acceptance Forms and the Delisting Circular to any overseas jurisdiction, the Offeror, RHBSEC, CDP, the Registrar and the Company each reserves the right not to send these documents to such overseas jurisdictions.

Subject to compliance with applicable laws, Overseas Shareholders may, nonetheless, obtain copies of this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents, during normal business hours, from the date of this Exit Offer Letter and up to the Closing Date, from the Offeror c/o Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a Scripholder), 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or The Central Depository (Pte) Limited (if he is a depositor), 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write in to the Offeror c/o Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a Scripholder) at the above address or The Central Depository (Pte) Limited, at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk up to five (5) Market Days prior to the Closing Date.

12.4 Notice

The Offeror and RHBSEC each reserves the right to (a) reject any acceptance of the Exit Offer where it believes, or has reason to believe, that such acceptance may violate the applicable laws of any jurisdiction, and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all the Shareholders (including the Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a 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 to receive or see such announcement or advertisement."

15.2 COPIES OF CIRCULAR

On account of the potential restrictions on sending this Circular to any overseas jurisdiction, the Company reserves the right not to send this Circular to any overseas jurisdiction. Subject to compliance with applicable laws, any affected overseas Shareholder may, nonetheless, attend in person and obtain copies of this Circular during normal business hours and up to 5.30 p.m. on the Closing Date, from the Company at its registered office at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430. Alternatively, an overseas Shareholder may, subject to compliance with applicable laws, write to the Company at the above-stated address to request that a copy of this Circular be sent to an address in Singapore by ordinary post at his own risk, at any time up to five (5) Market Days prior to the Closing Date.

16. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 101 of this Circular, will be held on 4 February 2016 at 2.00 p.m. at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 for the purpose of considering and, if thought fit, passing, on a poll, with or without any modification, the resolution set out in the Notice of EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by CDP, at least 72 hours before the EGM.

17. ACTION TO BE TAKEN BY SHAREHOLDERS

17.1 VOTING AT THE EGM

You will find enclosed with this Circular, the Notice of EGM and proxy form. If you are unable to attend the EGM and you wish to appoint a proxy to attend and vote on your behalf, you should complete and sign the proxy form attached to this Circular in accordance with the instructions printed therein.

You should then return the completed and signed proxy form to the Company's registered office, Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430, not later than 48 hours before the time fixed for the EGM. Your completion and return of the proxy form will not prevent you from attending and voting in person at the EGM if you so wish, in place of your proxy.

17.2 EXIT OFFER LETTER AND ACCEPTANCE FORMS

The Exit Offer Letter and the relevant Acceptance Form(s) have been despatched to Shareholders by ordinary post together with this Circular. **Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptance is conditional on the Delisting Proposal Conditions being satisfied.**

Shareholders should note that if the Delisting Resolution is not passed at the EGM, the Delisting Proposal Conditions will not be fulfilled and the Exit Offer will lapse and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

17.2.1 Accepting the Exit Offer. Subject to the Delisting Resolution being approved at the EGM, to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions stated in the Exit Offer Letter and the relevant Acceptance Form. Additional information on the procedures for acceptance and settlement of the Exit Offer is set out in **Appendix I to the Exit Offer Letter**.

17.2.2 No Acceptance. If you decide not to accept the Exit Offer, you do not need to take any action. In the event that the Delisting Resolution is approved by Shareholders and the Company is delisted from the Official List of the SGX-ST, you will continue to hold unquoted Shares of the Company (as an unlisted company). The implications of the Delisting of the Company for Shareholders and the right of compulsory acquisition under Section 215(1) of the Act are set out in **paragraph 8 of this Letter to Shareholders**.

17.2.3 CPFIS Investors. CPFIS Investors should receive further information on how to accept the Exit Offer from their CPF Agent Banks shortly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Exit Offer will receive the Exit Offer Price payable in respect of their Offer Shares in their CPFIS accounts.

18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including the Relevant Directors and those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than those relating to the Offeror, the parties acting in concert with the Offeror, the Exit Offer, the recommendations of the Independent Directors and the IFA Letter) 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 Delisting and the Group and the Directors have taken all reasonable care to ensure that, to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular (other than those relating to the Offeror and parties acting in concert with the Offeror, the Exit Offer, the recommendations of the Independent Directors and the IFA Letter) are fair and accurate in all material aspects and the Directors are not aware of any material facts the omission of which would make any statement in this Circular misleading in any material respect.

In respect of the IFA Letter, the responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are to the best of their knowledge and belief, fair and accurate in all material respects.

The recommendation of the Independent Directors to Shareholders set out in **paragraph 14 of this Letter to Shareholders** is the sole responsibility of the Independent Directors.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources, the Exit Offer Letter or obtained from the Offeror, 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.

19. CONSENTS

19.1 NRA (as independent financial adviser to the Independent Directors in connection with the Exit Offer) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in **paragraph 13.2 of this Letter to Shareholders**, the IFA Letter set out in **Appendix 1 of this Circular** and all references thereto, in the form and context in which they appear in this Circular.

19.2 The Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Circular with all references to its name in the form and context in which they appear in this Circular.

19.3 Robert Khan & Co Pte. Ltd., the independent asset valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the Valuation Report Summary and all references to its name in the form and context in which they appear in this Circular.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 during normal business hours from the date hereof up to and including the date of the EGM:

(a) the Delisting Proposal;

(b) the Joint Announcement;

(c) the IFA Letter as set out in **Appendix 1 of this Circular**;

(d) the Exit Offer Letter;

(e) the Constitution of the Company;

(f) the unaudited financial statement of the Group for HY2014 and HY2015;

(g) the Valuation Report;

(h) the Valuation Report Summary;

(i) the annual reports of the Company for FY2012, FY2013 and FY2014; and

(j) the consent letters referred to in **paragraph 19 of this Letter to Shareholders**.

21. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of
the Board of Directors of
ZAGRO ASIA LIMITED

Chan Ying Lock
Lead Independent Director

13 January 2016

The Independent Directors
Zagro Asia Limited
5 Woodlands
Terrace #06-00
Singapore 738430

Dear Sirs

PROPOSED VOLUNTARY DELISTING OF ZAGRO ASIA LIMITED (THE "COMPANY") PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 13 January 2016 issued by the Company to its Shareholders (the "Circular") shall have the same meanings herein.

1. INTRODUCTION

1.1 On 03 November 2015, the Company and Rumakita Investments Pte. Ltd. (the "Offeror") jointly announced that the Offeror had presented the Delisting Proposal to the directors of the Company to seek the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") pursuant to Rules 1307 and 1309 of the Listing Manual (the "Delisting").

Under the terms of the Delisting Proposal, RHB Securities Singapore Pte. Ltd. ("RHBSEC") will make, for and on behalf of the Offeror, a conditional Exit Offer to purchase all the Offer Shares at the Exit Offer Price (as defined below). The directors of the Company (the "Directors"), having considered the Delisting Proposal, have resolved to convene the EGM to seek the approval of Shareholders for the Delisting and to make an application to the SGX-ST for the Delisting.

NRA Capital Pte. Ltd. ("NRA Capital") was appointed Independent Financial Adviser (the "IFA") to provide its opinion on the fairness and reasonableness of the Exit Offer Price and this letter (the "Letter") sets out, *amongst others*, our evaluation and assessment of the financial terms of the Exit Offer Price and our recommendation thereon, and forms part of the Circular providing, *amongst others*, the details of the Exit Offer and the recommendation of the Independent Directors (as defined below) in respect thereof.

2. TERMS OF REFERENCE

The directors that are deemed independent for the purposes of providing a recommendation(s) on the Exit Offer to Shareholders (the "Independent Directors") have appointed NRA Capital to advise them on the fairness and reasonableness of the Exit Offer Price in accordance with Rule 1309 of the SGX-ST Listing Manual, and accordingly have confined our evaluation only to the financial terms of the Exit Offer and our terms of reference do not require us to evaluate or comment on the strategic merits, long term or otherwise, and/or commercial risks and/or commercial merits (if any) of the Exit Offer or the future prospects and earnings potential of the Company and its subsidiaries (the "Group") or of the industry in which the Group operates or intends to operate in, and we have not

made such evaluation or comment. Such evaluation or comment, if any, remains solely the responsibility of the Directors and/or the management of the Company (the "Management"). However, we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

We were not privy to the negotiations in relation to the Exit Offer. We do not, by this Letter, make any representation or warrant the merits of the Exit Offer. We have not been requested to, and we do not express an opinion on the relative merits of the Exit Offer as compared to any other alternative transactions that may be contemplated. We have not been instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Company's Shares.

In the course of our evaluation of the financial terms of the Exit Offer, we have relied on publicly available information collated by us as well as information provided and representations made, both written and verbal, by the Directors, the Management and the professional advisers of the Company. We have not independently verified such information or representations, whether written or verbal, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. However, we have made such enquiries and exercised our judgment, as we deemed necessary and have found no reason to doubt the reliability of such information and representations.

We have relied upon the assurances of the Directors and the Management that, upon making all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Exit Offer, the Company and the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company or the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

In evaluating the financial terms of the Exit Offer and in arriving at our opinion thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express and we do not express any view on the growth prospects and earnings potential of the Company or the Group in connection with our opinion herein.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company or the Group (including without limitation, property, plant and equipment). However, we have been furnished with an asset valuation report prepared by Robert Khan & Co Pte. Ltd., being the independent valuer commissioned by the Company to perform an independent valuation of the market value of the Revalued Assets (as defined in section 8.3 of this Letter) dated 23 November 2015. A summary of the valuation report ("Valuation Report Summary") is set out in Appendix 5 of the Circular.

Our opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions prevailing as at 06 January 2016 (the "Latest Practicable Date"), and the information provided and representations made available to us as at the Latest Practicable

Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder. As different shareholders would have different investment profiles and objectives, we recommend that any individual shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Exit Offer. The recommendations made by them shall remain the responsibility of the Independent Directors. Our recommendation to the Independent Directors in relation to the Exit Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE EXIT OFFER

Shareholders should have, by now, received a copy of the Exit Offer Letter dated 13 January 2016 issued by the Offeror, setting out, *amongst others,* the terms and conditions of the Exit Offer. We recommend that the Independent Directors advise Shareholders to read the terms and conditions contained in the Exit Offer Letter and the Joint Announcement carefully.

As set out in paragraph 2 of the Exit Offer Letter and sections 2 and 3 of the Circular, the Offeror has offered to acquire the Offer Shares on the terms and subject to the conditions set out in the Exit Offer Letter, FAA and FAT, the key terms of which are set out below:

3.1 Offer Price

FOR EACH OFFER SHARE: S$0.30 in cash (the "Exit Offer Price").

3.2 Offer Shares

The Exit Offer is extended to all the Shares (excluding treasury shares) not already owned, controlled or agreed to be acquired by the Offeror and its parties acting in concert.

3.3 No Encumbrances

The Offer Shares will be acquired (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached

thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, which may be declared, paid or made by the Company on or after the Joint Announcement Date).

3.4 Conditions and Rulings from SGX-ST

(As extracted from the Circular under section 3)

"The Delisting Proposal and the Exit Offer will be conditional on:

(a) the approval of the SGX-ST for the Delisting;

(b) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares, if any) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors who hold Shares and controlling Shareholders need not abstain from voting on the Delisting Resolution) in accordance with Rule 1307 of the Listing Manual;

(c) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares, if any) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM in accordance with Rule 1307 of the Listing Manual; and

*(d) the receipt by the Offeror, by the close of the Exit Offer, of valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding more than 50% of the Shares (excluding Shares held by the Company as treasury shares, if any) as at the close of the Exit Offer (the **"Minimum Acceptance Condition"**)*

*(collectively, "**Delisting Proposal Conditions**").*

Shareholders are to note that if the Delisting Proposal Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

An application was made by the Company to the SGX-ST on 26 November 2015 to delist the Company from the Official List of the SGX-ST. The SGX-ST has in its letter dated 4 January 2016 advised that it has no objection to the Delisting, subject to the approval by Shareholders in compliance with Rule 1307 of the Listing Manual. However, the aforesaid decision of the SGX-ST is not to be taken as an indication of the merits of the Delisting.

Under Rule 1307(2) of the Listing Manual, all Shareholders (including the Offeror, its Concert Parties who hold Shares, Directors who hold Shares and controlling Shareholders) are entitled to vote on the Delisting Resolution.

The Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders and the Additional Irrevocable Undertaking from SMK that they will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution

at the EGM and to accept the Exit Offer in respect of all their Shares. Further details of the Irrevocable Undertakings and the Additional Irrevocable Undertaking are set out in Section 3 of this Exit Offer Letter.

As at the Latest Practicable Date, the Undertaking Shareholders and SMK hold in aggregate 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares. SMK holds 1,584,000 Shares, representing approximately 0.61% of the total number of issued Shares. The respective shareholdings of each of the Undertaking Shareholders are set out in Section 4.3 to this Exit Offer Letter.

Accordingly, as at the Latest Practicable Date, an aggregate of 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares, will vote in favour of the Delisting Resolution at the EGM.

In view of the Irrevocable Undertakings and the Additional Irrevocable Undertaking, the Offeror would receive acceptances of at least 73.85% of the Offer Shares. As such, once the Offeror receives acceptances from the Undertaking Shareholders and SMK and in respect of their Undertaking Shares and Additional Undertaking Shares respectively, the Minimum Acceptance Condition will be satisfied."

3.5 Warranty

(As extracted from the Circular under section 3)

"Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him/her as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter (including the right to receive and retain all Distributions, if any, which may be declared, paid or made, the Record Date for which falls on or after the Joint Announcement Date)."

3.6 Duration of the Offer

(As extracted from the Circular under section 3)

"Shareholders may choose to submit the relevant Acceptance Form(s) to accept the Exit Offer before the EGM. However, please note that such acceptance is conditional upon the Delisting Proposal Conditions being satisfied. In the event that any of the Delisting Proposal Conditions is not fulfilled, the Exit Offer will lapse and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution is approved by Shareholders at the EGM, the Exit Offer will remain open for acceptance by Shareholders for a period of at least 14 days after the date of the announcement of the said Shareholders' approval.

Although no extension of the closing date of the Exit Offer is currently contemplated by the Offeror, if the closing date of the Exit Offer is extended, an announcement on the same will be made, and the Exit Offer will remain open for acceptance for such period as may be

announced. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

Accordingly, the Exit Offer will close at 5.30 p.m. on 18 February 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*"*

3.7 Details of the Offer

Further details of the Exit Offer are set out in paragraph 2 of the Exit Offer Letter.

3.8 Procedures for Acceptance

The procedures for acceptance of the Exit Offer are set out in Appendix I of the Exit Offer Letter.

4. IRREVOCABLE UNDERTAKINGS AND ADDITIONAL IRREVOCABLE UNDERTAKING

(As extracted from the Circular under section 3)

"*The Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders and the Additional Irrevocable Undertaking from SMK that, amongst others, they will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. As at the Latest Practicable Date, the Undertaking Shareholders and SMK collectively hold an aggregate of 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares.*

The Irrevocable Undertakings and the Additional Irrevocable Undertaking shall expire if (a) the Delisting Resolution is not approved at the EGM (or at any adjournment thereof), or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes.

*The Irrevocable Undertakings also include an agreement by each of the Undertaking Shareholders to either waive or defer at least until ten (10) days after the close of the Exit Offer, the payment of, or capitalise into new shares in the capital of the Offeror, the Exit Offer Price payable by the Offeror in respect of all the Undertaking Shares tendered in acceptance of the Exit Offer to a date to be mutually agreed between the Offeror and each of the Undertaking Shareholders after the close of the Exit Offer, notwithstanding the provisions of the Code in relation to the time period in which payment should be made ("**Undertaking Shareholders Settlement Arrangement**").*

Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date neither the Offeror nor its Concert Parties has received any irrevocable undertaking from any party to (a) vote for or against the Delisting Resolution, and (b) accept or reject the Exit Offer."

5. INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT

(As extracted from the Circular under section 4)

"*4.1 The Offeror*

The Offeror is a special purpose vehicle incorporated in Singapore on 2 October 2015 for the purpose of making the Exit Offer. Its registered address is at 5 Woodlands Terrace, Zagro Global Hub, Singapore 738430. As at the Latest Practicable Date, the Offeror is wholly-owned by PBS and SD. PBS and SD are also the Offeror Directors.

As at the Latest Practicable Date, the Offeror does not hold any Shares in the Company.

4.2 Shareholding Structure of the Offeror

As at the Latest Practicable Date, the shareholding structure of the Offeror is as follows:

	Number of issued and paid-up ordinary shares in the Offeror	***As a percentage of total issued and paid-up ordinary shares in the Offeror (%)***
PBS	*6*	*60.00*
SD	*4*	*40.00*
Total	***10***	***100.00***

4.3 Parties Acting in Concert with the Offeror

The parties who are deemed to be acting in concert with the Offeror in relation to the Exit Offer are as follows:

(a) PBS, who is an Offeror Director and a Director of the Company;

(b) SD, who is an Offeror Director and a Director of the Company;

(c) PohConnect, a company which PBS and SD owns 60.00% and 40.00% of the total issued share capital respectively;

(d) Ho Hong Lian Jean, who is the niece of SD;

(e) Poh Beng Seng, who is the brother of PBS;

(f) Poh Jin Kiat JJ, who is the nephew of PBS;

(g) Poh Jin Shen, who is the nephew of PBS;

(h) Soh Ivy, who is the sister of SD; and

(i) Soh Kelvin, who is the brother of SD.

As at the Latest Practicable Date, the shareholdings of the Concert Parties in the Company are as follows:

	Number of Shares	***As a percentage of total number of Shares (%)***
PBS	*139,215,513(1)*	*53.7985*
SD	*30,503,360*	*11.7877*
PohConnect	*19,800,000*	*7.6515*
Ho Hong Lian Jean	*40,000*	*0.0155*
Poh Beng Seng	*5,000*	*0.0019*
Poh Jin Kiat JJ	*50,000*	*0.0193*
Poh Jin Shen	*20,000*	*0.0077*
Soh Ivy	*2,449,920(2)*	*0.9467*
Soh Kelvin	*4,000*	*0.0015*
Total	***192,087,793***	***74.2303***

Notes:

(1) 100,000,000 Shares are held through a nominee.

(2) The 2,449,920 Shares are held through a nominee.

4.4 Additional Information

Additional Information on the Offeror and its Concert Parties can be found in Appendix II to this Exit Offer Letter."

6. INFORMATION ON THE COMPANY AND THE GROUP

The Company is incorporated in Singapore and was listed on the then SESDAQ (the Stock Exchange of Singapore Dealing and Automated Quotation System) on 17 June 1996 and was subsequently transferred to the Mainboard of the SGX-ST on 10 July 2000. The principal activity of the Company is investment holding. The subsidiaries of the Company are primarily engaged in the manufacturing and distribution of crop care and animal health products. Two of its subsidiaries are engaged in e-commerce related activities; they own, operate and transact on B2B exchangeable portal for crop care and animal health products. Besides the headquarters in Singapore, the Company has registered offices in Malaysia, Philippines, Thailand, Indonesia, Taiwan, Sri Lanka, Germany, Australia, New Zealand and Africa. The Company also has local staff presence in Latin America and Middle East.

As at the Latest Practicable Date, the issued share capital of the Company comprises of 258,772,238 Shares (no treasury shares). The Company does not have any outstanding instruments convertible into, rights to subscribe for, nor options in respect of, securities which carry voting rights of the Company.

Additional information on the Company and the Group is set out in Appendix 3 of the Circular.

7. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS FOR THE COMPANY AND ITS SUBSIDIARIES

The rationale for the Exit Offer and the Offeror's intentions for the Company and its subsidiaries are stated in paragraph 5 of the Exit Offer Letter and section 6 of the Circular and have been extracted and reproduced as follows:

"5.1 Opportunity to Realise Investment with an Upfront Premium

The Exit Offer Price represents the following premia over the historical market prices of the Shares prior to the Joint Announcement Date:

Description	***Share Price (S$)[(1)]***	***Exit Offer Price's premium over Share Price (%)***
(f) Last transacted price per Share on 2 November 2015, being the Last Trading Day	0.260	15.38
(g) VWAP per Share for the one (1)-month period preceding the Joint Announcement Date	0.252	19.05
(h) VWAP per Share for the three (3)-month period preceding the Joint Announcement Date	0.250	20.00
(i) VWAP per Share for the six (6)-month period preceding the Joint Announcement Date	0.258	16.28
(j) VWAP per Share for the twelve 12-month period preceding the Joint Announcement Date	0.268	11.94

Note:

(1) Source: Bloomberg L.P.

The Exit Offer provides Shareholders with an opportunity to realise their investments in the Company, without incurring any brokerage and other trading costs, for a cash consideration at a premium over the market prices of the Offer Shares up to and including the Last Trading Day, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

5.2 Weak Liquidity of the Shares

The trading of the Shares on the SGX-ST has generally been relatively thin, with sporadic trading activity from time to time over the past few years. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods prior to and including 2 November 2015, being the Last Trading Day are approximately as follows:

Period prior to the Last Trading Day	***Average Daily Trading Volume[(1)(2)] ('000)***	***Total Trading Volume[(1)] ('000)***
Last 12 months	*35*	*8,629*
Last six (6) months	*38*	*4,724*
Last three (3) months	*44*	*2,698*
Last one (1) month	*31*	*650*

Notes:

(1) Source: Bloomberg L.P.

(2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of Market Days during the respective periods.

The average daily trading volume of the Shares for the 12-month period prior to and including the Last Trading Day of 34,653 is equivalent to 0.04% of the Company's free float Shares as at the Last Trading Day.

The Exit Offer will provide an exit opportunity for Shareholders who wish to realise their investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares.

5.3 No present need for access to Singapore capital markets

The Company has not tapped on the Singapore capital markets for the past 15 years. It is unlikely that the Company will need to tap on the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

5.4 Compliance Costs of Maintaining Listing

The Company has been incurring costs in maintaining the Company's listing status. As a non-listed entity, the Group will be able to (a) achieve cost-savings by dispensing costs associated with complying with SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance as well and (b) fully focus its time, human and other resources on its business operations.

5.5 Offeror's Intentions for the Group

The Offeror currently has no intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider and evaluate options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

Following the close of the Exit Offer, the Offeror will undertake a comprehensive review of the businesses and fixed assets of the Group."

8. ASSESSMENT OF THE FINANCIAL TERMS OF THE EXIT OFFER

In assessing the financial terms of the Exit Offer, we have considered, *amongst others*, the following:

(a) Market quotation and trading activity of the Shares;

(b) Valuation statistics of the Group implied by the Exit Offer Price versus those of broadly comparable companies;

(c) Analysis of NTA and revalued NTA of the Group against the Exit Offer Price;

(d) Comparison with successful delisting/privatisation of companies listed on the SGX-ST;

(e) Dividend track record of the Company;

(f) Rationale for Delisting; and

(g) Other relevant considerations.

8.1 Market quotation and trading activity of the Shares

(a) History trading performance of the Shares

Market price represents the value of a company as perceived by the stock market and subject to market efficiency and rationality, investor sentiment and market speculation, reflects information relevant to a company such as its business directions, plans and strategies, expected financial performance, expected dividend payout and return to shareholders, future prospects and potential growth.

We set out below the Company's Share price and volume chart based on the daily last transacted price of the Shares and daily volume traded for 12 months prior to the Joint Announcement Date and ending on the Latest Practicable Date.



Source: Bloomberg LP

(b) Volume-weighted average price per Share and liquidity analysis

The volume-weighted average price per Share ("VWAP") at various periods over a duration of 12 months prior to the Joint Announcement Date and thereafter are as follows:

	VWAP (S$)	Premium/ (Discount) of Exit Offer Price over/to VWAP (%)	Highest Price (S$)	Lowest Price (S$)	Average Daily Trading Volume (million)[1]	Average Daily Trading Volume as percentage of Free Float[2] (%)
Periods prior to the Joint Announcement Date						
Last 12 months	0.268	11.940	0.305	0.235	0.035	0.042
Last 6 months	0.258	16.279	0.280	0.235	0.038	0.045
Last 3 months	0.250	20.000	0.260	0.235	0.044	0.052
Last 1 month	0.252	19.048	0.260	0.245	0.031	0.037
Last traded Market Day (02 November 2015) prior to Joint Announcement Date	0.260[3]	15.385	0.260	0.250	0.213	0.254
From Announcement Date						
Between Joint Announcement Date and the Latest Practicable Date	0.300	–	0.300	0.290	0.432	0.516
Latest Practicable Date (06 January 2016)	0.300[4]	–	0.300	0.300	0.030	0.036

Source: Bloomberg LP

Notes:

(1) The average daily trading volume of the Shares is calculated based on the total trading volume for all the traded Market Days for the relevant periods, divided by the total number of Market Days during the respective periods.

(2) Free Float refers to the Shares other than those held by the directors, chief executive officers, substantial or controlling shareholders of the Company and their respective associates (as defined in the Listing Manual), which amounts to approximately 83.7 million Shares as at the Latest Practicable Date.

(3) This represents the last transacted price (instead of the VWAP) on 02 November 2015, being the last Market Day on which the Shares were traded prior to the Joint Announcement Date.

(4) This represents the last transacted price (instead of the VWAP) on 06 January 2016, the last Market Day on which the Shares were traded as at the Latest Practicable Date.

We note the following:

(i) Over the 12-month period prior to the Joint Announcement Date, the Shares have traded from a low S$0.235 to a high of S$0.305 per Share. The Exit Offer Price represents a premium of approximately 27.7% and a discount of approximately 1.6% to the lowest and highest transacted price, respectively.

(ii) The average daily traded volume of the Shares for the periods of 12-months, 6-months, 3-months and 1-month prior to the Joint Announcement Date represents approximately 0.042%, 0.045%, 0.052% and 0.037% of the Free Float.

(iii) The Exit Offer Price represents a premium of approximately 11.9% from the VWAP of the Shares for the 12-month period prior to the Joint Announcement Date and a premium of approximately 16.3%, 20.0%, 19.0% and 15.4% to the corresponding VWAP of the Shares for the 6-month period, 3-month period, 1-month periods and the last transacted Share price on the last traded Market Day prior to the Joint Announcement Date, respectively.

(iv) From Joint Announcement Date to Latest Practicable Date, the Exit Offer Price is equivalent to the VWAP of the Shares traded over the period.

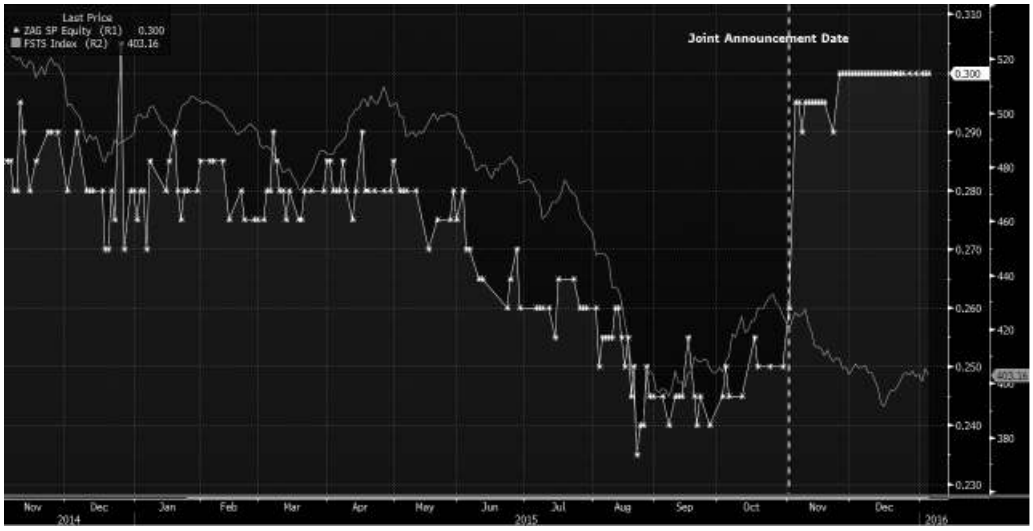
(v) On the Latest Practicable Date, the Exit Offer Price is equivalent to the last transacted price of the Shares.

We wish to highlight that the above analysis of the trading performance of the Shares serves only as an illustrative guide and is not an indication of the future trading performance of the Shares.

(c) Relative Share price performance vis-à-vis the performance of the market index

In assessing the relative market price performance of the Shares vis-à-vis the general price performance of the Singapore equity market, we have compared the market movement of the Shares against the FTSE ST Small Cap Index ("FSTS") for the 12-month period prior to the Joint Announcement Date up to the Latest Practicable Date.

Share Prices and FSTS Prices for the 12-month period prior to the Joint Announcement Date and up to the Latest Practicable Date



Source: Bloomberg LP

Based on the chart above, we note that the Shares have generally underperformed the FSTS for the 12-month period prior to the Joint Announcement Date.

The Share price increased by approximately 15.38% from the closing price of S$0.260 on the last traded Market Day prior to the Joint Announcement Date to S$0.300 on the Latest Practicable Date. The increase in Share price since the last traded Market Day prior to the Joint Announcement Date may indicate that investors view the transaction positively.

8.2 Valuation statistics of the Group implied by the Exit Offer Price versus those of broadly comparable companies

In the evaluation of the Exit Offer Price, we have considered a range of selected valuation statistics of comparable companies that are deemed broadly comparable to the Group ("Comparable Companies").

We have had discussion with the Management about the suitability and reasonableness of these Comparable Companies as a basis for the comparison with the Group. Relevant information has been extracted from publicly available annual reports and/or public announcements of these Comparable Companies. The Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

Shareholders may wish to note that there may not be any company listed on the relevant exchanges that is directly comparable to the Group in terms of, *amongst others*, market capitalisation, size, diversity of business activities, asset base, geographical spread, customer base, brand loyalty, track record, financial performance, future prospects, operating and financial leverage, liquidity, risk profile, quality of earnings and accounting, listing status and other relevant criteria. Therefore, any comparison made herein serves only as an illustrative guide for Shareholders. We wish to highlight that the list of Comparable Companies is by no means exhaustive.

Details of the Comparable Companies are set out below:

Company	Principal Business	Primary Exchange
Nichiwa Sangyo Co., Ltd. ("Nichiwa Sangyo")	Nichiwa Sangyo produces mixed feed with poultry feed as its main product line. It also raise livestock for the purpose of bioengineering research.	Japan
Agro-Kanesho Co., Ltd. ("Agro-Kanesho")	Agro-Kanesho manufactures a variety of agrochemicals including pest/disease control chemicals and herbicides.	Japan
Ishihara Sangyo Kaisha, Ltd. ("Ishihara Sangyo")	Ishihara Sangyo produces and markets a range of chemical products including agrochemicals and titanium dioxide. It is one of the leading manufacturing and marketing company of agricultural chemicals in Japan.	Japan
Korea Industrial Co., Ltd. ("Korea Industrial")	Korea Industrial manufactures various feeds for swine, cattle and poultry.	Korea
Dongbang Agro Corporation ("Dongbang Agro")	Dongbang Agro manufactures and sells finished agricultural chemicals.	Korea

In our comparison of valuation statistics implied by the Exit Offer Price with those of the Comparable Companies, we have taken into account the following:

Valuation Ratio	General Description
P/E	Price to Earnings or "P/E" is the ratio of market price of a company's shares relative to its historical earnings per share. The P/E ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.

Valuation Ratio	General Description
P/NTA	Price to Net Tangible Assets or "P/NTA" is the ratio of the market price of a company's shares relative to its asset backing. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.
EV/EBITDA	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interest, short-term and long-term debts, less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation.

The valuation statistics of the Comparable Companies based on their respective last traded prices as at the Latest Practicable Date are set out below:

Comparable Companies	Market Capitalisation as at the Latest Practicable Date (S$' million)	P/E[(1)] (times)	P/NTA[(2)] (times)	EV/EBITDA[(3)] (times)
Nichiwa Sangyo	64.20	10.26	0.30	2.11
Agro-Kanesho	153.80	8.96	0.83	1.57
Ishihara Sangyo	477.60	5.83	0.72	4.63
Korea Industrial	60.00	5.36	0.66	9.16
Dongbang Agro	106.20	15.54	0.60	7.92
High		15.54	0.83	9.16
Low		5.36	0.30	1.57
Mean		9.19	0.62	5.08
Median		8.96	0.66	4.63
Company (implied by the Exit Offer Price)	**77.63**	**10.00**	**0.97**	**4.78**

Source: Bloomberg LP, company annual reports, results announcements and NRA Capital's computations.

Notes:

(1) EPS figures are based on the trailing 12-month results as at the Latest Practicable Date.

(2) NTA figures are based on the latest available published financial statements as at the Latest Practicable Date.

(3) For the Comparable Companies, EV is computed based on the latest available published financial results, except market capitalisation which is computed as at the Latest Practicable Date, and EBITDA is computed based on a trailing 12-month basis of the latest available published financial statements.

Based on the above, we note that:

(a) The range of P/E ratios among the Comparable Companies is between 5.36 times and 15.54 times. We also note that the mean and the median P/E ratio of the Comparable Companies as at the Latest Practicable Date is 9.19 and 8.96 times, respectively. The P/E ratio of the Group as implied by the Exit Offer Price of 10.00 times is within the range of the P/E ratios and above both the mean and median P/E ratios of the Comparable Companies.

(b) The range of P/NTA ratios among the Comparable Companies is between 0.30 times and 0.83 times. We also note that the mean and median P/NTA ratio of the Comparable Companies as at the Latest Practicable Date is 0.62 and 0.66 times, respectively. The P/NTA ratio of the Group as implied by the Exit Offer of 0.97 times is above the range of the P/NTA ratios of the Comparable Companies.

(c) The range of EV/EBITDA ratios among the Comparable Companies is between 1.57 times to 9.16 times. We also note that the mean and median EV/EBITDA ratio of the Comparable Companies as at the Latest Practicable Date is 5.08 and 4.63 times, respectively. The EV/EBITDA ratio of the Group as implied by the Exit Offer of 4.78 times is within the range of the EV/EBITDA ratios and is slightly above the median and slightly below the mean EV/EBITDA ratios of the Comparable Companies.

We wish to highlight that there may be significant differences between valuations of shares trading on the SGX-ST and other exchanges. Such cross border valuation statistics are subject to differing macroeconomic variables and investors' sentiments. For illustration purposes, as at the Latest Practicable Date, according to Bloomberg LP as at the Latest Practicable Date, the FSTS is trading at a P/E ratio of 11.47 and the Straits Times Index ("STI") at 12.83 times while the Korean KOSPI Index and the Japanese TOPIX Index are trading at P/E ratio of 13.82 times and 15.77 times, respectively.

In addition, we wish to highlight the following:

(a) As highlighted earlier in this section 8.2, there are limitations in the Comparable Companies being directly comparable to the Group and that any comparison made in this section 8.2 serves only as an illustrative guide for Shareholders. Also, the list of Comparable Companies is by no means exhaustive.

(b) The evaluation of the Exit Offer Price in relation to selected valuation statistics of the Comparable Companies that are broadly comparable to the Group, as set out above, forms part of the range of considerations used in our assessment of the financial terms of the Exit Offer as set out at the start of this section 8 of this Letter. Our conclusion and recommendation, after taking into account all such considerations, are set out in section 9 and should be read in conjunction with, and in the context of, the entirety of this Letter.

8.3 Analysis of NTA and revalued NTA of the Group against the Exit Offer Price

The NTA-based valuation approach of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.

We note that based on the latest unaudited balance sheet of the Group as at 30 June 2015, there are intangible assets amounting to approximately S$8.3 million. Close to half the amount of the intangible assets consist of goodwill (arising from the acquisition of a subsidiary (Orion Crop Protection Limited)) with the remaining mainly allocated amongst trademark, product registration and customer relationship. Although the Exit Offer does not lead to a change in control and ownership of the Group, in the event of hypothetical negotiations between a willing-buyer and willing-seller for the business of the Group, there may not be much value (if any) attached to the intangible assets as each party will have different views of the treatment of intangible assets.

Therefore, based on the latest unaudited balance sheet of the Group as at 30 June 2015, the NTA of the Group was approximately S$81.2 million or equivalent to S$0.31 per Share. The Exit Offer Price at S$0.30 is closely aligned to the NTA per Share as at 30 June 2015.

In connection with the Exit Offer, the Company engaged independent asset valuer, Robert Khan & Co Pte. Ltd., to provide an updated market valuation ("Market Value") assessment (the "Valuation Report") of the Group's property assets located at No. 5 Woodlands Terrace, Singapore 738430 ("Revalued Assets") to derive an updated revalued asset value. The Valuation Report Summary is set out in Appendix 5 of the Circular.

The Directors may wish to advise Shareholders to read this section in conjunction with the Valuation Report Summary in Appendix 5 of the Circular. Based on the Valuation Report Summary, Market Value is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion." We note from the Valuation Report Summary that the independent valuer had, in arriving at the assessed Market Value, determined the most appropriate approach as the investment method and cost method as described further in the Valuation Report Summary. The independent valuer is of the opinion that the market approach is inappropriate, as there are no recent sale comparable in the vicinity. Based on the investment and cost approaches, the independent valuer has assessed the Revalued Assets to be S$16 million as at 12 November 2015. At the current book value of the Revalued Assets of approximately S$5.8 million, this represents a revaluation surplus of approximately S$10.2 million for the Revalued Assets.

Save for the Revalued Assets, the other assets of the Company have not been revalued for the purpose of determining the revalued asset value. The Directors of the Company have confirmed to us that to the best of their knowledge and belief, save as mentioned, there are no material differences between: (i) the realisable value of those other assets; and (ii) their respective book values as at 30 June 2015, which would result in a material impact on the revalued NTA of the Group.

Assuming the revaluation surplus of the Revalued Assets in the Valuation Report Summary is taken in account, the computed revalued NTA of the Group as at 30 June 2015 will amount to approximately S$91 million or the equivalent of revalued NTA per Share of S$0.35. We note that the Exit Offer Price represents a discount of approximately 14.3% to the revalued NTA per Share.

Notwithstanding that the Exit Offer Price is at a discount to the revalued NTA per Share. The Directors have confirmed to us that the Group does not have any impending plans for a material disposal and/or conversion of the use of the Group's assets and/or any material change in the nature of the Group's businesses as at the Latest Practicable Date.

We also note from the Circular (section 6) the intentions of the Offeror as follows:

"*Offeror's Intentions for the Group*

The Offeror currently has no intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider and evaluate options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

Following the close of the Exit Offer, the Offeror will continue to undertake a comprehensive review of the businesses and fixed assets of the Group."

Further, we wish to highlight that there may be certain properties, plant and machinery which are assigned/authorised/built for specific use (including the Revalued Assets); further, in the situation of a sale of the Group's assets, there will be expenses incurred in relation to such sale including, but not limited to, compensation to the Group's employees, professional fees and other incidental fees related to the sale of the Group's assets. As a result, the Group may not be able to easily find buyers for or be able to dispose of or realised the value of the Group's assets and the value as assessed by the independent valuer.

In our evaluation of the financial terms of the Exit Offer, we have reviewed the unaudited balance sheet of the Group as at 30 June 2015 to determine whether there are any other assets that are of an intangible nature and as such, would not appear in a valuation based on book NTA and the revalued NTA per Share. The Directors have confirmed that, to the best of their knowledge, there are no other intangible assets which ought to be disclosed in the balance sheet 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 as at the Latest Practicable Date.

We have further considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to affect the unaudited book NTA as at 30 June 2015. Save as disclosed in the financial statements of the Group as at 30 June 2015, the Directors of the Company have also confirmed to us that to the best of their knowledge and belief, other than that already provided for in the Group's unaudited

consolidated financial statements as at 30 June 2015, there are no other contingent liabilities which would have a material impact on the book NTA and revalued NTA of the Group as at the Latest Practicable Date.

In our overall evaluation of the financial terms of the Exit Offer, we have deemed that the NTA-based approach would not be a material consideration and should be regarded for illustration purposes only given that:

(i) The NTA-based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets over a reasonable period of time and would be more relevant for a company:

(1) which intends to realise or convert the use of its assets;

(2) where the business is to cease operations; or

(3) where the company is loss-making and an earnings-based approach is not applicable.

We note that these situations do not apply in the case of the Group.

(ii) The Offeror has stated that it has no current intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business.

It is therefore advised that Shareholders to read this section in conjunction with, and in the context of, the entirety of this Letter.

8.4 Comparison with successful delisting/privatisation of companies listed on the SGX-ST

We have also examined similar successful delisting and privatisation transactions ("Precedent Transactions") announced during the 24-month period prior to the Joint Announcement Date. The comparison to the Precedent Transactions is to illustrate the premiums/discounts represented by each of the respective offer prices over/to the volume weighted average prices prior to the respective announcements of such Precedent Transactions and for the comparison of the P/NTA ratios implied by the respective offer price.

We wish to highlight that the Precedent Transactions set out below are by no means exhaustive. Additionally, The Independent Directors and Shareholders should note that due to the differences in, *amongst others*, business activities, market capitalisation, scale of operations, risk profile, financial performance, geographical spread, accounting policies, operating and financial leverage, track records and future prospects, any comparison made with respect to the Precedent Transactions are for illustrative purposes only. The Precedent Transactions are not directly comparable to the terms and conditions of the Delisting. Each of the Precedent Transactions must be judged on its own commercial and financial merits. The premium (if any) to be paid by the offeror in a delisting/privatisation transaction varies in different circumstances depending on, *amongst others*, the attractiveness of the

underlying business to be acquired, the synergies to be gained from integration with an existing business, the trading liquidity of the target company's shares, prevailing market expectations and the presence of competing bids.

Details of Precedent Transactions are set out in chronological order as:

		Premium/(Discount) of Offer Price over/to			
Company	**Date Announced**	**Last Transacted Price prior to announcement (%)**	**1-month VWAP prior to announcement (%)**	**3-month VWAP prior to announcement (%)**	**P/NTA (times)**
Malacca Trust Limited (Voluntary Delisting "VD")	23-Dec-13	15.4	15.4	15.4	2.1
Singapore Land Limited (Voluntary General Offer "VGO")	24-Feb-14	11.2	16.9	13.9	0.7[(1)]
Chemoil Energy Limited (VD)	25-Feb-14	29.0	31.1	32.5	1.1
Asia Power Corporation Limited (VD)	24-Mar-14	–	1.2	1.4	0.6
China XLX Fertiliser Ltd (VD)	31-Mar-14	23.1	28.9	24.8	0.8
CapitaMalls Asia Limited (VGO)	14-Apr-14	23.0	27.0	25.5	0.8
Fischer Tech Ltd (Mandatory General Offer "MGO")	10-Sep-14	2.6	1.5	6.8	0.6
Lee Kim Tah Holdings (VGO)	25-Sep-14	6.4	11.8	12.3	0.9[(2)]
Perennial China Retail Trust (VGO)	27-Oct-14	29.6	34.0	33.0	0.9
Forterra Trust (MGO)	04-Nov-14	32.4	51.1	49.7	0.6
ECS Holdings Limited (VGO)	14-Nov-14	11.5	9.0	11.5	0.7
Eunetworks Group Limited (MGO and VD)	17-Nov-14	32.6	58.4	69.2	2.1
UE E&C Ltd (VGO)	19-Dec-14	(2.3)	2.7	5.0	1.2
Popular Holdings Limited (VGO)	14-Jan-15	39.1	39.7	37.3	1.2
Keppel Land Limited (VGO)	23-Jan-15	20.0	25.0	28.8	0.7[(3)]
Junma Tyre Cord Company Limited (VD)	10-Mar-15	222.6[(4)]	162.3[(4)]	174.7[(4)]	1.0
Lizhong Wheel Group Ltd (VGO)	17-Aug-15	96.1	87.3	79.2	0.6

Company	Date Announced	Premium/(Discount) of Offer Price over/to Last Transacted Price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	P/NTA (times)
High		222.6	162.3	174.7	2.1
Low		(2.3)	1.2	1.4	0.6
Mean		24.6	27.6	27.9	1.0
Median		23.0	26.0	25.2	0.8
Company (implied by the Exit Offer Price)	**03-Nov-15**	**15.4**	**19.0**	**20.0**	**1.0**

Source: SGXNET announcements, offer documents and shareholders' circulars of each respective company in relation to the Precedent Transactions and NRA Capital's computations

Notes:

(1) Based on the revalued NTA per share as adjusted for the net revaluation surplus on the hotel properties of Singapore Land Limited as at 31 December 2013.

(2) Based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Lee Kim Tah Holdings Limited as at 30 June 2014.

(3) Based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Keppel Land Limited as at 31 December 2014.

(4) Excluded as statistical outlier in the mean and median computations.

We note that the Exit Offer Price is at a premium of approximately 15.4%, 19.0% and 20.0% over the Last Transacted Price, 1-month VWAP and 3-month VWAP prior to the Joint Announcement Date, respectively. The market price premia implied by the Exit Offer Price are within the range but below the mean and median premia of the Precedent Transactions. The P/NTA ratio implied by the Exit Offer Price is within the range of the P/NTA ratios of the Precedent Transactions and is equivalent to the mean P/NTA and above the median P/NTA of the Precedent Transactions.

8.5 Dividend track record of the Company

We set out below the information on the dividend per Share paid by the Company for the past three (3) financial years:

Dividend Analysis	FY2012	FY2013	FY2014
Total dividend per Share	S$0.015[(1)]	S$0.010	S$0.010
Average Share price[(2)]	S$0.249	S$0.271	S$0.306
Dividend yield	6.024%	3.690%	3.268%

Source: Bloomberg LP, the Company's annual reports and NRA Capital's computations.

(1) Inclusive of an additional special interim dividend of S$0.005 per Share during FY2012.

(2) Based on the average of the daily closing Share prices for each respective year.

We note that the Company has been consistent in paying dividends. The Company has been paying dividends regularly since its initial public offering in 1996. However, the Directors have confirmed to us that the Company does not have a fixed dividend policy and that they will recommend future dividends after considering the Company's cash and financial position, financial performance of the Group, working capital requirements and projected capital expenditure and other investment plans.

Based on the most recent financial year ("FY") FY2014's total dividend paid of S$0.01 per Share, the dividend yield as implied by the Exit Offer Price will be equivalent to approximately 3.33%.

Shareholders who accept the Exit Offer may re-invest the proceeds in selected alternative equity investments. For illustrative purposes only, as at the Latest Practicable Date, the trailing twelve months dividend yield of constituent companies of the STI is approximately 4.33% and the FSTS is approximately 5.16%.

The dividend analysis serves only as an illustrative guide and is not meant to be an indication of the future dividend payable by the Company or the constituent companies of the STI or FSTS. Furthermore, an investment in constituent companies of the STI or FSTS also presents a different risk-return profiles compared to an investment in the Shares of the Company, and there is also no assurance that the Company or the constituent companies of the STI or FSTS will continue to pay dividend or maintain the level of dividends paid in past periods. It should also be noted that the aforementioned ignores the effect of any potential capital gain or capital loss that may accrue to the Shareholders arising from their investment due to market fluctuations during the relevant corresponding periods in respect of which the dividend yields were analysed.

8.6 Rationale for the Delisting

We wish to highlight the rationale for the Delisting with the following as extracted from section 6 of the Circular and reproduced herein:

"*5.1 Opportunity to Realise Investment with an Upfront Premium*

The Exit Offer Price represents the following premia over the historical market prices of the Shares prior to the Joint Announcement Date:

Description	***Share Price (S$)***[1]	***Exit Offer Price's premium over Share Price (%)***
(a) Last transacted price per Share on 2 November 2015, being the Last Trading Day	*0.260*	*15.38*
(b) VWAP per Share for the one (1)-month period preceding the Joint Announcement Date	*0.252*	*19.05*
(c) VWAP per Share for the three (3)-month period preceding the Joint Announcement Date	*0.250*	*20.00*
(d) VWAP per Share for the six (6)-month period preceding the Joint Announcement Date	*0.258*	*16.28*
(e) VWAP per Share for the twelve 12-month period preceding the Joint Announcement Date	*0.268*	*11.94*

Note:

(1) Source: Bloomberg L.P.

The Exit Offer provides Shareholders with an opportunity to realise their investments in the Company, without incurring any brokerage and other trading costs, for a cash consideration at a premium over the market prices of the Offer Shares up to and including the Last Trading Day, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

5.2 Weak Liquidity of the Shares

The trading of the Shares on the SGX-ST has generally been relatively thin, with sporadic trading activity from time to time over the past few years. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods prior to and including 2 November 2015, being the Last Trading Day are approximately as follows:

Period prior to the Last Trading Day	***Average Daily Trading Volume[(1)(2)] ('000)***	***Total Trading Volume[(1)] ('000)***
Last 12 months	*35*	*8,629*
Last six (6) months	*38*	*4,724*
Last three (3) months	*44*	*2,698*
Last one (1) month	*31*	*650*

Notes:

(1) Source: Bloomberg L.P.

(2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of Market Days during the respective periods.

The average daily trading volume of the Shares for the 12-month period prior to and including the Last Trading Day of 34,653 is equivalent to 0.04% of the Company's free float Shares as at the Last Trading Day.

The Exit Offer will provide an exit opportunity for Shareholders who wish to realise their investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares.

5.3 No present need for access to Singapore capital markets

The Company has not tapped on the Singapore capital markets for the past 15 years. It is unlikely that the Company will need to tap on the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

5.4 Compliance Costs of Maintaining Listing

The Company has been incurring costs in maintaining the Company's listing status. As a non-listed entity, the Group will be able to (a) achieve cost-savings by dispensing costs associated with complying with the SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance as well and (b) fully focus its time, human and other resources on its business operations.

5.5 Offeror's Intentions for the Group

The Offeror currently has no intention to (a) propose any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider and evaluate options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

Following the close of the Exit Offer, the Offeror will undertake a comprehensive review of the businesses and fixed assets of the Group."

8.7 Other relevant considerations

8.7.1 Recent financial performances and outlook of the Group

A summary of the Group's recent financial performances are as follows:

(S$'000)	FY2012	FY2013	FY2014	30 June 2014	30 June 2015
Turnover	128,197	138,110	153,494	69,501	74,580
Cost of Sales	(99,653)	(107,691)	(120,600)	(55,314)	(56,781)
Gross profit	28,544	30,419	32,894	14,187	17,799
Profit/(Loss) after tax	8,396	10,000	7,224	3,341	3,926
NTA	76,290	82,970	80,280	77,400	81,171

Source: The Group's audited accounts for FY2012 to FY2014 (ended 31 December) and the unaudited accounts for HY2014 and HY2015 (ended 30 June)

As mentioned in the Company's most recent annual report for the financial year ended 31 December 2014 and the unaudited results of the half year ("HY") ended 30 June 2015, the business environment in which the Group operates has been characterised by uncertainty and may continue to remain a challenging one.

While revenue and profit after tax for FY2013 (revenue: S$138.1 million, profit after tax: S$10.0 million) increased from FY2012 (revenue: S$128.2 million, profit after tax: S$8.4 million), supported by both the crop care and animal health business; the Company stated that profit after tax decreased from approximately S$10.0 million (FY2013) to approximately S$7.2 million (FY2014) or the equivalent of approximately a 28.0% decrease year-over-year. The decrease in profit after tax in FY2014 was despite the Group's turnover increasing by approximately 11.1% from S$138.1 million to S$153.5 million, attributed mainly to the investments in New Zealand and Australia in the middle of financial year FY2014. These investments had provided some cushion for the reduced turnover and gross profitability in the South East Asian markets, which were affected by volatile weather conditions, withdrawal of rice subsidies scheme (Thailand) and stronger competitive pricing. NTA per Share decreased from approximately S$0.32 (FY2013) to approximately S$0.31 (FY2014).

Based on the unaudited results of HY2015, we note that there was an increase in turnover from approximately S$69.5 million (HY2014) to approximately S$74.6 million (HY2015) or the equivalent of an approximately 7.3% year-over-year increase; profit after tax increased from approximately S$3.3 million (HY2014) to approximately S$3.9 million (HY2015) or the equivalent of an approximately 18.2% year-over-year increase. While there was an experience in the increase of turnover and profit after tax in HY2015, the Company stated that the increase in turnover was primarily due to the new subsidiaries in New Zealand and Australia. However, the increase in total expenses by approximately 24% was also due to the new subsidiaries. Further, initial loans to support the two new markets in New Zealand and Australia had resulted in unrealised exchange loss as their currencies faced much volatility during the year. Foreign currency translation loss was also attributed to the weakening of the Ringgit.

The following commentary was made in the latest financial statement released by the Company (HY2015 unaudited report) highlighting the uncertainty of the conditions of the industry in which the Group operates which seemingly had been reflected in the Group's past financial performances and may affect the Group going forward:

"The Group operates in an environment of unpredictable climatic conditions and disease outbreaks and tightening of regulatory rules. With a wider geographical presence, the Group's performance will also be more susceptible to currency movements. Besides slow organic growth, the Group is continually searching for acquisitions that can add value to sustainable growth."

It is advised that Shareholders should read the entirety of the Group's relevant unaudited results and audited reports released publicly.

8.7.2 No competing offer and subsequent offer

The Directors have confirmed that, as at the Latest Practicable Date, no competing offer or proposal from any third party has been received. The likelihood of a competing offer from any third party is also remote given that the Offeror and parties acting in concert with it have already secured holdings of more than 50% of the total number of issued Shares. In addition, pursuant to the Code, except with the consent of the SIC, the Offeror and concert parties cannot make another offer to, or acquire the Shares from any Shareholders on terms better than those under the Exit Offer within six (6) months of the close of the Exit Offer.

8.7.3 No transaction costs in connection with the Exit Offer

If the Delisting is approved by the Shareholders at the EGM, Shareholders who validly accept the Exit Offer will receive the entire proceeds in cash. The Exit Offer represents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of Shares in the open market which may incur expenses such as brokerage commission and transaction costs.

8.7.4 Irrevocable Undertakings and Additional Irrevocable Undertaking

We note that as at the Latest Practicable Date, the Offeror has obtained irrevocable undertakings from the following parties as follows:

(As extracted from paragraph 3 of the Exit Offer Letter)

"The Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders and the Additional Irrevocable Undertaking from SMK that, amongst others, they will vote, and/or procure their nominees to vote in respect of all their Shares (including such additional Shares as may be howsoever acquired by each of them prior to the EGM) in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. As at the Latest Practicable Date, the Undertaking Shareholders and SMK collectively hold an aggregate of 191,102,873 Shares, representing approximately 73.85% of the total number of issued Shares.

The Irrevocable Undertakings and the Additional Irrevocable Undertaking shall expire if (a) the Delisting Resolution is not approved at the EGM (or at any adjournment thereof), or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes.

*The Irrevocable Undertakings also include an agreement by each of the Undertaking Shareholders to either waive or defer at least until ten (10) days after the close of the Exit Offer, the payment of, or capitalise into new shares in the capital of the Offeror, the Exit Offer Price payable by the Offeror in respect of all the Undertaking Shares tendered in acceptance of the Exit Offer to a date to be mutually agreed between the Offeror and each of the Undertaking Shareholders after the close of the Exit Offer, notwithstanding the provisions of the Code in relation to the time period in which payment should be made ("**Undertaking Shareholders Settlement Arrangement**").*

Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date neither the Offeror nor its Concert Parties has received any irrevocable undertaking from any party to (a) vote for or against the Delisting Resolution, and (b) accept or reject the Exit Offer."

8.7.5 Implications of Delisting for Shareholders

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies due to the lack of marketability. Following the Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares, as there is no arrangement for such Shareholders to exit. Even if such Shareholders were able to sell their Shares, they would likely receive a lower price as compared with the market prices of the shares of comparable listed companies.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the close of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer.

If the Company is delisted from the Official List of the SGX-ST, it will no longer be obliged to comply with the listing requirements of the SGX-ST. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Act and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Act which includes, *amongst others*, the entitlement to be sent a copy of the profit and loss statement and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented.

8.7.6 Compulsory acquisition

As stated in section 8 of the Circular, "*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer ("**Dissenting Shareholders**") at a price equal to the Exit Offer Price.*

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. ***Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.***

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations and/or their nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, and its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares).

Dissenting Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

In the event that the Delisting Proposal Conditions are satisfied, but (i) the Offeror is not entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act; or (ii) Dissenting Shareholders are not entitled to require the Offeror to acquire their Shares at the Exit Offer Price under Section 215(3) of the Companies Act, the Company will be delisted, and Shareholders who do not accept the Exit Offer will be left holding unquoted Shares in an unlisted company."

9. OUR RECOMMENDATION

In arriving at our advice in respect of the Exit Offer, we have taken into account, *amongst others*, the following key considerations. This summary should be read in conjunction with, and in the context of, the full text of this letter.

Based our overall financial assessment of the financial terms of the Exit Offer Price, we would highlight the following:

(a) Share Price Performance: The Exit Offer Price represents a premium over the VWAPs and last transacted prices of the Shares for all the periods taken into account in this Letter at approximately 11.9% to 20.0% over the 12-month period prior to the Joint Announcement Date. The Exit Offer Price is also equivalent to the VWAP and last transacted prices taken into account from the Joint Announcement Date up to the Latest Practicable Date.

(b) Market Liquidity of the Shares: The trading liquidity of the Shares on the SGX-ST in the past year has generally been thin. The average daily traded volume of the Shares as a percentage of Free Float for the periods of 12-months, 6-months, 3-months and 1-month prior to the Joint Announcement Date represents approximately 0.042%, 0.045%, 0.052% and 0.037%, respectively.

The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investments in the Shares but may find it difficult to do so as a result of the low trading liquidity.

(c) Comparison with Comparable Companies: The P/E ratio of the Group as implied by the Exit Offer Price of 10.00 times is within the range of the P/E ratios and above both the mean and median P/E ratios of the Comparable Companies.

The P/NTA ratio of the Group as implied by the Exit Offer of 0.97 times is above the range of the P/NTA ratios of the Comparable Companies.

The EV/EBITDA ratio of the Group as implied by the Exit Offer of 4.78 times is within the range of the EV/EBITDA ratios and is slightly above the median and is slightly below the mean EV/EBITDA ratios of the Comparable Companies.

(d) Comparison with Successful Privatisation/Delisting Transactions on the SGX-ST: The market price premia implied by the Exit Offer Price are within the range but below the mean and median premia of the Precedent Transactions. The P/NTA ratio implied by the Exit Offer Price is within the range of the P/NTA ratios of the Precedent Transactions and is equivalent to the mean P/NTA and above the median P/NTA ratios of the Precedent Transactions.

(e) Dividend Yield: The Company has been consistent in declaring dividends. According to the Directors, the Company does not have a fixed dividend policy and payment of future dividends, if any, will depend on, amongst others, financial performance of the Group, working capital requirements and projected capital expenditure and other investment plans.

(f) Other relevant considerations in relation to the Exit Offer such as:

(i) Rationale for the Delisting: (1) The weak liquidity of the Shares traded; (2) the Exit Offer being an opportunity for Shareholders to realise their investments at an upfront premium; (3) the compliance costs in relation to listing; (4) and no present need for access to the Singapore capital markets;

(ii) No competing offer has been received and the likelihood of a competing offer from any third party is also remote given that the Offeror and parties in concert have already secured holdings of more than half of the total number of issued Shares;

(iii) Irrevocable Undertakings and Additional Irrevocable Undertaking, Compulsory acquisition and Implications of Delisting (shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies);

(iv) Recent financial performances and outlook of the Group (section 8.7.1);

(v) Relative Share price performance vis-à-vis the performance of the market index (section 8.1); and

(vi) Analysis of NTA and revalued NTA of the Group against the Exit Offer Price: Notwithstanding that the Exit Offer Price is at an approximate 14.3% discount to the revalued NTA per Share, the Offeror has stated that it does not have any impending plans for a re-deployment of the Group's fixed assets and/or making any material change in the Group's existing business. As such, the value of the Group's assets implied by the NTA-based valuation approach may not be realised and would not be a material consideration.

After having carefully considered the information available to us, and based upon the financial, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date as well as the considerations set out in this Letter in its entirety, we are of the opinion that, on balance, the financial terms of the Exit Offer are: (i) fair and reasonable; and (ii) not prejudicial to the interests of the minority Shareholders. Accordingly, we advise the Independent Directors to recommend that Shareholders vote in favour of the Delisting Resolution and either accept the Exit Offer or sell their Shares in the open market if they can obtain a price higher than the Exit Offer (after taking into account all brokerage commissions or transaction costs in connection with open market transactions) by doing so.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

This Letter is addressed to the Independent Directors for their benefit in connection with and for the purpose of their consideration of the financial terms of the Delisting and the Exit Offer. The recommendation made by them to the Board in relation to the Delisting shall remain the sole

responsibility of the Independent Directors. The Independent Directors should advise the Shareholders to refer to the Exit Offer Letter and the Circular. If in doubt, these Shareholders should also consult their respective financial adviser.

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 purpose other than in relation to the Proposed Delisting of the Company at any time and in any manner without the prior written consent of NRA Capital in each specific case. This opinion 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. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any amendments thereto shall not apply.

Yours faithfully

Kevin Scully
Executive Chairman
NRA Capital Pte. Ltd.

Raymond Lee
Director
NRA Capital Pte. Ltd.

APPENDIX 2 – ADDITIONAL INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

The following information on the Offeror and parties acting in concert with it is extracted from **Appendix II of the Exit Offer Letter**. Unless otherwise defined, all terms and expressions used in this Appendix 2 shall have the same meanings as those in the Exit Offer Letter.

"APPENDIX II

ADDITIONAL INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

1. DIRECTORS OF THE OFFEROR

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

Name	***Address***	***Designation***
Poh Beng Swee	*10 Wilby Road Singapore 276298*	*Director*
Soh Dolly	*10 Wilby Road Singapore 276298*	*Director*

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 5 Woodlands Terrace, Zagro Global Hub, Singapore 738430.

3. PRINCIPAL ACTIVITIES OF THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Singapore on 2 October 2015 for the purpose of making the Exit Offer. The principal activity of the Offeror is that of an investment holding company.

4. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued share capital of S$10 comprising 10 fully paid-up ordinary shares.

5. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was only incorporated on 2 October 2015, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

6. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for making and financing of the Exit Offer, there has been no known material change in the financial position of the Offeror since 2 October 2015, being the date of its incorporation.

7. SIGNIFICANT ACCOUNTING POLICIES

As no audited financial statements of the Offeror have been prepared since the date of its incorporation, there are no significant accounting policies to be noted.

8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

8.1 Shareholdings in the Company

Save as set out in the table below, none of the Offeror and its Concert Parties owns, controls or has agreed to acquire any Relevant Securities as at the Latest Practicable Date.

Name	***Direct Shareholding Interest***	
	Number of Shares	***%(1)***
Offeror Directors		
Poh Beng Swee	*139,215,513(2)*	*53.7985*
Soh Dolly	*30,503,360*	*11.7877*
The Offeror	*–*	*–*
Other Parties Acting or deemed to be Acting in Concert		
PohConnect Holdings Pte Ltd(3)	*19,800,000*	*7.6515*
Ho Hong Lian Jean(4)	*40,000*	*0.0155*
Poh Beng Seng(5)	*5,000*	*0.0019*
Poh Jin Kiat JJ(6)	*50,000*	*0.0193*
Poh Jin Shen(7)	*20,000*	*0.0077*
Soh Ivy(8)	*2,449,920(9)*	*0.9467*
Soh Kelvin(10)	*4,000*	*0.0015*
Total Direct Shareholding Interest	***192,087,793***	***74.2303***

Notes:

(1) The percentage shareholding interest is based on 258,772,238 Shares as at the Latest Practicable Date.

(2) 100,000,000 Shares are held through a nominee.

(3) PohConnect Holdings Pte Ltd, a Shareholder of the Company, is wholly-owned by Poh Beng Swee and Soh Dolly. Poh Beng Swee and Soh Dolly are also the directors of PohConnect Holdings Pte Ltd.

(4) Ho Hong Lian Jean is the niece of Soh Dolly.

(5) Poh Beng Seng is the brother of Poh Beng Swee.

(6) Poh Jin Kiat JJ is the nephew of Poh Beng Swee.

(7) Poh Jin Shen is the nephew of Poh Beng Swee.

(8) Soh Ivy is the sister of Soh Dolly.

(9) The 2,449,920 Shares are held through a nominee.

(10) Soh Kelvin is the brother of Soh Dolly.

8.2 Dealings in Relevant Securities

Based on the latest information available to the Offeror, none of the Offeror and its Concert Parties has;

(a) save as set out in the table below, dealt for value in any Relevant Securities in the three (3)-month period prior to the Joint Announcement Date and up to the Latest Practicable Date;

Name	***Date of Transaction***	***No. of Shares Acquired***	***No. of Shares Sold***	***Transaction Price per Share (S$)***
SD	*27 August 2015*	*8,000*	*–*	*0.24*
PBS	*25 November 2015*	*2,433,700*	*–*	*0.30*
PBS	*26 November 2015*	*1,074,400*	*–*	*0.30*
PBS	*27 November 2015*	*333,200*	*–*	*0.30*
PBS	*30 November 2015*	*158,700*	*–*	*0.30*
PBS	*1 December 2015*	*252,800*	*–*	*0.30*
PBS	*2 December 2015*	*87,000*	*–*	*0.30*
PBS	*3 December 2015*	*819,000*	*–*	*0.30*
PBS	*4 December 2015*	*243,100*	*–*	*0.30*
PBS	*7 December 2015*	*795,400*	*–*	*0.30*
PBS	*8 December 2015*	*349,600*	*–*	*0.30*
PBS	*9 December 2015*	*1,333,300*	*–*	*0.30*
PBS	*10 December 2015*	*500,800*	*–*	*0.30*
PBS	*11 December 2015*	*2,342,000*	*–*	*0.30*
PBS	*14 December 2015*	*1,483,000*	*–*	*0.30*
PBS	*15 December 2015*	*343,000*	*–*	*0.30*
PBS	*16 December 2015*	*197,000*	*–*	*0.30*
PBS	*17 December 2015*	*648,400*	*–*	*0.30*
PBS	*18 December 2015*	*199,800*	*–*	*0.30*
PBS	*21 December 2015*	*298,300*	*–*	*0.30*
PBS	*22 December 2015*	*31,400*	*–*	*0.30*
PBS	*23 December 2015*	*36,000*	*–*	*0.30*
PBS	*28 December 2015*	*539,700*	*–*	*0.30*
PBS	*30 December 2015*	*500*	*–*	*0.30*
PBS	*4 January 2016*	*2,273,300*	*–*	*0.30*
PBS	*5 January 2016*	*53,200*	*–*	*0.30*
PBS	*6 January 2016*	*30,000*	*–*	*0.30*

(b) save for the Irrevocable Undertakings and the Additional Irrevocable Undertaking set out in Section 3 of the this Exit Offer Letter entitled "Irrevocable Undertakings and Additional Irrevocable Undertaking", received any other irrevocable undertaking from any party to vote for or against the Delisting Resolution and to accept or reject the Exit Offer as at the Latest Practicable Date;

(c) save for the Irrevocable Undertakings, the Additional Irrevocable Undertaking, the Share Charges (as defined below) and the Debenture (as defined below), entered into any arrangement of the kind referred to under Note 7 to Rule 12 of the Code, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares as at the Latest Practicable Date; or

(d) save for the Share Charges (as defined below) and the Debenture (as defined below), (i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent any Relevant Securities to another person as at the Latest Practicable Date.

*The Offeror has obtained a Loan to partially fund the acquisition of the Offer Shares pursuant to the Exit Offer. As a security for the repayment of the Loan, PBS has, amongst others, created a charge over 100,000,000 Shares (representing 38.64% of the total number of issued Shares) ("**Charged Shares**") including all rights, benefits and proceeds in respect of or derived from the Charged Shares in favour of RHB Bank Berhad. In addition, the Offeror will also create a charge over the Charged Shares in favour of RHB Bank Berhad after the acceptance of the Exit Offer by PBS and the Charged Shares having been transferred to the CDP securities account of the Offeror (collectively the "**Share Charges**"). For the avoidance of doubt, notwithstanding the Share Charges, PBS is free to transfer the Charged Shares to the Offeror pursuant to his acceptance of the Exit Offer in fulfilment of his Irrevocable Undertaking.*

*The Offeror has also charged all its assets in favour of RHB Bank Berhad under a deed of debenture covering all amounts due and owing under the Loan ("**Debenture**").*

Based on the latest information available to the Offeror, SMK, who has provided the Additional Irrevocable Undertaking, has not dealt for value in any Relevant Securities in the three (3)-month period prior to the Joint Announcement Date and up to the Latest Practicable Date.

9. GENERAL

9.1 Agreement having any Connection with or Dependence upon the Exit Offer

Save for the Irrevocable Undertakings, the Additional Irrevocable Undertaking, the Shareholder's Loan (as defined below) and otherwise disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding as at the Latest Practicable Date

between (i) the Offeror or its Concert Parties and (ii) any of the current or recent Directors or any of the current or recent Shareholders having any connection with or dependence upon the Exit Offer.

*PBS will grant a shareholder's loan to the Offeror to partially fund the acquisition of the Offer Shares by the Offeror pursuant to the Exit Offer (the "**Shareholder's Loan**").*

9.2 Payment or Benefit to the Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for payment or other benefit to be made or given to any Director or any director of a corporation deemed to be related to the Company by virtue of Section 6 of the Companies Act as compensation for loss of office or as consideration for or in connection with his retirement from office or otherwise in connection with the Exit Offer.

9.3 Transfer of Shares

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Shares acquired pursuant to the Exit Offer, as the case may be, will be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.

9.4 Transfer Restrictions

The Constitution of the Company does not contain any restrictions on the right to transfer Offer Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

9.5 Material Change in Information

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

APPENDIX 3 – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

1. GENERAL INFORMATION

The Company is incorporated in Singapore and listed on the Mainboard of the SGX-ST. The principal activity of the Company is investment holding. The subsidiaries of the Company are primarily engaged in the manufacturing and distribution of crop care and animal health products.

2. DIRECTORS OF THE COMPANY

The names, addresses and designations of the directors of the Company as at the Latest Practicable Date are set out below:

Name	Address	Designation
Poh Beng Swee	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Chairman and Chief Executive Director
Soo Kam Beng @ Soo Man Kheng	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Executive Director
Chan Ying Lock	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Lead Independent Director
Ngiam Tong Tau	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Independent Non-Executive Director
Wong Choo You	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Independent Non-Executive Director
Soh Dolly	c/o Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430	Non-Executive Director

3. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430.

4. SHARE CAPITAL OF THE COMPANY

4.1 Number and Class of Shares

The Company has only one class of Shares, comprising ordinary shares. The Shares are quoted and listed on the Mainboard of the SGX-ST.

As at the Latest Practicable Date, the Company has an issued and paid-up capital comprising of 258,772,238 Shares. The Company does not have any Shares held in treasury.

4.2 Rights of Shareholders in respect of capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in **Appendix 4 of this Circular**.

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

No new Shares have been issued by the Company since the end of FY2014 up to the Latest Practicable Date.

4.4 Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options (whether pursuant to an employee share option scheme or otherwise) in respect of, Shares or securities which carry voting rights affecting shares in the Company.

4.5 Transfer Restrictions

There is no restriction in the Constitution on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

5. SUMMARY OF FINANCIAL INFORMATION

5.1 Consolidated Income Statements

A summary of the audited consolidated income statements of the Group for FY2012, FY2013, FY2014 and the unaudited consolidated income statement of the Group for HY2014 and HY2015 is set out below.

	Unaudited		Audited		
	HY2015	HY2014	FY2014	FY2013	FY2012
(S$'000)					
Continuing Operations					
Revenue	74,580	69,501	153,494	138,110	128,197
Cost of sales	(56,781)	(55,314)	(120,600)	(107,691)	(99,653)
Gross profit	17,799	14,187	32,894	30,419	28,544
Other revenue	444	556	1,299	1,633	1,841
Selling and marketing expenses	(7,077)	(5,573)	(13,786)	(11,079)	(11,039)
Administrative expenses	(2,597)	(2,403)	(5,098)	(4,893)	(5,275)
Other operating expenses, net	(3,380)	(2,577)	(5,765)	(4,315)	(3,659)
Operating profit	5,189	4,190	9,544	11,765	10,412
Interest income	128	173	227	415	305
Interest expense	(385)	(329)	(764)	(431)	(465)
Share of results of associate	–	(1)	–	–	–

	Unaudited			Audited	
	HY2015	HY2014	FY2014	FY2013	FY2012
Profit before income tax	4,932	4,033	9,007	11,749	10,252
Taxation	(1,006)	(692)	(1,783)	(1,749)	(1,856)
Profit for the year	3,926	3,341	7,224	10,000	8,396
Remeasure gains on defined benefit plans, net of tax	–	29	11	10	–
Fair value (loss)/gain on available for sales financial assets	(7)	14	(6)	(2)	65
Exchange differences on translating foreign operations	(513)	(203)	313	(1,005)	(487)
Total other comprehensive income/(loss)	(520)	(160)	318	(997)	(422)
Total comprehensive income for the year	3,406	3,181	7,542	9,003	7,974
Basic and diluted (loss)/earning per share (cents)	1.52	1.29	2.79	3.86	3.25
Net dividend per Shares (S$)	N.A.	N.A.	0.01	0.01	0.01

This summary of financial information should be read together with the unaudited half year financial statements and audited financial statements of the Group for the relevant years and related notes thereto, copies of which are available for inspection at the registered office of the Company at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 during normal business hours.

5.2 Balance Sheet

A summary of the unaudited balance sheet of the Group for HY2015 and audited balance sheets of the Group as at 31 December 2014 is set out below.

	Unaudited HY2015	Audited FY2014
(S$'000)		
Non-current assets		
Property, plant and equipment	23,295	23,782
Biological assets	–	19
Intangible assets	8,305	8,359
Other investment	26	26
Deferred tax assets	665	762
Current assets		
Inventories	35,985	36,765
Trade and other receivables	31,583	31,330
Other investments	2,269	3,276
Cash and cash equivalents	27,976	28,447
Total assets	130,104	132,766
Current liabilities		
Trade and other payables	21,711	19,180
Bank overdrafts	291	226
Deferred liabilities	–	948
Loan and borrowings	12,028	16,660
Derivatives	21	13
Provision for taxation	1,299	1,391
Non-current liabilities		
Deferred tax liabilities	1,506	1,514
Deferred liabilities	592	664
Loan and borrowings	2,334	2,583
Other payables	717	800
Total liabilities	40,499	43,979
Net assets	89,605	88,787
NTA per Share (cents)	**31.37**	**31.02**
Equity attributable to equity holders of the Company		
Share capital	30,026	30,026
Reserves	59,450	58,613
	89,476	88,639
Non-controlling interest	129	148
Total Equity	89,605	88,787

The consolidated NTA per Share of the Group based on the unaudited financial statements of the Group for HY2015 is S$0.3137.

As at the Latest Practicable Date, the Company is not aware of any material changes which may affect the consolidated NTA per Share of the Group as set out above.

This summary of financial information should be read together with the unaudited half year financial statements and audited financial statements of the Group for the relevant year and related notes thereto, copies of which are available for inspection at the registered office of the Company at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 during normal business hours.

5.3 Significant Accounting Policies

As at the Latest Practicable Date, there are no significant accounting policies nor any points from notes of the accounts of the Group which are of major relevance for the interpretation of the financial statements of the Group referred to in this Circular.

5.4 Change in Accounting Policies

As at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures as disclosed in this Circular not to be comparable to a material extent.

6. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in publicly available information on the Group (including but not limited to announcements released by the Company in respect of its financial results), as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 December 2014, being the date to which the Company's last published audited accounts were made up.

7. DISCLOSURE OF INTERESTS OF THE COMPANY AND THE DIRECTORS

7.1 Shareholdings and Dealings

(a) As at the Latest Practicable Date, the Offeror is wholly-owned by PBS and SD, who are currently the directors and shareholders of the Offeror and the Company.

(b) The Company does not have any direct or deemed interest in the equity share capital, convertible securities, warrants, options and derivatives in respect of the equity share capital of the Offeror (collectively, "**Offeror Securities**") as at the Latest Practicable Date.

(c) The Company has not dealt for value in any Offeror Securities during the Relevant Period.

(d) Save as disclosed in Table 1 below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in the Offeror Securities.

Table 1

Directors	Direct Interest		Deemed Interest	
	No. of Shares in the Offeror	%	No. of Shares in the Offeror	%
Poh Beng Swee	6	60	–	–
Soh Dolly	4	40	–	–

(e) Save for PBS and SD subscribing to the shares of the Offeror on 2 October 2015 as described in Table 1 above, none of the Directors has dealt for value in the Offeror Securities in the Relevant Period.

(f) Save as disclosed in Table 2 below, none of the Directors has any direct or deemed interest in the Shares or convertible securities, warrants, options and derivatives (collectively "**Convertible Securities**") as at the Latest Practicable Date.

Table 2

Directors	Direct interest	Deemed interest	Total	
	Number of Shares	Number of Shares	Number of Shares	%
Poh Beng Swee[(1)]	139,215,513[(2)]	50,303,360	189,518,873	73.24
Soo Kam Beng @ Soo Man Kheng	1,584,000	–	1,584,000	0.61
Chan Ying Lock	–	–	–	–
Ngiam Tong Tau	–	–	–	–
Wong Choo You	–	–	–	–
Soh Dolly[(3)]	30,503,360	159,015,513	189,518,873	73.24

Notes:

(1) Mr Poh Beng Swee is deemed to be interested in the Shares held by his spouse, Ms Soh Dolly and PohConnect Holdings Pte Ltd, a company in which he controls not less than 20% of the voting Shares.

(2) 100,000,000 Shares are held through a nominee.

(3) Ms Soh Dolly is deemed to be interested in the Shares held by her spouse, Mr Poh Beng Swee and PohConnect Holdings Pte Ltd, a company in which she controls not less than 20% of the voting Shares.

(g) Save as disclosed in Table 3 below, none of the Directors has dealt for value in the Shares or Convertible Securities during the Relevant Period.

Table 3

Name	Date of Transaction	No. of Shares Acquired	No. of Shares Sold	Transaction Price per Share (S$)
SD	27 August 2015	8,000	–	0.24
PBS	25 November 2015	2,433,700	–	0.30
PBS	26 November 2015	1,074,400	–	0.30
PBS	27 November 2015	333,200	–	0.30
PBS	30 November 2015	158,700	–	0.30
PBS	1 December 2015	252,800	–	0.30
PBS	2 December 2015	87,000	–	0.30
PBS	3 December 2015	819,000	–	0.30
PBS	4 December 2015	243,100	–	0.30
PBS	7 December 2015	795,400	–	0.30
PBS	8 December 2015	349,600	–	0.30
PBS	9 December 2015	1,333,300	–	0.30
PBS	10 December 2015	500,800	–	0.30
PBS	11 December 2015	2,342,000	–	0.30
PBS	14 December 2015	1,483,000	–	0.30
PBS	15 December 2015	343,000	–	0.30
PBS	16 December 2015	197,000	–	0.30
PBS	17 December 2015	648,400	–	0.30
PBS	18 December 2015	199,800	–	0.30
PBS	21 December 2015	298,300	–	0.30
PBS	22 December 2015	31,400	–	0.30
PBS	23 December 2015	36,000	–	0.30
PBS	28 December 2015	539,700	–	0.30
PBS	30 December 2015	500	–	0.30
PBS	4 January 2016	2,273,300	–	0.30
PBS	5 January 2016	53,200	–	0.30
PBS	6 January 2016	30,000	–	0.30

7.2 Directors' Intentions in relation to the Exit Offer

The Relevant Directors and SMK have irrevocably and unconditionally undertaken to vote all their respective Shares in favour of the Delisting Resolution at the EGM to be convened in connection with the Delisting and to accept the Exit Offer. As set out in **paragraph 3 of the**

Exit Offer Letter (and reproduced in **paragraph 3 of this Letter to Shareholders**), each of PBS and SD has agreed to receive deferred payment of cash consideration in respect of their Shares to be tendered in acceptance of the Exit Offer.

The other Directors do not hold any Shares.

7.3 Directors' Service Contracts

There (i) are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (ii) were no service contracts entered into or amended between any of the Directors or proposed director and the Company or any of its subsidiaries during the Relevant Period.

7.4 Arrangements Affecting Directors

(a) There are no payments or other benefits which will be made or given to any Director or any director of any corporation, which is by virtue of Section 6 of the Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer.

(b) Save as disclosed below and in this Circular relating to:–

(i) the irrevocable undertakings given by PBS, SD, PohConnect and SMK, as set out in **paragraph 3 of the Exit Offer Letter** (and reproduced in **paragraph 3 of this Letter to Shareholders**);

(ii) the 100,000,000 charged shares ("**Charged Shares**"); and

(iii) the Shareholder's Loan (defined below),

there are no agreements or arrangements made between any Director and any other person in connection with or conditional on the outcome of the Exit Offer.

(c) Save as disclosed below and in this Circular relating to the loan granted by RHB Bank Berhad to the Offeror ("**Loan**") and the Shareholder's Loan (defined below), none of the Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

(d) Loan by RHB Bank Berhad to the Offeror

Information relating to the Loan has been extracted from **paragraph 8.2 of Appendix II to the Exit Offer Letter**, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated.

"8.2 Dealings in Relevant Securities

*The Offeror has obtained a Loan to partially fund the acquisition of the Offer Shares pursuant to the Exit Offer. As a security for the repayment of the Loan, PBS has, amongst others, created a charge over 100,000,000 Shares (representing 38.64% of the total number of issued Shares) ("**Charged Shares**") including all rights, benefits and proceeds in respect of or derived from the Charged Shares in favour of RHB Bank Berhad. In addition, the Offeror will also create a charge over the Charged Shares in favour of RHB Bank Berhad after the acceptance of the Exit Offer by PBS and the Charged Shares having been transferred to the CDP securities account of the Offeror (collectively the "**Share Charges**").*

*The Offeror has also charged all its assets in favour of RHB Bank Berhad under a deed of debenture covering all amounts due and owing under the Loan ("**Debenture**")."*

(e) Shareholder's Loan

PBS will grant a shareholder's loan to the Offeror to partially fund the acquisition of the Offer Shares by the Offeror pursuant to the Exit Offer ("**Shareholder's Loan**").

8. DISCLOSURE OF INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

8.1 Interests of IFA in Shares and Voting Rights in the Company

Neither the IFA, its related corporations nor any of the funds whose investments are managed by the IFA on a discretionary basis owns or controls any Shares as at the Latest Practicable Date.

8.2 Dealings in Shares by IFA

Neither the IFA, its related corporations nor any of the funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Shares during the Relevant Period.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

There are no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, within the three (3) years preceding the Joint Announcement Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors do not know of any proceedings pending or threatened against the Company or its subsidiaries or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the financial position or business of the Company or subsidiaries taken as a whole.

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution of the Company, the relevant provisions of which are set out below:

SHARES		
4.	Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions 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, provided always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of these presents.	Shares under control of Company in General Meeting.
5(A).	Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Stock Exchange, provided that the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares. 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. Preference shareholders shall also have the right to attend and vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning of a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects any of the rights or privileges attaching to the preference shares or when the dividend on the preference shares is more than six months in arrears.	Company may issue preference shares
5(B).	The Company has the power to issue further preference shares ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued. The allotment and issue of preference shares is subject to the Act and any requirements or limitations prescribed by the Stock Exchange.	Issue of further preference shares.

8(A).	Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before they are issued, be offered to such members as are, at the date of the offer, entitled to receive notices from the Company of general meetings, in proportion as nearly as the circumstances admit, to the number of shares to which they are entitled or hold. Such 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 such 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 dispose of any new shares which (by reason of the ratio which the new shares bear to the shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).	Offer of new shares to members.
11.	Except as required by law, no person other than the Depository shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (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 law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as a sole or joint holder of the entirety of such share.	Persons that the Company would recognise as having title to a share.
12.	Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred, special or qualified rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.	Company may issue preference shares which are to be redeemed.

14.	The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors deem fit. Such commissions or brokerage 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, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit.	Commission for subscribing.
15.	Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 market days of the closing date (or such other period as may be approved by the Stock Exchange) of any such application. 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 or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise 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.	Allotment and right of renunciation as recognised by the Directors.
17(A).	The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, trustees or administrators of the estate of a deceased Member.	Joint holders.
17(B).	In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.	

18.	Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within 10 market days of the closing date of any application for shares (or such other period as may be approved by the Stock Exchange) or within 10 market days after the date of lodgement of a registrable transfer (or such other period as may be approved by the Stock Exchange), one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred and where a charge is made for certificates, such charge shall not exceed $2 or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate(s) 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 issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of $2 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 the Stock Exchange.	Member entitlement to receive a share certificate.
19(A).	Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.	
19(B).	If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of $2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange.	
19(C).	In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.	

20(A).	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 letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate in any case on payment of such sum not exceeding $2 as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange. In the case of destruction, loss or theft, a shareholder or person entitled 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, loss or theft.	Renewal of share certificate.
20(B).	When any shares under the powers in these presents herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.	
	CALLS ON SHARES	
21.	The Directors may from time to time as they think fit, make such calls upon the members in respect of any moneys unpaid on their shares or on any class of their shares not by the conditions of the issue and allotment thereof made payable at fixed times. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.	Powers of Directors to make calls.
23.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person 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 determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such sum, but the Directors shall be at liberty in any case to waive payment of such interest, costs, charges and expenses wholly or in part.	Interest on unpaid calls.

24.	Any sum which by the terms of allotment of a share becomes payable upon allotment or at any fixed date and any instalment of a call shall for all 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 case of non-payment, all the relevant provisions of these presents as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Sums payable under terms of allotment to be deemed calls.
25.	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.	Difference in calls between various holders.
26.	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 money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at 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, while carrying interest, confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.	Payment of call in advance.
FORFEITURE OF SHARES		
27.	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 costs, charges and expenses incurred by the Company by reason of such non-payment.	Notice to be given of intended forfeiture.
28.	The notice shall name a further day (not being less than 14 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 non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.	Form of notice.
29.	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, costs, charges and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.	If notice not complied with shares may be forfeited.

30.	A share so forfeited 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 disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.	Sale etc of forfeited and surrendered shares.
31.	A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the 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 the shares with interest thereon at ten per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment in respect of the shares and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.	Liability on forfeited shares.
	LIEN ON SHARES	
32.	The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid callas and instalments upon the specific shares in respect of which such monies are due and unpaid 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.	Company's lien on shares.
33.	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 14 days after a notice in 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.	Right to enforce lien by sale.
34.	The net proceeds of such sale shall be applied in or towards payment or satisfaction of the unpaid calls and accrued interest and costs, charges and expenses 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 authorise some person to transfer or effect the transfer of the shares sold to the purchaser.	Application of proceeds of sale.

35.	A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited 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 of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person 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.	Sale etc of forfeited and surrendered shares.
	TRANSFER OF SHARES	
36.	All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the usual common form, or in any other form which the Directors and the Stock Exchange may approve. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. 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.	Shares to be transferable.
37.	The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than 30 days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers, Provided always that the Company shall give prior notice of such closure as may be required to the Stock Exchange (as may be required by the listing rules of the Stock Exchange), stating the period and purpose or purposes for which the closure is made.	The Register may be closed.

38(A).	There shall be no restriction on the transfer of fully paid-up shares (except where required by law or the rules, bye-laws or listing rules of the Stock Exchange) 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 (except where such refusal to register contravenes the rules, bye-laws or listing rules of the Stock Exchange), Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the rules, bye-laws or listing rules of the Stock Exchange), give to the transferor and to the transferee notice of their refusal to register stating the facts which are considered to justify the refusal as required by the Statutes and/or rules, bye-laws or the listing rules of the Stock Exchange.	Restriction on transfer.
38(B).	The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:– (a) such fee not exceeding $2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Stock Exchange) as the Directors may from time to time require, is paid to the Company in respect thereof; (b) the instrument of transfer 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; (c) the instrument of transfer is in respect of only one class of shares; and (d) the amount of the proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamps is tendered.	Fees relating to transfers and requirement for an instrument of transfer.

42.	Subject to any legal requirements to the contrary, 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 particular 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.	
GENERAL MEETINGS		
49.	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.	Annual General Meetings.
50.	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.	Directors may call Extraordinary General Meetings.

ROBERT KHAN

- Chartered Surveyors
- Valuers of
  - Plant & Machinery
  - Real Estate
  - Businesses
  - Fine Arts
- Auctioneers & Agents
- Facilities & Project Managers
- Capital Allowance Claims Consultants

RICS

INDEPENDENT VALUATION SUMMARY LETTER ON THE PROPERTY VALUATION OF NO. 5 WOODLANDS TERRACE SINGAPORE 738430

Our Ref. : PV/6597/ZAC/1511/RK/LKH
Date : 23 November 2015

The Board of Directors
Zagro Asia Limited
No. 5 Woodlands Terrace
Singapore 738430

Dear Sirs,

RE: PROPERTY VALUATION OF NO. 5 WOODLANDS TERRACE SINGAPORE 738430

This Valuation Certificate has been prepared for the purpose of inclusion into Zagro Asia Limited shareholders' circular.

In accordance with your instructions, we have inspected the abovementioned property on 12 November 2015 and assessed the Market Value with vacant possession of the Subject Property for the purpose of Delisting.

In arriving at our opinion of the market value, we have relied on the Investment and Cost Methods, as at 12 November 2015.

This valuation certificate is to be read in conjunction with our full valuation report (Ref: PV/6597/ZAC/1511/RK/LKH).

Yours faithfully
on behalf of **ROBERT KHAN & CO PTE LTD**

PV/6597/ZAC/1511/RK/LKH

Robert Khan & Co Pte Ltd 简有为国际商业资产及机械咨询公司 *Registration No. 199305890G*
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Australia • China • Hong Kong • India • Indonesia • Malaysia • Myanmar • Philippines • South Africa • South Korea • Taiwan • United Kingdom • USA
INTERNATIONAL BUSINESS ASSETS CONSULTANTS

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VALUATION CERTIFICATE

Property	Description	Market Value With Vacant Possession as at 12 November 2015
No. 5 Woodlands Terrace Singapore 738430	The property is a six storey detached factory with ancillary office with land area of 5,016.3 square metres (53,995 square feet approximately) and 11,658.23 square metres (125,488 square feet approximately) based on information provided by the client. The six storey detached factory with ancillary office is generally constructed of reinforced concrete framed structure, reinforced concrete floors and concrete flat / glass pitch roofs. Vertical access within the building is via internal reinforced concrete / metal spiral staircases, passenger lifts and good lifts. Legal Description: Lot No. 2518C, Mukim 13 JTC Private Lot: A14808 Tenure: JTC lease 30+30 years commencing from 1 December 1994 (balance lease approximately 39 years) Registered Lessor: Jurong Town Corporation Registered Lessee: Zagro Singapore Pte Ltd Authorised Use: The blending of nutrition supplements only. Master Plan Zoning (2014): "Business 2" The property was lessee occupied / subleased as at date of inspection.	***Market Value: S$16,000,000** ***Market Value** means the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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Property	Description	Market Value With Vacant Possession as at 12 November 2015
	Since there are no recent sale comparables in the vicinity. As such, we have adopted the Investment and Cost Methods. The Investment Method involves estimating the yearly gross rental income realizable by the subject property under prevailing market conditions. Deductions are then made for outgoings such as property tax, land rent and other expenses to arrive at the net rental income per year. This figure is then capitalized at an appropriate rate to arrive at its capitalized rate. The Cost Method entails estimating the depreciated replacement cost of buildings and other site improvements. This approach involves estimating the Cost of Replacement New which is the present cost of reproducing the existing buildings and other site improvements on the subject property with comparable new ones. A depreciation allowance is then made to reflect the remaining life to give the depreciated replacement value.	

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LIMITING CONDITIONS

Maximum Liability
Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to the fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.

Reproduction Of The Report
Reproduction of this Valuation Report in any manner whatsoever in whole or in part without prior written prior consent from the Valuer is prohibited.

Approval should be obtained formally from the Valuer before any reference to this Report can be made in any statement, published document or circular.

Valuation
The opinion expressed in this report applies strictly on the terms of and for the purpose expressed in this Valuation. Hence, the value shall never be quoted out of context in connection with any other assessment.

The Valuer accepts no liability if his opinion is quoted without regard to the full background of the reason why this Report is written.

No allowance has been made in our Valuation for any mortgages, charges or amounts owing on the property or for any taxation or other expenses, which would be incurred in effecting a sale.

As we have not had an opportunity of inspecting the Title Deeds of the property, our Valuation assumes that there are no adverse restrictive covenants, easements, rights of way or other factors of which we have not been informed. It is recommended that the title details are verified by your solicitors.

Values are reported in Singapore currency unless otherwise specified.

Goods and Services Tax have not been taken into account.

It is assumed that the property is not used in contravention of any planning or other regulations.

For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.

No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

Valuation Data
Where it is stated in the Report that information or data has been made known to the Valuer by another party, this information is believed to be reliable and he disclaims all responsibility if this should later prove not to be so.

Where information is given without reference to another party in this Report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge.

Processed date inferences therefrom shall be taken as the Valuer's opinion and shall not be freely quoted without acknowledgement.

Structural Defects
While due care is taken to note defects in the course of inspection, no structural survey or engineering tests were made. No responsibility is assumed for the soundness of the structure or of the services.

Attendance In Court
The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefore.

ROBERT KHAN

Robert Khan
Chief Executive Officer

After his service in several international property consultancies in Malaysia, Singapore and the United Kingdom, Robert Khan established Robert Khan & Co Pte Ltd in 1997 where he continued to lead the execution of major auction, valuation and marketing projects around the region including China, Vietnam, Indonesia, Thailand, Myanmar and Malaysia.

Robert is a Chartered Surveyor qualified in both the Plant & Machinery and Real Estate Divisions, Professional Member of the Royal Institution of Chartered Surveyors (MRICS) & Certified Commercial Investment Member (CCIM). He regularly appears as expert witness in court for property and plant & machinery dispute resolutions.

He authored a book "Factory Services" published by the Royal Institution of Chartered Surveyors. He is also a past president of the Rotary Club of Singapore East.

ZAGRO ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199406784D)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Zagro Asia Limited (the "**Company**") will be held at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 on 4 February 2016 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without any amendments, the following resolution (on a poll to be taken) in accordance with the requirements of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Rule 1307 Resolution**"):

RULE 1307 RESOLUTION

Approval for the Voluntary Delisting of the Company

That:

(a) the voluntary delisting of the Company from the Official List of the SGX-ST under Rules 1307 and 1309 of the Listing Manual of the SGX-ST (the "**Delisting Proposal**") pursuant to which the Exit Offer (as defined in the circular dated 13 January 2016 (the "**Circular**")) would be made to shareholders of the Company on the terms and conditions set out in the Circular, be and is hereby approved; and

(b) the directors of the Company and each of them be authorised and empowered to complete and to do all such acts and things as they may consider necessary or expedient to give effect to the Delisting Proposal and/or this Rule 1307 Resolution, with such modification thereto (if any) as they or he shall deem fit in the interests of the Company.

BY ORDER OF THE BOARD

Chan Ying Lock
Lead Independent Director
Singapore

13 January 2016

Notes:

1 A member of the Company entitled to attend and vote at the EGM may appoint a proxy or proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2 If a proxy is to be appointed, the instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 not less than 48 hours before the time appointed for the EGM.

Personal Data Privacy

Where a member of the Company submits 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ZAGRO ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199406784D)

IMPORTANT

1 For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees 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.

I/We _____ (Name)

of _____ (Address)

being a *member/members of **ZAGRO ASIA LIMITED** ("**Company**") hereby appoint

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the EGM of the Company to be held at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 on 4 February 2016 at 2.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Rule 1307 Resolution to be proposed at the EGM as indicated hereunder WITH AN "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

* Please delete accordingly

RULE 1307 RESOLUTION	By taking of a poll	
	No. of Votes For(1)	No. of Votes Against(1)
Approval for the Voluntary Delisting of the Company		

Note:

(1) If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 13 January 2016 (including supplements and modifications thereto).

Dated this _____ day of _____ 2016.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

_____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

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 Section 81SF of the Securities and Futures Act (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members, you should insert that number. 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. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2 A member entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf, subject to Note 4 below. A proxy need not be a member of the Company.

3 The proxy form must be deposited at the registered office of the Company at Zagro Global Hub, 5 Woodlands Terrace #06-00, Singapore 738430 not less than 48 hours before the time appointed for the EGM.

4 A member who is a relevant intermediary (as defined in Section 181(1C) of the Companies Act (Cap 50) of Singapore) and who is entitled to attend and vote at the EGM may appoint more than two proxies to attend and vote on its behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

5 Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

6 The proxy form must be under the hand of the appointer or his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

7 Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

8 A member that is a corporation may, by resolution of its directors or other governing body, appoint such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap 50) of Singapore.

9 The submission of a proxy form by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

10 The Company shall be entitled to reject a proxy form 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 proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form 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 meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting the proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 13 January 2016.